Western Business Trends Affecting Business Practices in the Eastern Europe

Thesis

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Title: Western Business Trends Affecting Business Practices in the Eastern Europe

Question: To what extent are Western Business approaches useful in Eastern European countries?

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Abstract

The research work delivers an attempt to systematically analyze the current situation of the West-East business cooperation happening presently in the European context. Unfortunately, many Western companies and managers do not see a need for cultural sensitivity and awareness when dealing with Easterners. Easterners, in their turn, are sometimes in a hurry to duplicate and imitate what Westerners do. In the reality, these approaches rarely work out. Contrariwise, these omissions of socioeconomic, cultural, and political contexts lead to frustrating experiences and may result in a project, cooperation or even enterprise failure. The paper analyzes the environment, actors, and assumptions what were in place when the process of market liberalization started in Eastern Europe; how they were evolving and what trends are modern nowadays. Finally, the research work summarizes conclusions, gives directions for further research and is a valuable contribution to scholars and practitioners who examine the topic in terms of managerial implications and guidance.

I. Introduction

More than a quarter of the century has elapsed since the demolition of the Berlin Wall – the symbol of a divided Europe. Twenty-five years is more than half of the period of Communistic control and influence (to a greater or smaller extent) in Eastern European countries as Czechoslovakia, Hungary, Romania, Bulgaria, Ukraine, Belarus, etc. From a retrospective locus, hardly any Western consultant, politician, or businessman would predict today that many differences between the West and East would exist even solely within a European context. Nonetheless, modern business academia and professional divisions must recognize that such distinctions are present and continue to influence the way the business is done in the Eastern Europe, and cooperation occur between two cultures. On the other hand, one cannot deny that Western business practices and trends are dominant and play a significant role in forming and shaping of the Eastern business world.

Even though, Eastern European countries shifted to the market economy more than two decades ago, implementing and adapting Western Business trends is the process that could be observed this time as well. The question is how useful are those practices in the context and business environment of Eastern European countries. Apparently, socialistic past of these states influenced and shaped many, if not all, aspects of professional behavior. First such ~~an~~ aspect is learning habits and willingness to change. Successful adaptation of Western Business approaches strongly depends on the method Westerners use to transfer their business intelligence. Was it a dictated business mantra with immune status-quo or a constructive dialog that questions the validity of Western approaches in Eastern cultures? The next question is how independently Easterners would be able to act in the following years without the permanent assistance provided from the more advanced “teachers”. After all, giving a fish and not teaching how to catch it would not work in the long run and is rather a waste of resources. Finally, how large is the gap between the West and East and how much time it would take to harmonize the business context in Europe in particular and in business academia, in general? It seems that the East is inevitably applying Western practices with increasing momentum, but how much useful and beneficial they are, is the question to analyze in the paper. Therefore, the thesis of this research work is that even though Western businesses are dominant and duplicated in the East, their principles and approaches are not always the best solutions for the post-socialist part of the continent since broader contexts must be taken into account as cultural and socio-economic perspectives.

The question of the research gives an opportunity to analyze Western and Eastern businesses taking into consideration different aspects of it such as management, marketing, and organizational behavior, for instance. The growing presence of companies from Eastern countries on the European market increases the demand for specialists educated at Western business schools, who can apply their knowledge internationally and hasten the process of business harmonization. Subsequently, if used correctly, business intelligence could decrease the gap with a comparatively poorer East. Moreover, this practice would allow to improve the communication between these two extremes – the issue that is currently of a significance taking into consideration social unrests in Ukraine or Greece, for example.

From the academic point of view, the research question allows to analyze in detail business relationships between the East and West, to track how they were originated and which obstacles and issues this process faced while evolving. Obviously, many theoretical implications and assumptions were done at the beginning of this journey; subsequently, these assumptions have been changed and adjusted to Easterners' needs. The understanding of them could allow managers and academics to resolve problems currently present between two business worlds. In conclusion, after the study is completed, the research question could bring practical and theoretical benefits that could be derived from the historical context and assumptions made at the beginning and during the process.

Before a comparison between the regions is made, an explanation and distinction between the West and East must be done. Nowadays, a bulky dispute is apparent discussing affiliation of certain countries to European blocks. For instance, Czech Republic could be regarded as an Eastern state; nonetheless, many argue that due to its cultural, historic, and economic context the country must be viewed as a Central European nation. This and other disagreements is out of the scope of the research since the distinction is vague, but both views could be supported with the valid arguments going back for decades and even centuries. The Austro-Hungarian Empire is a vivid example of this ambiguity. In essence, Austria is known to be a Central European country that has many ties with the West and practices capitalism (in a greater or lesser extent) for centuries; on the other hand, Hungary – once organic whole with the Empire – is now classified as a member of the East region. Unfortunately, there is no uniform definition that successfully delineates the division. Therefore, the meaning of the term 'East' in this paper is coupled with the post-membership of countries in the Socialist camp. In particular, the author is not arguing on the matter what countries are Central, Eastern, or Western, but rather is using ‘the iron curtain’ as a convenient instrument of the past to discuss certain states in the paper. Thus, modern states that were included in republics of Czechoslovakia, Yugoslavia, Albania, Hungary, Romania, Poland, Bulgaria, and USSR (Belarus, Ukraine, Moldova, and Russia) would be regarded in the paper as ‘Eastern European’ countries. Consequently, the Baltic States as well would be stated to be Eastern countries with the purpose of ease and not as an attempt to undermine Baltic heritage and significance of the region. The same reasoning holds for the Balkan States. In addition, terms ‘Eastern’ and ‘Central’ European states would be used together and interchangeably throughout the paper. On the other hand, Germany even though experiencing the same transition in the Eastern territories, would be classified as a Western country, since the process of shift was accelerated by the country itself and deserves another dissertation to analyze the situation. Finally, Russian Federation with its attempts to learn from the West and cooperate with Europe could not be omitted from the research since a vast amount of papers were written discussing and analyzing case studies of knowledge transfer, cultural dimensions, and cooperation between international companies involving participation of the West and the country.

Noteworthy, the Czech Republic is rather an exceptional example. For decades it served the purpose of a bridge between the West and East. It is a unique country with a particular geographic location. Therefore, the author for the purpose of further clarification can easily classify the republic as a Central European country. This assumption is true when comparing business practices as well. For years Czechs were among the first ones to adopt and implement Western business culture. Not surprisingly, nowadays the country has one of the best economic indicators compared to other states from the block.

A. Western European vs. Eastern European cultures

Even though Western and Eastern Europeans share common cultural legacy dating back to Ancient Greece and the Roman Empire, nowadays, Eastern Europeans differ vastly from their Western counterparts. These distinctions are embedded in world perceptions, norms of behavior, systems of beliefs, etc. Therefore, different business realities are created and preached between the West and East. To gain insights into these separations, national differences, learning habits and heritage of political and economic regimes must be analyzed in terms of business approaches and trends.

1. National differences

Apparently, one of the most studied cultural differences is individualism versus collectivism dimension (Kokkoris, 2013). Extensive studies, surveys, and experiments were conducted to analyze the self in terms of autonomy and independence as compared to interconnected social units and association to others. The same argument is correct as compared to the European context where a division between the West and East is done based on historical, cultural, religious, and political contexts. In terms of values, Schwartz & Bardi (1997) argue that there are significant differences in hierarchy and autonomy perspectives between the 12 Western European and the nine post-communist countries. Therefore, Easterners are more dependent on hierarchy and formal ties within societies and organizations. Westerners, in turn, are more autonomous and willing to act independently be it a professional or personal critical incident. Furthermore, a weaker emphasis is put on self-expression values in Eastern European countries than in Western ones (Kokkoris, 2013). This trait could be advocated with the help of the Communist regime that implied less, if not entirely absent, freedoms to express one's ideas, opinions, and visions. Moreover, Bakacsi et al. (2002) assuming that social embeddedness plays more significant role in the Eastern than in the Western Europe, show that lower power distance is present in Western European culture when compared to the Eastern one. Taking into consideration these findings and historical, economic, political, and religious reasons it is concluded that Eastern European cultures are more collectivistic compared to Western European countries.

Naturally, differences presented above are only a small portion of all present between the West and East in the European context. Kokkoris (2013) makes an interesting distinction between Western and Eastern Europeans in terms of choice and dissonance. His study concludes that "Western European participants experienced more post-choice dissonance than Eastern European participants." Interviewees were assured that they were participating in marketing research organized by a local cinema to analyze viewers' preferences. In the middle of the procedure, respondents were asked to choose twice ten most preferred films. Participants knew that it was not a memory test and were encouraged to choose as they feel at the moment during the second round of answering. To make the study as close to reality as possible participants were given tickets to particular movies that they ranked as the most preferred ones. The study has shown that the spread of alternatives is higher among Western than among Eastern Europeans. Therefore, Eastern Europeans are less pronounced to experience post-choice dissonance than Westerners are (Kokkoris, 2013). These results are logically interconnected with the discussion of individualism and collectivism roles in these cultures. To put it differently, in individualistic societies people tend to attach their choices to themselves; decisions are personal and expressive in terms of one's self. Therefore, Western Europeans after making a choice tend to reduce cognitive dissonance to avoid discomfort; as the result, Westerners' spread of alternatives is larger. Easterners, on the other hand, tend to make choices in accordance with social norms; therefore, individual discomfort or dissonance, in this case, does not bother them to the same extent as it happens in Western Europeans' incidents.

Already at this phase, there is one apparent limitation to Western business approaches, as they are present in an unadjusted type, usefulness to Eastern Europe. For instance, marketers try to associate products with individuals and their ways of expressing one's self. Therefore, advertising campaigns and marketing strategies, particularly in the West, advocate for a sensual connection between a product and the end customer. However, cultural differences discussed previously imply that these claims could not be valid to the same extent in all European countries. Contrariwise, marketers must pursue group affiliation and social connectedness while advertising and marketing in Eastern European cultural contexts and countries.

2. Learning Habits

Naturally, transformation and transition – the circumstances that Eastern Europeans face themselves for decades – happen through a learning process where both Westerners and Easterners meet and cooperate. Therefore, different cultural meaning systems of education may and do influence the process of sharing and capturing new knowledge, ideas, and perspectives. The success or failure of the learning process in Eastern European countries strongly depends on whether both groups are on the same page in terms of perception and underlying assumptions. Li (2003) in her work represents "the mind/virtue framework of concepts of learning". The distinction is made between Eastern and Western cultural learning habits. In essence, Western learners are ‘mind-oriented’. In other words, mind-oriented students are regarded as Socratic learners for whom doubt and authority challenge is considered to be the beginning of the learning journey (Egmond, 2010). Consequently, Western students are taught to examine validness of statements, generate arguments and counterarguments by analyzing all sides of any given position. On the other hand, Easterners (outside the European context in the study) are regarded as ‘virtue-oriented’ in terms of learning ideology. In essence, social and moral development for virtue-oriented students is the primary goals in a learning process (Li, 2003). Therefore, in terms of Confucianism, knowledge that could be of a benefit to the society must be pursued and is considered valuable (Tweed, 2002). On the other hand, virtue-oriented learners are socially not allowed to challenge authority before elaborate and effortful learning process puts a student in a position of questioning others (Egmond, 2010). Even though this theoretical framework initially concerns Western European and Eastern Asian thinking and learning patterns, it is consistently used to draw differences within European cultural context and gives an understanding of differences one could encounter in Western and Eastern European students.

To illustrate, Egmond (2010) shows that a cross-cultural study completed at Jacobs University in Germany demonstrates a tendency in Eastern Europeans to be concerned more with virtue-oriented characteristics of learning processes than Western European students tend to do. In essence, the study proposed to its half a thousand cross-cultural campus to complete surveys related to cultural learning systems’ values (Egmond, 2010). Supposedly, Western Europeans’ mean virtue orientation was the lowest among represented cultural clusters; surprisingly, Catholic Eastern Europeans manifested higher virtue association than even Orthodox Eastern Europeans, who, presumably, were under greater influence of Communist authorities due to geographical proximity and cultural similitude. Moreover, Eastern Europeans' virtue orientation is corresponding to Indian connotation to Non-Socratic learners (virtue-oriented) (Egmond, 2010). Besides, the study included faculty members. Unfortunately, the lowest mean virtue orientation was displayed by these respondents, but their appreciation of virtue values in students during the learning process was insignificant and faded than compared to mind oriented goals and ideology.

Moreover, studies that used different theoretical frameworks come to conclusions closely associated with results obtained at Jacobs University. For instance, a recent study of Kuhnen et al. (2012) confirmed that Eastern students are less likely to demonstrate in-class communication characteristics that challenge authority, volunteer answers, question content matters and professors as well, and, unfortunately, manifest fewer analytical thinking abilities than compared to Western European students. Additionally, Bengoa & Kaufmann (2014) also state that Western Europeans are regarded as Socratic learners while classifying Easterners as authoritarian learners. Even though the terms are different in their etymology, Confucian and authoritarian learning habits and norms share the same characteristics. In essence, criticism, comments, extensive questions and answers could be perceived by Easterners as immodest and over-confident (Bengoa & Kaufmann, 2014). Therefore, being culturally blind could lead to possible conflicts and misunderstandings Westerners and Easterners could encounter in the mid of knowledge transfer and learning processes.

Make no mistake, papers cited are not trying to argue that Eastern Europeans must be regarded as 'Confucian' learners, but rather are used to demonstrate potential differences in business approaches and by no means claiming that Eastern states are similar to Asian ones. The example is a decent proof that European countries are not similar among each other and should be taken into account as separate units.

Before moving further, it is worth mentioning that the current research is an attempt to lay foundations of examining and analyzing cooperation and coexistence of Western and Eastern business environments in the European cultural context. Therefore, many aspects of any given discussion are omitted. For example, inductive versus deductive learning styles are not discussed, since Eastern Europeans differ among themselves in this aspect when compared to Westerners. There is no possibility to categorize all Eastern Europeans to one group. Therefore, further discussion of associative versus abstract thinking does not make sense as well. These and other characterizations should be done when two particular countries from the East and West are opposed to each other in a comparable research.

3. Knowledge Transfer Implications

Fortunately for many, recent economic downturn has at least some positive outcomes. For instance, in an attempt to survive and stay sustainable Eastern European companies seek strategic alliances and cooperation with Western organizations and vice versa. As the result, this leads to an increased cross-border flow of knowledge and information. However, before examining practical incidents of knowledge transfer between the East and West, theoretical limitations such as knowledge applicability, lack of absorptive capacity, ethnocentricity, and inadequate behaviors must be taken into account.

Knowledge management expertise used to its full potential requires a multidisciplinary approach from managers willing to capitalize on this advantage and become more competitive. The issue becomes even more complicated when different cultural backgrounds interact in knowledge creation, transfer, and dissemination. Davenport & Prusak (1998) give a definition of knowledge as a "fluid mix of framed experiences, values, contextual information, expert insight, and intuition that provides an environment and framework for evaluating and incorporating new experiences and information." Moreover, Raich (2000) believes that opinions, prejudices, and assumptions are also included in knowledge. Unfortunately or not, people are complex and individual; the processes mentioned by Davenport & Prusak significantly vary even within a cultural context; additionally, between two distinctive cultures, interactors might not even have a shared system of beliefs, norms, and values that could be related to, and explanations found in.

Many pieces of research come to conclusions that Western managers are rather culturally blind and put weak emphasize on cross-cultural sensitivity and are rather subconsciously relying on ethnocentric perception of dominant position of their beliefs systems; Holden & Tansley (2007) argue that the majority of them are poorly prepared for international missions and underestimate the significance of backgrounds trainees could manifest. This cultural awareness gap leads to frustration from the side of receivers (Eastern Europeans in this case), since their needs are not understood, but Western transmitters see themselves as almighty experts who should be obeyed and not questioned. Bengoa & Kaufman (2014) claim that this happens because Western organizations believe that business is business, but convergence should occur to maintain technological standards and product quality. Nevertheless, due to this reason or another, Westerners are dreadfully wrong in their perceptions, but business practices nowadays must adapt to necessarily diverse sociocultural surroundings.

On the other hand, the criticism of the one-way direction of knowledge flows is apparent. Michailova & Sidorova (2010) claim that knowledge transfer is linear and mainly sent from the West to East. Even though it is arguable that the same knowledge amounts could flow from the East to West, a reciprocal process of assessment, critique, feedback, and knowledge application is essential to a successful learning process Western European managers are trying to achieve. Bengoa & Kaufman (2014) claim that if learning process is imitative and completed to satisfy the authoritative requirements merely this assumes the acceptance of a new approach at best – a change in patterns of behavior accomplished by single-loop learning without “any reflection, criticism, appreciation, and, most important, the application of new knowledge that could lead to real cognitive change.”

Concluding, these limitations are not the full list of flaws to be fixed in knowledge transfer process between the West and East. Others are, for instance, political past of Eastern Europeans that was controlling social and personal aspects of people’s lives from the top by implanting artificially desired patterns of behavior and social interactions (including learning habits and implications). As Child and Czegledy (1996) explain, the influence of political past of the Eastern

Europe has been so drastically intimidating to its population that this could reshape and even undercut their readiness to learn. Therefore, a retrospective judgment about the present in terms of the past could allow to minimize failures of knowledge transfer encountered by many, if not, the majority of organizations involved in the process. On the other hand, presumably, well-known cultural shock has its adverse impacts on knowledge transmitter visiting an Eastern European country, in turn, this leads to communication gap evoked by prolonged distress that erodes one’s ability to recognize emotions and express feelings of empathy; everything is seen in black and white (Marx, 2001).

B. Overview of politics and economics nowadays in terms of dichotomous past of Eastern and Western Europe

Apparently, the harmonization of business approaches between the West and East is possible and hastened by the presence of the European Union and its institutionalized rule. After the collapse of the USSR, Central and Eastern European countries unanimously expressed a willingness to be accepted by the West morally and economically. Stojanov (2012) identifies the ideal of returning to the civilized world (again) as the most significant and equivocal among ‘velvet’ revolutionists of the East. In essence, pre-socialist past’s ideological orientation to freedom, wealth and a public reason was an escape from tyranny Easterners had experienced for decades. Krasnodebska (2014) argue that ‘the West’ became for Central and Eastern European countries an idealized counter-model to realities they lived in after the last World War. Therefore, from the inception of socialization process there were bases to believe that it would be fast and smooth. The ideal of liberal democratic freedoms became “a powerful state of expectation, a heartfelt desire and empire of mind” (Woll & Wydra, 2008).

Nevertheless, the process of socialization, run mainly by the EU and NATO, upon expiration of ten years was significantly hindered by ‘Eurosclerosis’. Stojanov (2012) argues that political alienation is expressed by voting abstinence. A vivid instance of absence of interest and apathy in terms of political behavior are represented in the European Parliament 2014 vote turnout. For example, the participation rate in the Czech Republic was extremely low and dropped by ten percent compared to the 2009 elections and constituted 18.2%; only 13.05% of Slovakian population decided to cast their votes last time (European Parliament, 2015). Surprisingly, even in Belgium (one of the EU founders) turnout dropped to historic low and amounted only to 42.61%. Therefore, people see EU institutions as distant, complicated, and not representative. Unfortunately, this pessimism erodes socialization momentum. Moreover, Stojanov (2012) discusses utopian nostalgia that Easterners experience to some degree recalling socialist past as times when people were all members of one large family. The author, however, believes that these tendencies are valid due to the failure of biographical learning (political identity re-building) that Easterners did not manage to complete (Stojanov, 2012). Nonetheless, for this reason or another, the disappointment slows down European integration, and, what is in the concerns of the paper, could possibly lead to a sluggish cooperation between the West and East and further diversification, since talks about choosing one's national future are met throughout the Europe on daily basis.

On the one hand, Westerners themselves show signs of losing trust in the EU. Polyakova (2014) demonstrated that in last fifteen years, despite expectations of many, support for radical right parties in Western Europe is increasing faster than in Eastern countries, and reached vote-share rate among Western nations above 10%. Naturally, intimidating is not people's preferences for radical right parties, in particular, but rather the underlying message that radical parties are trying to spell out about the EU with its incompetence and necessary deconstruction.

On the other hand, even though dichotomizing and depicting the East as an immature version of the West, since it actively positions itself as the socializer that knows what is beneficial for the East, omitting its contextual assumptions, the process of socialization could be considered as a success. All in all, Central and Eastern European countries established independent functioning market economies and have a rule of law that secures democracy and protection of freedoms to a certain degree.

Therefore, politics and economics, which are complementary since “right and just, is nothing but a matter of ideology that mirrors the economic base of society as well as the interests of its ruling class,” are of a significant role to the paper because they influence people personal as well as professional lives (Stojanov, 2012). The desire of Easterners to cooperate and learn from the West is conditioned by the realities they live in. Thus, without understanding of the current processes that are dominant in Europe coexistence and cooperation of business units of the East and West could not be understood accurately.

This chapter tried to discuss main points of interest to the author that in his opinion could frame the theoretical, historical, economic, and political landscape of issues examined in the paper and give a brief overview, even though scattered and insufficient, of literature recalling, to a greater or smaller extent, the East-West divide in terms of cultural diversity.

II. Practical Part

The previous chapter tried to organize theoretical implications of the interest to the research's theme. The following part is concentrated on life events, situations, case studies and environments that discuss, examine and question the theory that was behind them.

A. Business Schools' position and influence in the question

Apparently, business schools in the United States as well as in Europe play a significant role in how the business is run, but academia is responsible for a vast amount of ideas and concepts that allowed global consulting firms to generate enormous profits and build favorable reputations. However, many people blame schools for disasters businesses create occasionally. For instance, environmental damage inflicted to the Third World countries or the issue of the recent debt crisis that is reflected in media to a greater extent than the former one. Nonetheless, Ricart (2011) in his paper claims that business schools' responsibility for the crisis is doubtful since academia in its turn is also positioned under the influence of international corporations and their needs and wants. One way or another, hardly anyone would deny the fact that after the World War II, universities and business schools, in particular, became part and parcel of the system that directs and controls the way the business is done.

Next, European context must be taken into account. Leavitt (1957) marked the beginning of the second half of the 20th century as the era of dominant American business schools in Europe that was a "weapon of social change". Furthermore, American institutions of the higher education are on the top of international rankings and perceived by many as most competent and competitive schools. Thus, one may have a question whether European business schools must be taken into account at all. Nevertheless, Kaplan (2014) claims that since the 1990s European academia started to recover its unique identity and pursue local and relevant goals. For instance, in 1997, the European Quality Improvement Accreditation System was established with the help of the European Union and acted as a counterpart to US accreditation system AACSB (Kaplan, 2014). Moreover, it is the matter of fact that Europe has invented business schools and academized the discipline of commerce and management instruction first. In particular, Blanchard (2009) demonstrates that the first business school was founded in 1819 by a French trader Vital Roux and an economist Jean-Baptiste Say. In turn, the first business school in the United State, the Wharton School of Finance and Commerce, on the other hand, was opened just in 1881, 62 years latter (Kaplan, 2014). Interestingly, American schools were based on Taylorism principles and concentrated on improved efficiency in production lines and labor output (Ricart, 2011). Furthermore, European institutions had social scope and concerned about internationalism more (Kaplan, 2014). For instance, the first curriculum vitae of ESCP Europe, founded by Vital Roux and Jean-Baptiste Say, included the instruction of several foreign languages on a mandatory basis. In comparison, American business schools initially did not enthusiastically uplift an international perspective.

By no means has the paper implied that American management educational system is inferior when compared to European one. However, it is clear that the Old World has its own unique and independent academia. Moreover, the last three decades are marked as a (re)emancipation period of the European business schools. Unfortunately, the literature reviewed discusses the topic of

Eastern Europe to an insufficient extent, but available materials rather suggest that business schools in the region are less competent and self-asserting. Bennett & Kottasz (2011) in their survey-based research found that schools from the former Soviet bloc score the lowest in terms of the competitive orientation. On the other hand, institutions from the UK, Belgium, the Netherlands, and Ireland pay the most attention towards competitiveness and differentiation from opponents (Bennet & Kottasz, 2011). In essence, this outcome implies that Western business schools are less co-operative when compared to Eastern European colleges and would less willingly produce a common synergy with their counterparts on the continent. Furthermore, relatively small amount of Western respondents have admitted that their schools enjoy a high degree of autonomy (Bennet & Kottasz, 2011). In other words, universities see their business units as cash cows and would not allow them to deviate from the system that was proved to be profitable for decades.

As the result, European business schools have a number of advantages and disadvantages the Eastern countries could be exposed to. In essence, the Bologna system and numerous university rankings, as British Financial Times annual ranking, secure that business school should comply with a relatively standardized curriculum vitae and follow certain criteria according to which their positions in Financial Times list are determined. These instruments create a common drive towards a uniform educational system and place the majority of students on the same level when it comes to competiveness and competence. On the other hand, the academia is dominated by the Western system that, reportedly, is less co-operative and more risk averse. Therefore, the dialog between the East and West is hindered by the situation that favors only one part of the continental system and rarely takes into consideration the needs and desires of less competitive colleagues in the Eastern and Central Europe.

Fortunately, many scholars admit that the business school worldwide is in the process of transition. For example, Murray (2010) claims that “the need for business schools [is] to become hubs facilitating the development of dialogue between business, government and society.” Furthermore, Harrington & Kearney (2010) argue for the development of the dialog between business practitioners and research communities at all levels. Therefore, even though Europe has several pitfalls in its educational system when it comes to business schools, the international trend is such that the humanization and research orientation would be revived in the upcoming years. The former would reignite the dialog between people and communities and would allow to pay more attention to individual and societal needs. The latter would question the hegemony of Western education methodologies and techniques and would rather rely on statistical data and research methods when it comes to decision making in a particular situation or region (Eastern Europe in this case).

B. Knowledge Transfer and Experience Exchange Programs

Evidently, after territorial disintegration of the Soviet Empire countries of Central and Eastern Europe were in a rush toward liberalization and democratization of the market. At first, the hope for the economic restructuration was propelled by the concepts of small businesses and entrepreneurships (Konings, 1997). However, the economy should not only restructure itself, but regenerate from the downturn as well. Additionally, Matlay (2001) says that, ironically, the amount of financial and intellectual help to the East was in such a tremendous influx that this fact hindered the development of adequate support mechanisms and systems. On the other hand, government officials and top managers tried to resist the transition and maintain the *status quo.* This and other conditions, unfortunately, have guaranteed the fact that a portion of premature attempts to transfer knowledge and experience would fail, but more fruitful and proficient endeavors would need time and critical reflection of the situation in particular cases.

1. Premature attempts

Unfortunately, the collapse and imminent political and economic reorientation cultivated conditions for a 'gold rush' in terms of training and knowledge exchange provided. In many cases, they were brief, conducted in a hurry and affordable for relatively rich people who were in a desperate need for entrepreneurial skills to run small and medium-sized businesses. Furthermore, trainers were poorly aware of regional realities and trainees' needs. The trainings were organized in a Western-style set ups with the lecturers blindly believing in rightness of techniques and methods transferred. However, certain training programs were more efficient and productive. For instance, Matlay (2001) says that in cases when a trainee actually moved to the

West for the duration of the workmanship the results were more fruitful. In essence, the learner was put to the environment where skills gathered were useful and arranged to be applied. In other words, the mix of the theory with a valid practice allowed trainees to reflect critically to knowledge transfer and, more significantly, ensure themselves in soundness of the transferred material. However, these vocational programs were not more efficient due to their organization and structure, but rather due to the favorable conditions that motivated trainees for further replication and adaptation of the knowledge (Matlay, 2001). Lastly, Konings (1997) stated that the portion of people involved in Western trainings and experience exchanges was extremely low and, mainly, constituted for one or two managers from any given small or medium frim (most commonly, it was the owner or top executive).

Consequently, initial attempts to secure incessant influx of knowledge had failed due to their spilt characteristics, absence of the central institutions controlling the process, and, more significantly, the lack of a continuous feedback that could improve the quality and value of the trainings programs provided by Western organizations in an attempt to generate quick profits. Therefore, the approach to a necessitous East had to be thought out again on an organizational and more long-term perspective.

2. Success stories

Fortunately, the need to a collaborative approach was recognized by many scholars and practitioners. For instance, Auerbach & Stone (1991) realized the fact that the post-command economies should concentrate on building their own business culture that suits their needs properly rather than just slavishly duplicating others. In addition, Gilbert & Gorlenko (1999) predicted greater success for experience exchange programs that took into account local circumstances and conditions prior to program organization and design. Finally, long time before the knowledge transfer issue became topical in the context of the Eastern Europe, Berger & Luckmann (1976) argued that skills, knowledge, and experience are not classical commodities as, for instance, technology and machinery are, and, therefore, a mutuality of effort is required from both parties participating in the knowledge transfer.

Successively, Bedward et al. (2003) gives an example of British driven Joint Industrial and Commercial Attachment Programme as a case model of knowledge transfer that takes into consideration implications and assumptions discussed beforehand. In particular, the program was guided and sponsored by the British Council – an institutional body responsible for dissemination of knowledge and cultural achievements produced in the United Kingdom (Bedward et al., 2003).

Turning to the matter of fact, it is noteworthy that the program started with the surveys and interviews that possible candidates were invited to complete (Bedward et al., 2003). This step allowed organizers to examine particular needs and preferences future trainees were eager to undertake. Subsequently, based on the information gathered candidates for the program were allocated to certain groups each attending different universities for theoretical grounding and preparation (one such institution was *University of Luton*) (Bedward et al., 2003).

Subsequently, after the completion of theoretical phase which took three weeks, participants, mainly from Poland, Ukraine, and Russia, were placed to working positions in British firms of different size with the maximum relevance to one or another trainee's needs (Bedward et al., 2003). Thus, visitors from the Eastern Europe were able to examine and compare values of two different cultures and decide themselves what might be transferred successfully and what might be not.

Notably, most of the participants recognized that the Joint Industrial and Commercial Attachment Programme taught them human resource management and its significance. Additionally, other business aspects as organizational culture, learning organization concept, customer service and retention were now familiar to Easterners who saw an opportunity for their application back at home (Bedward et al., 2003).

Lastly, not only the collaborative and flexible nature of the program secured overall success and trainees concernment and overall satisfaction, but also supported professional business network creation between the host Westerners and visiting Easterners for future cooperation and development of mutual ties and business interests (Bedward et al., 2003). Therefore, even though knowledge and experience transfer was not an easy task on practice, a circumspective program proved to be beneficial for both parties, but the outcome was a process that implies material creation as well as a merely one directional movement of it.

C. Cooperation

Sooner or later, liberalization of the East implied a consistent cooperation between Western and Eastern Europe. However, the question was whether these two parties would be able and willing to overcome limitations presented at earlier stages of the European collaboration. Apparently, the beginning of 1990s, up to and including the end of the decade, proved that trivial pursuit of interests from Westerners' side would not lead to a fruitful and productive cooperation with the East; later, in turn, could simply lose interest, but caused frustration could hinder any further attempts to establish mutual connections between the counterparts. Accordingly, the success of the sterling cooperation of the two parts of the continent depended strongly on perceptions the West and East would form about one another. All in all, many companies from the West could see an inexpensive opportunity to outsource certain departments and branches to less regulated regions of the former-Soviet bloc (Rule of Law should still develop there), for instance.

1. FDI Inflows

Reportedly, one of the first steps Western Europeans could have taken in the direction of recently liberalized East is directing investments towards the region that could, subsequently, lay the foundation to a deeper and long-term oriented associations as joint ventures and strategic alliances, for instance. However, Alfaro et al. (2006) claim that among the most attractive characteristics a country could have for luring foreign direct investment stocks is developed financial markets. Thus, the case with the Central and Eastern European countries should be different, since the increased FDI inflow to Eastern Europe did not coincide with the improved governance and completely liberalized market economies. Consequently, Campos & Kinoshita (2002) argue that the case with the Eastern Europe was unique since the backwardness of those countries implied that the technology transfer instance, accompanied by FDI inflows, was more prominent that in any other FDI elsewhere. Therefore, benefits both parties were able to guarantee from the investments were robust, encouraging, and substantial. Moreover, Central and Eastern European countries, taking a step toward the West, abolished barriers to FDI stocks by increased openness, waves of government-owned firms' privatizations, and, lastly, the overall economic reorientation (Lipsey, 2006).

In conclusion, in many Eastern countries the amount of FDI stocks predicted by officials surpassed expectations in 2003 more than twice (Slovak Republic, Poland, Latvia, etc.) and more than triple (the Czech Republic, Hungary, Estonia, etc.) (Lipsey, 2003). Even though the raw data presented and analyzed by scholars on the matter of FDI inflows to the countries of interest does not allow to make a systematic comparison, keeping in mind scopes and aims of the research, since rarely do authors distinguish methods and techniques pursued by foreigners when entering transition economies, one thing is clear; tremendous amounts of investments from Westerners' side secured a continuous interest towards Eastern markets and business environment. Apparently, taking into consideration the amount of FDI stocks and the rapid mode in which it was channeled to the post-Soviet countries, foreign investments were among the first influencers affecting and establishing the relationship between the East and West in terms of business and cooperation. However, one has to admit that this time the communication between the two extremes was one directional and, mainly, secured by the West's interests.

2. Joint Ventures

Surprisingly or not, acquisition and control over joint ventures in the Soviet bloc started to be allowed since the earlier 1970s. For example, Soos (1992) mentions that one of the first joint ventures in Eastern Europe started to appear in Romania in 1971, in Hungary in 1972, then, in Bulgaria in 1980, in Czechoslovakia and Poland in 1986, and, finally, in the Soviet Union itself in 1987. However, even though not conditioned to centrally planned economies in a traditional way as other managerial organizations did, joint ventures were obliged to comply with the laws and regulations of a given country. Thus, Soos (1992) mentions that in most cases, authorities were watching employees' wages and other labor enactments. Therefore, in given conditions, one could not be surprised with the fact that the creation and expansion of joint ventures were slow and risky undertaking. Illustratively, throughout fifteen years, starting from the year 1972, approximately 166 joint ventures were established in six countries mentioned before (Soos, 1992). Fortunately, the overall percentage of failures during the course of years indicated was not higher than five percent; Beamish (1988) argued that this indicator is significantly better than one could expect in developing countries or even in advanced Western states.

Favorably, with the end of Communist era, sovereign governments pursued privatization policies. Obviously, a certain portion of investments was coming from abroad, but securitization and enhancement of joint ventures were priorities of countries such as Bulgaria, Romania, and back then Czechoslovakia and others could not allow to omit. More significantly, foreign partners had fewer concerns what should be kept in mind and develop alliances with locals in naturally more favorable market economies.

With the lapse of time, scholars and practitioners were able to gather enough quantitative and qualitative materials to examine and analyze joined efforts between the West and East in Europe. Thereby, Cyr (1997) conducted a comparative case study and presented results and findings in a generalized manner allowing other researchers to continue joint ventures' scrutiny in European context with foreign partners and locals populating countries from the post-Soviet territories. In particular, Cyr (1997) conducted interviews, analyzed documents, and realized on site observations in three different companies established as a result of French-Polish, German-Czech, and Swedish-Hungarian cooperation. Notably, all international joint ventures presented were of the same age (founded in 1991), medium size, and operated in the manufacturing sectors (Cyr, 1997). Apparently, this convenient selection allows to run a comparative analysis and discover management practices that lead to the most desirable outcomes in the context of transition economies in the Eastern Europe.

Looking ahead, it is worth mentioning that the Swedish-Hungarian cooperation turned out to be the most successful. Cyr (1997) argues that this happened due to certain reasons among those were explicit statements done by a Swedish principle that the whole idea of the international joint venture was the development of local talents and skills and transmittal of full responsibility and initiatives to Hungarian partners. Moreover, Swedish managers were among few foreigners who admitted the existence and significance of the Hungarian culture and were cautious not to destroy it and find the balance between the two different belief systems. As the result, Hungarians saw the sensitivity towards their needs and worries expressed by their foreign partners, and, subsequently, found themselves in a security zone in terms of preservation of local and cultural business ethics and norms. Therefore, Cyr (1997) mentions that productivity levels in the company raised by 40 per cent when compared to average indicators in country's industry related sector; in addition, optimism among back then current employees was serving as a guarantee of the bright future and successful operations.

Unfortunately, French and German managers were less successful in the enterprises of the same nature in Poland and the Czech Republic respectively. As mentioned by Pearce (1991) "local managers [Czech and Polish in particular] tended to be risk adverse, avoided responsibility, and did not appreciate the link between rewards and performances". Apparently, French executives forgot this findings when it was decided to transfer certain practices directly from Paris for the saving of time sake, but Germans were categorical when the issue was concerned about human resource management decisions. As the result, one of the Czech managers revealed during the interview that locals are proud people who do not need 'babysitting' and would not tolerate Germans saying to them how many and what people to fire (Cyr, 1997). Obviously, during the initial stages of the international joint ventures Czech managers required a comprehensive assistance and trainings provided. However, the destroyed trust made them think that Germans want a clone company controlled by the headquarters with the locals merely fulfilling bureaucratic obligations for firm's existence. Respectively, the situation with Poles was not that different where locals believed that they were figurative subordinates who were not in the control of the situation (Cyr, 1997).

Ironically or not, lessons that the beginning of transition kindly provided to Western managers and firms were not followed or taken into account by many. Consequently, certain international companies continue to be mistaken when dealing with Eastern Europeans in business environment. Accordingly, the overall employee satisfaction is higher in international joint ventures where balance between local and foreign cultures is reached with the help of established sense of trust and solidarity (Cyr, 1997).

3. Strategic Alliances

On the other hand, Lewis & Turley (1991) warned that joint ventures are not for everyone. Fortunately, from the Eastern European perspective, international joint ventures were attractive and could bring in technologies, marketing practices, management skills back then absent in the region. Nevertheless, Westerners, keeping in mind that joint ventures is a problematic form of the enterprise, were cautious to jump in and establish a third company with the help of their counterparts (Lewis & Turley, 1991). Unfortunately, Eastern European firms could not offer to foreign partners marketing and research and development synergies, for example, as a classical West-West cooperation implies when both parties are coming from functioning market economies with a solid history. Therefore, to secure a favorable environment for cooperation and receive benefits, emerging markets were willingly offering to entrepreneurs, Easterners and Westerners were obliged to look for other forms of cooperation and growth.

Opportunely, another form of the cooperation possible in the region was strategic alliance which Varadarajan & Cunningham (1995) described as an effort to achieve common goals by pooling resources, skills, and competences by two and more parties. Indeed, Medcof (1997) saw alliances as a possible key to upcoming prosperity in the region. Furthermore, Hyder & Abraha (2006) claim that parties involved in the initiative pursue long term goals and are looking for the establishment of a wealthy and sensitive to the local environment network of collaboration.

As the result, the unique situation presented in the region of Eastern and Central European countries offers various case studies and examples of successful and effective strategic alliance formations. For instance, Hyder & Abraha (2008) describe countries like Slovakia, Hungary, the Czech Republic, Poland, and Slovenia as fast-adapters, but their cultural proximity to the Westerners due to historical heritage prior to the Communistic dominance in the region stimulates growth of the number and expansion of existing alliances founded as a result of joint efforts between locals and foreign partners. In their other research work, Hyder & Abraha (2006) scrutinize strategic alliances in Baltic States like Estonia and Lithuania. According to them, foreigners played a significant role as technology transmitters and Western way of doing business know how; nevertheless, locals were awarded with responsibilities regarding human resource management, building of the communication network with authorities, society elites, and local firms. In addition, marketing efforts were handled by both parties with Westerners monitoring and directing the process of market research and promotional activities done by Estonians or Lithuanians, respectively (Hyder & Abraha, 2006).

In a nutshell, the form of collaboration established with the help of strategic alliances secures commitment from both sides, leaves room for cultural sensitivity while leaving substantial portion of responsibilities to locals, and is fruitful for Westerners who is able to build vital networks with superior locals and share costs and risks with the partners abroad. As the result, these conditions lead to a further expansion of both firms and outflow of the local know how to the West as well as the inflow to the East (Hyder & Abraha, 2008).

III. Modern Eastern European Business Practices

Gradually, with the passage of time and with certain conditions met Eastern and Central European countries were mature and competent enough to establish its own regional and international firms able to survive and compete in markets previously unattainable for them. Consequently, now scholars and practitioners had a possibility to talk about Eastern European business environment, culture, and tradition.

Previous chapters of this research work examined stages and phases Easterners overcame while establishing market economies and capitalistic relationships on economic level. Even though the scrutiny is incomplete and brief since every part of the work and country of the region deserve a separate examination, the paper discussed earlier forms of cooperation between the West and East; how the collaboration started, what prior preparation was provided, and where all these effort have lead. The current chapter, thus, would take into account independent Eastern European business manifestations in the context of mutual awareness and concern between the two parts of the continent. Thus, the management techniques and emphasizes would be discussed in the fields of particular interest to the paper like marketing, accounting, human resource management, and, lastly, corporate social responsibility attitudes.

A. Marketing

The beginning of 1990s was a difficult time to establish marketing practices in conditions of disintegrated economies and collapsing trade ties with the Western countries. Hence, the chief aim of Eastern and Central European countries was survival over the next couple of years. Nevertheless, Hooley et al. (1996) claimed that already in 1994 the number of companies from the former Communist region that put stronger emphasis on long-term marketing planning has tripled and accounted for 44.4% out of 2 311 total respondents. Thus, already in the middle of the decade Eastern marketers started to realize the significance of long-term marketing orientation compared to short-term sales planning and techniques. In addition, Hooley et al. (1996) found that approximately, one out of five firms in the research used planned promotional and advertising activities, new product development, pricing and distribution with the help of professional marketers occupying separate positions. Even though it is too soon to talk about Eastern marketing as an independent and mature phenomenon, the realities in which marketers started to emerge as professionals are curios and significant.

Subsequently, with the approaching of the 21st century Central and Eastern European region became more attractive and familiar to transnational companies. Therefore, marketing efforts as bases for decision-making procedures in the West became more essential in the East. For instance, World association for market, social and opinion research reported that market research turnover almost doubled from 2002 to 2006 in countries like Hungary, the Czech Republic, Latvia, and Poland, and more than doubled in Bulgaria, Lithuania, Romania, Russia, Slovakia, Slovenia, and Ukraine (ESOMAR, 2007). Taking this into consideration, Babinska & Nizielska (2009) attribute to the markets of Eastern European countries a tendency to change and evolve very quickly; however, they recognize that the internetisation of the region is slow and, thus, represents a potential growth area for marketing inquiries.

Next, Perlitz, Schullze & Wilke (2010) were among first to analyze aging population in the Eastern Europe. Accordingly, marketing practitioners in the region realize that older people's market must be approached respectively. Thus, segmentation of customers became more sophisticated and now looks more alike with Western regards in the area. Therefore, Perlitz, Schullze & Wilke (2010) claim that Eastern managers do not perceive senior segments as a homogeneous where people may prefer convenience-oriented, qualitative and reputable, price-sensitive, attention-seeking, or more luxury brands. In addition, a characteristic that likens Eastern and Western marketing is the fact that fast consuming goods are being promoted more intensively (Perlitz, Schullze & Wilke, 2010) compared to manufactured goods that once were the priority for managers in the East (Babinska & Nizielska, 2009).

On the other hand, marketing attitudes in Eastern Europe have to evolve substantially before becoming completely comparable to Western ones. Thus, Kobylanski & Szulc (2011) recognize that at the beginning of the second decade of the third millennium even small and medium-sized organizations realize that a consistent and proactive marketing is the key to success and continuous existence. Unfortunately, this understanding does not imply immediate application and integration of marketing to decision making procedures. Consequently, owners and managers in those firms rely on intuition, omit external data collection, and act rather reactively than proactively to marketing needs (Kobylanski & Szulc, 2011). Therefore, marketing, in particular, of small and medium businesses in Eastern Europe has to learn more from its Western partners and could consider hiring specialized service firms and external information seeking. Till then, these businesses that are, reportedly, the engine of the capitalism, are in danger of liquidation since the market presence and positioning strongly depends on external information nowadays;

hence, weak sensitivity to ever changing business realities makes Eastern owners and managers less competitive than Western counterparts who do not mind to spend more money and efforts on marketing purposes.

B. Accounting

Respectively, Western accounting as well as marketing was eager to jump in and service multimillion markets that was gradually opening to foreign partners in the early 1990s. Thus, Cheney (1990) claimed that Western accounting firms were establishing their presence in the region by following their clients or taking the lead and stepping in beforehand. For instance, Hungary asked Price Waterhouse to help, Eastern Germany was converting to Western accounting practices and principles, in Moscow Ernst & Young and Arthur Andersen's persona were allowed to perform audits convenient for the Soviet government (Cheney, 1990). Alternatively, Buhovac & Groff (2012) claim that the enthusiasm to become capitalists operating in a market economy lead to frustrating results when companies blindly and overwhelmingly decided to adopt Western accounting and performance measurement systems without proper modification. However, this phenomenon was only a beginning of a long journey. Apparently, the West and East have been speaking different languages for decades; the situation with accounting practices and principles was similar. Therefore, Western companies had to develop an 'accounting language' to communicate with back then the Soviet Bloc.

For a start, Buhovac & Groff (2012) claim that accounting systems integrated with performance measurement are present in large organizations that have resources and knowledge to run a complex managerial monitoring on different levels of a company. Next, with the passage of time, it became apparent that mere duplication of admired practices used in the West is not the best solution even after twenty years of transition (Buhovac & Groff, 2012). Thus, a proper socio-economic analysis must be done before introducing accounting techniques adored by Western partners. Lastly, Albu & Albu (2014) argue that Eastern European countries still lack favorable conditions, as rule of law, transparency and other, to establish and run a comparative accounting system available for a larger public as scholars and practitioners are.

Fortunately, the process of accounting developments is not totally absent and passive. Countries, with the help of relevant academia and governmental initiatives, tend to introduce International Financial Reporting Standards to facilitate uniformity, transparency, accountability, and, lastly, efficiency of doing business and decision-making procedures. Illustratively, Albu & Albu (2014) name countries as the Czech Republic, Estonia, Moldova, Poland, Romania, Slovenia and Ukraine among those who have already introduced International Financial Reporting Standards fruitfully throughout the previous decade. Nevertheless, Odar, Kavcic, & Jerman (2014) show that managerial accounting procedures have yet to become as highly sophisticated and developed as in the Western countries. Nonetheless, it was revealed that in certain cases accounting departments are the ones that provide the most valuable information for decision-making in the region (Odar, Kavcic, & Jerman, 2014). These findings go in line with the assumptions that Eastern companies are adopting Western-like accounting developments gradually, but each country has its specific conditions and characteristics that influence these developments.

In conclusion, Albu, Albu & Needles (2015) affirm that literature available on the topic is mainly published in the West and about the West. Therefore, financial and managerial accounting systems in the Eastern Europe have to be examined in greater details before a uniform approach suitable for countries in question could be attempted to be developed.

C. Human Resource Management

The understanding of human resource management's significance came relatively recently. Even today practitioners and scholars dispute whether people are the most precious asset of an organization or not. The region of the Eastern and Central Europe was not that different from the rest of the world. Thus, Karoliny, Farkas & Poor (2009) claim that the Eastern Europe recognized the need and importance of managing people approximately seven years later than their Western counterpart. Therefore, human resource management is, firstly, at is initial stages in the region, and, secondly, develops very quickly and is eager to try new theories and concepts on practice. On the other hand, Poor & Milovecz (2011) explain the rise of human resource management significance in the region by the fact that multinational corporations employed high number of human resource specialists. As the result, the emergence of native human resource managers was inevitable since home-grown as well as foreign companies were in desperate needs for qualified experts in the field with the local know how.

Nevertheless, Eastern European human resource management accomplished a particular status that could be differentiated from the rest of Europe. For instance, Karoliny, Farkas & Poor (2009), after conducting an empirical research, claim that local officers and managers, especially in large organizations, have a strong opinion whenever a discussion touches people management; on the other hand, the use of specialized services is atypically low in the region, and, hence, recruitment and hiring happen with the help of internal forces; authors of the study mention overall weakness of local labor unions who rarely participate actively in discussing and negotiating organizational issues. Unfortunately, labor unions did not survive the transition period and lost their strong voice over working conditions, wages and severance pay to an extent they had during the Communist's time.

Furthermore, contributing to a positive perception of human resource practices, Slavic, Berber & Lekovic (2014) show that the majority of companies from the Eastern region are using formal methods for evaluation and appraisal purposes. In other words, even though expensive and time-consuming performance management techniques have recently become more popular in the East. On the other hand, the degree to which superiors, managers, and employees are used all together as evaluation participants varies from country to country and is not yet applied universally.

Keeping in mind findings presented, a claim that further developments in terms of human resource management enhancement in the region would follow could be done. The region rapidly adopted certain people management skills and practices. Fortunately, Dorozynska & Dorozynski (2015) explain this fact with the foreign investments coming outside the region that are seeking for skilled labor force that could be trained and developed. As the result, Easterners are willing to apply human resource practices to manage people better and, thus, attract more investments. Foreign investors, in their turn, are interested in skillful workforce and are ready to contribute to its training and development. Thereby, as long as the interest to the region is present from the West, human resource management is expected to evolve and take into account newer and more sophisticated theories and principles that could be applied in the region after a comprehensive analysis and transformation to local needs and cultures is done.

D. Corporate Social Responsibility

Lastly, when it comes to corporate social responsibility scholars and practitioners seem to be divided in their opinion in regard to its application in Central and Eastern European countries. On the one hand, Noorkoiv & Groon (2005) conclude that after fifteen years of transition certain countries in the region have reached substantial achievements in regard to social responsibility; illustratively, Poland, Hungary, and the Czech Republic companies reported their corporate sustainability efforts on average in more than 85 per cent of cases. On the other hand, Steurer & Konrad (2009) claim that Eastern European firms, in particular in above mentioned three countries, are lagging behind their Western counterparts and are rather passive and merely fulfilling minimal European requirements and are not willing to go above them.

Contributing to the debate, Domanska-Szaruga & Wysokinska-Senkus (2013) explain that environmental investment became available for the Eastern companies relatively recently, but the growth of it is increasing and dynamic. Additionally, managers and investors from the region still concentrate on relatively short-term planning in an attempt to generate profits quickly in order to be genuinely oriented on environmental concernment. Unfortunately, Steurer, Martinuzzi, & Margula (2012) demonstrated that governments from the region are not using their potential to raise social awareness and promote responsibility among citizens and businesses. Unfortunately, this fact leads to a rather growing gap with the West then to a diminishing one.

Finally, Koleva et al. (2010) claim that the case of the Eastern European region is difficult to comprehend in terms of corporate social responsibility that is developed as a mix of influences of

Anglo-American, Continental European and old local incentives. In addition, the dispute on social responsibility as a natural drive to a better society or as an inexpensive instrument for marketing and public relations exists even in the context of more developed Europe. Thus, even though the developments in the field are less evident and prominent in the region than in the West, it is rather untimely to render a decision on whether Eastern Europeans are expressly ignoring to an extent the issue or contextually helpless in imitating Western colleagues to a larger scale.

IV. EU Integration as a Supporting or Hindering Factor

Fortunately or not, the region and countries discussed in the research work are now under the influence or direct control of the European Union. Moreover, national states as Ukraine, Moldova, Serbia, etc. have signed Association Agreements or are in the process of accession to the Union. On the other hand, Russia – a significant political and economic player, is currently discredited and mistrusted by many countries on the continent, and, hence, the cooperation is hindered. One way or the other, European Commission's efforts model and shape business environment in the whole region. Therefore, before concluding the work it is necessary to examine the way the European Union treats Western and Eastern economies and companies separately and jointly.

A. Harmonization – European Business Ecosystem

The European Union is a complex and difficult to comprehend association of countries that pursue common goals. On the other hand, the recent rise of European protagonists, like Nigel Farage and others, puts under the question legitimacy of technocrats who are in power of the Union. Therefore, excessive optimism in regards to European business harmonization is inappropriate, but the arrangement needs a comprehensive examination and reflection.

Accordingly, Misztal (2013) after completing empirical study argues that countries in the euro zone and states in the pursuit of full membership like Poland should undertake further synchronization policies with the aim to reach thoroughgoing complementarity and avoid severe asymmetric shocks. In other words, trade and business relationships within the Union and on the continent must be interconnected and integrated further to secure greater business cycles correlation and mitigate idiosyncratic shudders' negative effects (Misztal, 2013). Respectively, Pauzaite & Baryniene (2014) in the course of qualitative analysis, even though admitting the fact of existing European Union's inefficiencies, claim that the European Employment Services is on the way to successful coordination of labor movements throughout the continent. Furthermore, according to Pauzaite & Baryniene (2014) "EURES network should become a stronger, more flexible, and transparent tool providing consultations, dissemination of information, increasing the likelihood of job matches and helping employers, especially small and medium enterprises, to fill job vacancies." These efforts, hopefully, would guarantee the triumph of existing technocratic system and lead to a synchronized business environment with high labor mobility and openness and closeness to foreign partners in the West as well as in the East of the Union.

Nevertheless, Brenke (2013) argues that European monetary policy and fix exchange rates lead to serious distortions that resulted in rebuilding and reshaping of national competitiveness. Likewise, Bukowski et al. (2014) claim that formal and informal rules of doing business in the Eastern and Central European countries like Poland established by European Union's institutions did not eliminate all differences between them and developed countries. On the other hand, with the accession to the Union, citizens of Eastern countries received one of the four freedoms to move, work, and live in other countries. Moreover, citizens could live in one country and work in other, or even in two different ones. Thus, Bukowski et al. (2014) demonstrate that small and medium-sized entrepreneurs and independent workers are prone to migrate to countries where favoritism, clientelism, or soft corruption is less present or completely absent. This phenomenon leads to a further differentiation of countries, and, more significantly, dichotomize the East and West. Brenke (2013) sees the problem in a technocratic nature of the European Union. Therefore, in his view, any attempts to synchronize and harmonize the business ecosystem on the continent with the help of artificial mechanisms and services are deliberately disposed to failure and could evoke workable impracticalities, the risk of misallocations and resource wastage, anticyclical government measures and others. Consequently, the monetary policy must be rethought in a way that would diminish the need for synchronization mechanism as an optimum currency area is assumed to function in theory and practice.

In conclusion, the existing regulations and implications of the European Union are not completely efficient and definitely put in different conditions the developed Western countries and less prominent Eastern countries. However, to answer the question who is a net benefit recipient another research work is required. One thing is clear, there is no garden without its weeds; certain policies benefit Easterners, other favor Westerners. In addition, it is notable that this preferentiality happens due to different conditions European countries exist in.

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B. Lobbying and Sustainability as Distinguishing Factors in the Eastern and Western Businesses

Undoubtedly, the first part of the current chapter does not take into account all possible interactions in the context of European Union and diverse West and East business realities. To recuperate to an extent, the research work revealed a remarkable relationship between lobbying procedures and business sustainability movement in the region.

Equitably, Dur et al. (2015) mention number of scholars who argue that lobbying bodies are as successful in defending their interests in business fields as other non-profit movements in protecting social rights. In either event, hardly anyone would deny the fact that certain policies and regulations are enacted or not enacted taking into consideration business representatives' desires and sentiments. Furthermore, Dur et al. (2015) in empirical research found that business groups tend to defend status quo while citizens with the help of the European Parliament push toward policy change and reforms. Fortunately or not, the main European decision-making body is located in Brussels or in a relative closeness to it. Departing from these facts, a brief overview of environmental conditions would follow. Pabian et al. (2015) recognize that the issue of pollution is approached by the European Union relatively expansively; nevertheless, the process of becoming pro-social and pro-ecological is at its initial stage and requires further considerations and efforts. Moreover, it is believed that the drive towards the sustainability should start from peripheries and move to the centers (Pabian et al., 2015). To put it differently, it is easier to educate smaller firms and entrepreneurs to adopt sustainability. Moreover, businesses that are at the beginning of the value chain demand less efforts to alternate environmentally dangerous raw materials and resources to ‘green’ substitutes.

Keeping in mind the premises described, one of the hypothesis of the research work is that at the end of the day Eastern European businesses could be better off and make another step to reduce the gap with the West. In particular, Easterners have fewer resources and possibilities for lobbying their interests in distant Brussels. Westerners, on the other hand, are keen to protect their positions and delay the process of becoming environmentally friendly and compatible. Additionally, according to the literature review, Easterners are geographically located in the region that, reportedly, would switch to sustainability quicker and less expensively than Westerners are predisposed to do. Therefore, it could be assumed that at the expiration of upcoming decades Easterners could establish a competitive advantage in the context of environmental issues and its inescapable consequences.

Obviously, the observation is theoretical and does not take into consideration possible future shifts in attitudes Westerners could adopt. Nevertheless, the existence of lobbying and sustainability in the context of the European Union demonstrates existing business realities that are different for Eastern and Western Europeans. Moreover, the observation is interesting for the research work since it proves possibility that Easterners could be positioned and perceived as passive benefits receivers – the fact that could lead to a different business ecosystem on the continent in the following years.

V. Conclusions and Discussions

This paper tried to make a progressive analysis of business transition happening for the last 25 years. Unfortunately, the limitations of the work volume did not give an opportunity to discuss all areas of interest in a greater extent. Additionally, it was revealed throughout the research that certain matters covered are still lacking a decent amount of works and researches published and available. Nevertheless, material presented is a thorough body of literature that could give a comprehensive understanding of the situation and current trends.

Furthermore, suggestions for the following research are examinations of each country in the region on a separate base. Additionally, complex and complete investigations regarding management fields like marketing, accounting and others could be done in a form of independent works.

Coming back to the research's questions, the thesis of the work is confirmed in the way that Eastern European management takes into consideration cultural, economic, historic, and political context. Therefore, as demonstrated throughout the work in the majority cases of Western practices applications the success was present only in those incidents when locals were active participants of the process and cultural awareness was high and concerned in local needs and wants.

Additionally, at the current phase, Easterners seem to adopt Westerners' ideas and concepts after a proper modification. In other words, the research did not reveal a tendency of locals to develop their own and independent approaches and techniques from the beginning.

Lastly, it is worth mentioning, that different management fields are in different stages of development. Thus, marketing and human resource management could be stated to be far better evolved and sophisticated than accounting and corporate social responsibility, for instance. Nevertheless, certain favorable conditions as continuously growing interest in the region, the presence of the European Union, and Easterners' overall willingness to learn from the West suggest that further harmonization and synchronization of the region would follow. Moreover, the research revealed that the East is not helpless and passive when it comes to knowledge and material creation and must be regarded as a mature participant and contributor to the creation of the continental European business intelligence.

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