



A History of Russia

June 2006 Volume 5 Issue 5

The CCCC personality profile methodology (PAVF¹) is used to predict the behavior of individuals, departments and of complete corporations. Beyond that we have demonstrated how PAVF can be applied to form a comprehension of political states and their histories with last month's newsletter describing where the United States is heading. In this newsletter we apply the PAVF approach and the Evolution Pyramid¹ to gain an understanding of where Russia presently lies and, predict, where it may be going – i.e. the connection between a corporate nation and its evolution. Consider your company, your competitors and your 'corporate nation' within this context.

The Old Russian Empire

At the end of the XIXth century the Russian Empire appeared to have passed through the Evolution Pyramid's **Contentment** stage (of arrogance and complacency) [see attached page to this paper for a diagram of the pyramid as well as References C, D and E]. Russia found itself at the **Nobility** stage, which is characterized as putting on a good show while underneath things are not going so well. While Russia had many **Excellence** characteristics² during some years of its long history, most of the time it found itself in **Nobility**. At those times the Empire covered a territory extending to present-day Finland, the Baltic countries and part of Poland. The ruble was one of the strongest currencies in the world, much stronger than the dollar. The Russian Empire had extensive exports of agricultural products, a developing industry and a sophisticated, effective infrastructure in place.

The Start of the Empire's Slide

Most empires expand development, taking in more territories, resources and ideas as they move through the **Toddler** (standing on its own two feet independently) stage and the **Teenager** (gaining steadiness and maturity) stage, as did the Russian Empire. But finally they need a transformation (new V and an injection of A) to sustain themselves, shown as the balance of A and V, characteristic of an entity in the **Teenager** stage on the Evolution Pyramid.

Before its 1917 revolution³ the Russian Empire passed across the Evolution Pyramid from **Teenager** via **Premature Nobility** that bypassed **Excellence** to reach **Nobility** prema-

turely and had begun the undesirable slide downward. It had evolved to an empire with an unwieldy bureaucratic structure (A), had lost its V and picked up more A. People at the bottom – the working class – were not satisfied with the very difficult working conditions and low salaries, of being blamed and abused as they endured the **Scapegoat** stage. They suffered even more as they passed with their country into the **Sluggishness** stage dominated by lethargy, bureaucracy, process and rituals devoid of common sense. The bourgeois demanded more work (more P) from the lower classes providing no respect and assuming, and gaining, no trust from those who were working for them.

Communism

For a frustrated, if not destitute and desperate worker, Communism was an attractive ideal, providing hope for a better future 'where a man and his work would be respected'. The Communist idea suggested the elimination of the spongers (bourgeois), who appeared to be doing nothing and getting rewarded with the best piece of the workers' pie. Sympathetic with the bearers of the obvious injustice of the discrepan-

1 If unfamiliar with PAVF, it is suggested you refer to the last page of this document before commencing this paper.
2 No political entities, to the best of the authors' knowledge, have actually achieved Excellence, although they may have displayed many characteristics of Excellence. Keep in mind that the key to Excellence is a superb system of listening, of gathering feedback from the members (population) and altruistically responding and reacting to it quickly and responsibly – something that few national leaders and parties really are able to do.
3 The 1917 Revolution is not the only revolution pertinent to these pages. References [B] and [C] describing the processes herein, form part of the methodology outlined in a 12-book series called The Respect Revolution [D].



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cies, young people from high society, well educated and articulate, were among the first revolutionaries. Wanting to change the old system and to build a new respectful one, the revolutionary idealists decided that the best way would be to completely destroy the old societal and political structure. The new Communists idealists had two choices, to move back up the right hand side of the Pyramid towards **Excellence** – an almost impossible feat for a corporation let alone for a country – or to jump across the Pyramid consolidating to its key products and assets with the aim of building again at the **Baby** (or **Toddler**) stage. Even though the revolutionaries did not have the advantage of knowledge about the Evolution Pyramid, they opted for the only practical option: to build again. The Russian Empire itself at this time, in the midst of **Sluggishness**, one step away from the **Death** stage, was on its last legs; then losing political and financial support, it went bankrupt (**Death**). Consolidating the remains over to **Toddler** meant casting off, or not making the effort to hold onto, less 'profitable' pieces and, so, some Russian Empire territories were lost; a few territories were acquired by other countries after World War I and several lands became independent nations. The Communists at the **Wooping** stage set the groundwork for this political idealism of the Communist doctrine, with: an interesting idea (big V), some committed comrades (small F), a wish to work hard (small P now, but big P in the future), and no real system yet (small A), namely PAVF. Ignoring for the moment the civil war, a young **Baby** Russian Republic evolved from the **Sluggishness** stage and that just-expired Empire.

The USSR

The new very busy, fragile, **Baby** stage Soviet Republic was developing fast. Having had good intent (V) previously and both the wish to and ability to work (big P), having a lot of key motivated people (some F) who wanted to change people's lives, the leaders, unfortunately, had little understanding of 'how' to do things (no clear A). That is they showed the usual **Baby** characteristics of PAVF.

At an early point the leaders (Owners of the job or Founders of the business) understood the need for vision (V) although each had a different vision, placing them at the usual PAVF of the **Toddler** stage. But they couldn't set Common Goals and it resulted in No Trust among them. The country was rich. The Power was great. Yet no one was ready to delegate authority to someone else thinking that it would result in a loss of power and an absence of control over resources. They were slipping into the **Ego Trap**, PAVF, of the Evolution Pyramid.

The main thrust was upwards, though, towards **Teenager**. In the Evolution Pyramid we show the stage where the Owner (V) has a power-struggle with Administration (A) combined with the aim of taking care (F) of everyone, namely the **Teenager's** PAVF. The same occurred in Russia. Free people (F) expressed their own ideas (V), which usually differed from the plans of the

Government (A). Granting freedom for the population appeared to be a big problem for the Owner (Government) who was afraid of losing power. To keep people in line, the Owner Government created a strong control system of rules and procedures aiming to support development but at the same time, to limit people and to maintain its control. Thus, A was winning the battle over V. Finally the Owner revived the old system that existed in the Russian Empire. The country passed to **Premature Nobility** with A the clear winner – PAVF – and, of course, onto **Nobility** – the phony false-self, denial, stage.

Stalin

It is difficult to manage a large country from a centralized point, especially when average people are afraid of losing their job or property. Such an environment encourages the passage from **Nobility** to **Scapegoat** as blaming, the dominant characteristic of **Scapegoat**, provides a fast means to apparent solutions for problems. Finding an enemy unites the people (F) to fight that horrific foe, to allow the government to demand hard work because of the existence of the enemy (P); making it simultaneously easy to hide one's own mistakes (no real V, the wrong A and lack of real F). The only question is where to look for an enemy – inside or outside? It's good when you have somebody outside your borders to blame for your suffering. Usually it's your competitors who sell with dumping prices, misleading customers, cheating with expenses and bribing officials. But if there are no appropriate enemies outside you will have to find scapegoats inside. History is full of examples. In the Soviet Union, Stalin found enemies inside his nation. Many people were executed or sent to prison, blamed as enemies of the state. Many Owners (Founders of the Revolution) and Administration (new leaders) were destroyed to keep the power firmly in Stalin's hands. Russia was a **Teenager** turned **Scapegoat**, wearing trappings of both – in a word, a mess. It was rapidly decreasing its F and finally losing its P, because it's difficult to work when anybody could appear as an enemy, especially those who expressed themselves too freely. No motivation generated a false set of behaviors including the faking of work – a loss of P.

World War II

World War II was an extraordinarily difficult ordeal for the USSR because of the above-mentioned problems. Thus, Russia lost badly at the beginning of the conflict. Although Russia had more resources, more soldiers, and more arms (more tanks, airplanes, etc.) than Germany, too many brilliant, out-spoken generals had been killed during the previous witch-hunt. Many if not most people were de-motivated. Nobody wanted to take on serious responsibilities, fearing they would be blamed. People were hiding mismanagement of army forces and news of the lost battles. Finally, the urgency of the war removed the need for scapegoats. It set clear goals (V); it had united people against the real enemy (F) – themselves. It united them towards goals that the people themselves wished to achieve (P) – of



defeating the outside enemy – and something that they now wanted to learn how to do (A). The country had returned back to, and passed through, **Teenager** on a fast-track to **Excellence** at war (PAVF). The final victory became the best possible reward for the nation.

The Reprieve

After the war, the old problem of **Nobility** started to raise its head again. The country had a clear practical vision – to rebuild and revive itself after war. Cities had been destroyed and almost 30 million people were dead. But the old controlling system (A) returned, and no clear political vision (V) stood on the horizon, yet the social system ‘looked after’ everyone (F). Thus, the standard PAVF of **Nobility** prevailed.

After Stalin’s death the new administration tried to reorganize the country. The old leaders were pointed out to be wrong (not blamed but criticized, which had been impossible before – a recipe for parricide). It was understood that the old government system (A) should be changed (V); a new or better vision was adopted, based on the same Communism ideal but with clear goals and a measurement system (such as each family should get its own apartment by the year 2000, some 40 years away). More freedoms were given and the ability to express one’s opinions was allowed.

But the firmly entrenched bureaucracy was not about to give up its grip. It was rationalized that to manage those masses of territories, to not lose power to others (who might even prove to be better), more A was needed and therefore set. Real V started to decline despite government statements to the contrary. The Communist party leaders embraced **Nobility** (PAVF), becoming a class of elite, ‘special’ people. Still, some visionaries, such as Khrushchev, who attempted to liberalize the system including rehabilitation of political prisoners, ended up being blamed for all the present mistakes. He lost his power and was retired ‘for health reasons’, replaced by Breshnev, as the country swung into the **Scapegoat** stage (PA_F). Dissidents were again sent to mental hospitals. The Administration decided that the results on paper provided easier targets than hands-on results. And if you control mass media you can control the printed results. After the country had lost its V (manifested by an unwillingness to change) it then lost its P and its F, reaching **Sluggishness** again (_A_). Everything was organized around central planning – the colour, weight, size, quality and quantity of each product was planned⁴. If a company did not sell enough blue pens it would lose its quota bonus; lots of blue pens went to people who didn’t want blue. Lack of P brought a huge deficit to the country. The Soviet Union was still financially supporting many countries in order to build Communism around the world, but it was no longer increasing its riches. Something was needed to save the nation.

Enter Gorbachev

Perestroika had an idea of introducing new V, resolving problems of the past, reorganizing A, increasing P and uniting people within the country (F), instead of perpetuating the false paper Union (which still rankled of turf wars). Applying these P, V and F traits could move the country back up the Evolution slope from **Sluggishness** (_A_) to the less disastrous evils of **Scapegoat** and then to **Nobility** (PAVF). But the new leaders didn’t understand the strength of the A they were facing (the only constituent of PAVF left at **Sluggishness**). Nor did they comprehend the management rule that structure determines strategy. Thus, having the old structure still in place ensured that the old strategy would endure. It was again, from a sense of futility, a need and an attempt to burn something to the ground and to build from the beginning. The greatest mistake, however was to think that A could be burned and that they could fight A by introducing more A. (Prohibition of alcohol to combat alcoholism led to more alcoholism, health problems from home-made brew, an increase in imports and a loss of world leadership of vodka quality standards.) In the final analysis, the lack of P, V and F left the country mired in **Sluggishness**. The loss of its popular and financial support resulted in the collapse (**Death**) of the political structure of the Union of Soviet Socialist Republic (USSR).

The Russian Federation

Now, a newly formed political entity, the Russian Federation, faced not only the new issues but also the old problems as well. For example, relations with some former member republics, such as the Ukraine, decayed and their membership in the federation was lost. Some misapplied concept of fighting centralization with decentralization resulted in parts of the Soviet industry being placed all over the country – so wheels could be produced in Kazakhstan, engines in Lithuania, glass in Byelorussia, electronics in Russia and assembly of the products or vehicle could occur in Estonia. Unfortunately after the collapse of the Union, the former links ceased to exist and no cars could be assembled anywhere. While the newly introduced free market economy offered many possibilities (V), people did not fully embrace the market economy. They were tired of the bureaucratic force (A) of the former Union, and despite being taught all their lives to trust the leaders and the mass media they no longer viewed them so naively; their experience had taught them that those leaders who asked for the people’s trust (F) were probably phonies. The people’s own F was down. New opportunities gave easy money – there was no need for P. With the downplaying of P, A and F, the Russian Federation was back to the dreamy **Woing** stage (PAVF). Too many “friends” of important people around giving away too many resources including natural, human, intellectual and military, forced the

⁴ In the late 1960’s, from Ottawa, I sold a \$100,000 leading-edge industrial electronics device to Russia and was amazed to find that it had to meet a certain weight criterion. So we added useless (but heavy) steel to the base of the structure to conform. – WEC.



country into a fast development (P) mode – the **Baby** stage (PAVF) to save itself from further collapse. Here we go again!

Dreaming of Past Glories

As before, the power of the entrenched A of Russia was not taken into consideration, and meanwhile a desire for the old system started to revive itself. For many people, the past Soviet Union had many good features with its social orientation: a universal healthcare system, food subsidies and comprehensive education. In science it was one of the best in the world, although it was degraded somewhat due to lack of V and high A; but science had a good history – cosmonauts, fighter aircraft, optics, mathematics, toroidal energy, etc. Thus, comparisons made by people in this day did not favor the new government with memories lingering of past advantages. They forgot the empty shelves in the stores, purges and witch hunting, political prisons and insane asylums. Instead they saw decreasing levels of education, drug addiction (which was new to the nation) and low quality goods by businesses in pursuit of a fast ruble. High inflation was another new problem. The bread that always cost 10 kopecks and bus tickets at 4 kopeks now cost a hundred times as much. Prices were rising each day – it was nonsense. People recalled the stability of the old Soviet order but, now, nothing was stable. As a result many people dreamed about the resurrection of the old regime. However, no one could seriously consider turning back the clock.

What Lies Ahead?

Despite the problems, the Russian economy and its society today are racing forward although there have been many personal casualties along the way. Russia has moved beyond the self-sustaining **Toddler** into the **Teenager** stage. The reality means the old system (A) lingers on. Now, as in many times of the past, Russia has started into **Premature Nobility**. It is in the midst of rejecting many good ideas from capable and experienced people while re-activating aspects of the old bureaucratic government system (increasing A at the expense of V). It is destroying social orientation (decrease in F). And, as a new twist, it has decided to make itself look like the USA; it thinks that to become like the USA it needs to decrease the intellectual pursuits of the nation – replace caviar with hamburgers, ballet with TV sitcoms and symphonic music with rock, not to mention re-starting its imperialistic behavior on the international field and increasing military expenditures – the easy route, one devoid of hard work (decrease in P). The problem is that by decreasing P, increasing A and by reducing V and F, as noted above, **Teenager** Russia (PAVF) is directing itself towards **Scapegoat** (PA_F) and **Sluggishness** (_A_) again. It may be a new and different thrust but nevertheless Russia appears headed towards the same destination.

Today Russia, with one foot still in the stage of **Teenager** has the opportunity to move to **Excellence**, or at the very least,

avoid **Nobility**. How? Russia needs to invest in new research (V), to set clear mission, vision and goals of the nation (more V), to reform its bureaucracy by creating a strategy that will take into consideration a means to deal with the presently enlarged bureaucracy (A). (A similar analysis of modern-day China will show how it could be done.) Russia needs to pay more attention to social orientation (F) – to rebuild a common healthcare system, high quality education, and state aid to the poor. It needs a clear measurement system (A) to motivate towards results (P). That is, it has to focus on a dramatic increase of V and equally dramatic decrease of A. At the same time, Russia must increase, to a lesser extent, both P and F if it hopes to achieve **Excellence**.

Russia has a choice – the easy short-term route or the more arduous, better-resulting route. Fortunately, today many of Russia's problems can be resolved at a relatively low cost; tomorrow if Russia becomes **Noble** again, corrections will be much more costly.

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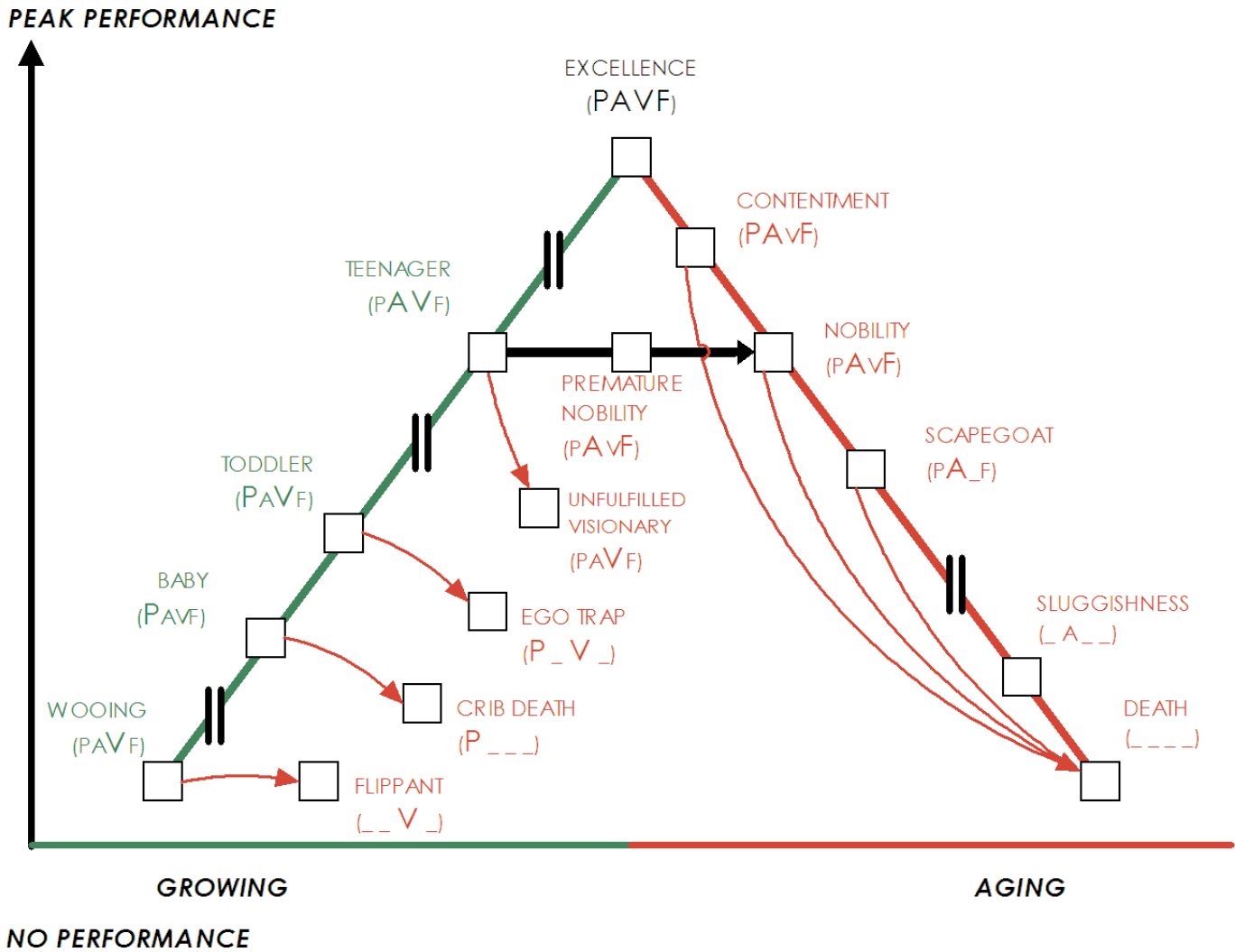
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Evolution Pyramid



Wooing is the dreaming stage. “If only we could start a company, together we could make a fortune.”

Next comes the conception of a **Baby** enterprise that will have a high activity level aimed at sales in order to survive. “Busyness” reigns supreme. Like a human baby, the **Baby** organization cannot be left alone.

The **Toddler** produces its products at an increasing exciting pace, expanding its sales with little regard to gross margins. Being so young, it is extremely flexible. It now can walk on its own two feet financially.

The **Teenager** installs order, to gain control over growing chaos, adding seasoned administrators. The enterprise’s goal is “to optimize” – to work smarter. Struggles develop between the old staff and new.

At **Excellence**, every thing is in balance, balanced PAVF, flexibility vs. control, authority & responsibility.

Most companies slip from Excellence by being arrogant and complacent going to the **Contentment** phase.

By past accomplishments, a **Nobility** company has the signs of success--large, prestigious offices and lots of recognition. Growth goals have been replaced with being politically correct and avoiding risk.

A **Scapegoat** company’s turf wars and backstabbing lead to a focus on “who” caused the problem instead on “how” to improve. Internal warfare leaves little time for clients, who are often viewed as a nuisance.

Sluggishness phase depends on outside financial subsidy to survive. It has an oversized bureaucracy with a myriad of procedures, which everyone has difficulty with. Many controls in place, but no one is in control.

Death occurs when the subsidy, the life-support system, has been pulled away from the patient. It’s over.