3. Mongolian management: local practitioners' perspectives in the face of political, economic and socio-cultural changes

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INTRODUCTION

Mongolia, one of the last remaining nomadic countries, with its rich mineral deposits of coal, copper, gold, uranium and rare earths, estimated at US$2.75 trillion, is considered to have high potential investment opportunities. Since the beginning of transition from a socialist to a democratic regime in 1991, Mongolia has opened its borders to the rest of the world and the country's economy has experienced tremendous changes. It became the world's fastest growing economy with 17.5 per cent gross domestic product (GDP) growth in 2011, and yet had the world's worst-performing currency in 2016, when it lost approximately 7.8 per cent of its value within a month (e.g., Kohn, 2016). Volatility in the local economy and politics has led to a slowdown in foreign direct investment since 2011, although interest in working with Mongolians and conducting business in the country has not declined. Since 1990, more than 10 709 foreign companies have invested more than US$590.3 billion, and 11 514 companies from 35 different countries have entered the Mongolian business sector (National Statistical Office, 2016). Local managers have faced increasing challenges when working with expatriates and foreign investors, and in adapting to international standards. For those wishing to do business in Mongolia, an important need has arisen to develop a deeper appreciation of how management is understood among local practitioners.

Mongolia is one of the newest emerging nations in the global economy, but the Western world does not yet know enough about its management practices. That is not to say that there has been a lack of interest in exploring the wider Mongolian context. Existing studies on Mongolia have tended

to focus on its history and wider socio-cultural aspects such as rural area development, pastoralism, shamanism, ethnicity, everyday life and kinship in the pre- and post-Soviet period (e.g., Alexander et al., 2007; Humphrey, 2002; Humphrey and Sneath, 1996, 1999). Since 1992, there has also been a growing focus on understanding the Mongolian economic environment. International economic and financial organizations, including the International Monetary Fund and the Asian Development Bank, have prepared a number of reports addressing the local economic conditions; whereas Mongolian and international non-governmental organizations have published reports about the socio-political and financial situation, focusing on transition processes, unemployment, gender, domestic violence, human rights, education and the needs of children (e.g., Baasanjav, 2002; Bayliss and Dillon, 2010; Bruun and Narangoa, 2011; Buxbaum, 2004; Diener, 2011; Diener and Hagen, 2013). However, apart from studies and reports on mining, there are limited appraisals of business and management practices. For instance, Mongolia was not included in Hofstede's (1984, 2001) studies of former Soviet Republics (FSRs) (e.g., Kiblitskaya, 2000; Siemieńska, 1994; Woldu et al., 2006). Altogether, there is a void with regard to Mongolia in the literature on cross-cultural and indigenous management studies.

This chapter contributes towards filling that lacuna in the current knowledge. It presents findings from the first in-depth study addressing management in the Mongolian context. Being primarily empirically focused, it discusses understandings of the concepts of 'manager' and 'management' by practitioners in Mongolia; explores perceptions of managerial roles and practices characterizing Mongolian management; and explains the complex and interconnected influences shaping management in contemporary Mongolia. The chapter concludes with implications for managers and political authorities in the Mongolian context. Before moving on to examining management and management practices, as viewed by Mongolian management practitioners, we first offer a background discussion, drawing attention to key facts and phenomena that are necessary for developing an understanding of the contemporary business environment in Mongolia.

BACKGROUND TO THE CONTEMPORARY BUSINESS ENVIRONMENT IN MONGOLIA

Political and Economic Transitions

Following many centuries of nomadic history, and after almost 70 years of socialism, the first democratic elections in Mongolia took place in July 1990. The new Constitution in 1992 established a representative democracy

in Mongolia by guaranteeing freedom of choice in religion, human rights, travel, speech, government and elections. The People's Great Khural (equivalent to the parliament) created the new position of President of Mongolia, elected every four years. Mongolian citizens now also vote for 76 members of the parliament, who play a key role in setting the country's laws and legislation (Constitution of Mongolia, 1992).

This political shift had direct implications for the business environment. After July 1990, the first Deputy Minister Davaadorjiin Ganbold began to encourage the opening of the country's economy to the West. Under the new Constitution of 1996, the government put in place favourable tax and mining regulations. In the 2000s, foreign corporations arrived in great numbers, attracted by rising commodity prices and the extensive geological work already completed during the socialist era. Major projects were introduced, new deposits were discovered, foreign direct investment (FDI) boomed, and the economy grew at an unprecedented rate (Eyler-Driscoll, 2013). With the enormous reserves of coal, copper, gold and other minerals, strong support for democratic values, a well-educated workforce, and no significant regional or ethnic conflict, Mongolia was considered a promising partner for industrialized countries.

Changes in the country's economic institutions were also dramatic. Mongolia embarked on a turbulent period of 'shock therapy' overseen by the International Monetary Fund and the Asian Development Bank (Murrell, 2012). International investment organizations produced reports on the Mongolian economy and suggested implementing the privatization of banks and other sectors. Fifteen new banks were opened in less than two years, and Prime Minister Dashiin Byambasüren instigated a policy of rapid privatization, modelled on the work of the United States economist Jeffrey Sachs in the countries of post-Soviet Eastern Europe.

That speed of structural change, however, had unintended consequences. Mongolian people became exposed to privatization and a free market economy overnight, but had no prior understanding of the principles of capitalism, or skills to engage with the stock exchange. Furthermore, the reduction of government price controls meant that prices rose dramatically, and in 1992 inflation topped 325 per cent. Industries began to suffer, businesses went bankrupt and the level of unemployment rose accordingly.

The country's trajectory of growth and transformation, therefore, has not always been smooth. Although Mongolia transitioned from socialism to democracy in a peaceful way and became actively involved in international relations, in recent years the government has been subject to criticism by local and international companies, as well as by economists. In particular, they denounced local political institutions' failure to ensure consistency in mining and foreign direct investment laws. For instance,

thousands of mining licences were revoked following the introduction of the amended Strategic Entities Foreign Direct Investment Law (SEFIL), the Forests and Water Law, and the Nuclear Energy Law. Part of the problem derived from political uncertainty: the parliament of 2012 appointed three Prime Ministers during its four-year tenure, which contributed to disorder in local politics and the economy.

An unstable government, and poor decisions in foreign investment law and mining regulations, were seen negatively and FDI dropped by 64 per cent in 2014 (World Bank, 2013, 2014). Falling global commodity prices and an increase in government spending meant higher inflation and increasing pressure on the repayment of the sovereign bond interest which was due in 2017 (World Bank, 2014). The reputation of an unstable government with a constantly changing parliament has created uncertainty and made potential investors extremely cautious. Gross domestic product (GDP) growth has decreased by 50 per cent and foreign direct investment plummeted by 58 per cent in 2016 due to inadequate foreign investment laws.

The local economy continues to develop in turbulent times. In 2013, the Prime Minister announced that Mongolia would commence oil exploration, and it was predicted to become a global economic growth generator by 2050. In 2014, Mongolian companies were listed on the Stock Exchange of Hong Kong for the first time (Mongolian Economic Forum, 2014). Moreover, the outcome of the general election in June 2016 created conditions for greater political and economic stability. The Mongolian People's Party (MPP), still known as the Socialist Party, won 65 out of 76 seats in the general election and formed a unicameral parliament (State Hural of Mongolia, 2016). Following that, long-awaited projects have been sanctioned, which have brought renewed optimism to foreign investors and the economy in general.

A further factor to highlight is that of Mongolia's evolving position in the wider global arena. While grappling with the challenges of securing internal political and economic stability, the country has also made strides in establishing its role within international institutions. For instance, in February 2000, Mongolia declared itself a nuclear-free state and became a buffer zone between its two superpower neighbours, China and Russia, as well as stating its intention to take a neutral peacekeeping role internationally. Mongolia is an active participant in United Nations conferences and summits and has announced an interest in taking a seat on the Security Council. It has been a member of the Convening Group of the Community of Democracies since January 2012 (United Nations, 2016). More recently, and as a direct result of its open borders policy, Mongolia hosted the 11th Asia–Europe Meeting (ASEM) in July 2016, thus for the first time

contributing significantly to the informal dialogue and cooperation forum (MAD Mongolia Newswire, 2016).

The Emerging Business Context

Since 1990, 11 514 companies from 35 different countries have entered the Mongolian business sector (National Statistical Office, 2016), investing $4.7 billion between 1990 and 2010, 73.9 per cent of which was into the mining industry (Ministry of Economy, 2012a, 2012b). In 2001, Ivanhoe Mines, a Canadian mining company, announced the discovery of the world's largest untapped reserves of copper and gold in the South Gobi desert. It has invested $6 billion for the Phase 1 development of the world's largest copper mine, estimated to have deposits worth $24 trillion, and therefore producing 1.3 per cent of Mongolia's GDP (Oyu Tolgoi, 2013). It is but one of 456 mining companies in Mongolia (Ministry of Economy, 2012a). Following this steep growth in the extractive economy, the private sector has expanded significantly.

Further factors shaping the configuration of the private sector in Mongolia have been the hyperinflation and unemployment levels of the early 1990s, which forced many people to leave their jobs and seek alternative ways of earning livelihoods for themselves and their families. Some used handcrafting skills to earn an income, whereas others started travelling to China to bring back goods to trade. As more people began to experiment in sales, selling on the black market stopped being taboo, and a new profession of 'travelling salesperson' emerged. Most private businesses in Mongolia started from individuals' entrepreneurial efforts and from small, family-run enterprises employing relatives. However, despite technical training gained under socialism, management experience and skills were alien to the emerging small, family-owned enterprises. Those who succeeded are industry leaders today, enjoying an increased market share and consumer spending power. The private sector has become the largest contributor to the local economy, comprising 116 900 companies generating 56 per cent of the local GDP and employing 65 per cent of the total workforce (National Statistical Office, 2015).

Currently, one of the fastest-developing sectors is the hospitality industry, and some of the world's largest hotel chains, such as Shangri-La and Best Western, have opened in Mongolia in the last few years. The latest franchise to enter Mongolia is Holiday Inn, which launched a hotel in Ulaanbaatar in 2016 (Max Group, 2016). One result of foreign companies' incursions into the Mongolian market has been the introduction of Western management practices, such as the use of sales targets and incentive-based salaries.

Crossing Boundaries: Social and Educational Developments

Beyond the economic and business dimensions, the transition from socialism to capitalism has also brought profound changes to the wider Mongolian society. The amended Constitution of Mongolia established a representative democracy which guaranteed freedom of movement for citizens (Constitution of Mongolia, paragraph 18, 1992) and opened its borders to the world. As mentioned above, this has allowed international organizations to enter the local economy, and Mongolians to travel to non-socialist countries. Management consultants and trainers have started to sell their services to Mongolian organizations, whereas local managers have begun to travel abroad for tuition.

The number of Mongolians travelling abroad is steadily increasing, and there were an estimated 120 000 Mongolian citizens living overseas by 2015 (National Statistical Office, 2015). The government of Mongolia now runs a state programme which has enabled students to study abroad with a full scholarship (Ministry of Education, 2015), and a considerable number of students also study abroad using private funding. Young Mongolians returning with international experience represent the most significant change in the local workforce and an important societal change in contemporary Mongolia.

The local higher education sector has also flourished. The first providers of higher education opened in 1994 and began offering degree programmes. Mongolia has 125 universities, and 89 of them offer degrees in business and/or management, which produce 15 850 graduates every year (Ministry of Education, 2015). However, business school curricula remain of limited relevance to aspiring Mongolian managers, as they draw on a combination of socialist-era published textbooks and translations of American texts that present case studies of multinational companies (MNCs) operating in Western business environments.

Beyond the physical transfer of people and services, local approaches to networking and customer service have also been affected by technological advancements. The availability of affordable and reliable Internet connections has enabled everyone, including herders from remote areas of northern Mongolia, to access the Internet. Online-based networking, sales and marketing are all new to Mongolian society; however, they have already become widespread tools for local businesses.

Moving Forward

Altogether, over the past 25 years Mongolia has undergone a range of multifaceted transformations that have changed the landscape of its

business environment, and have given rise to unprecedented opportunities and challenges for both local businesses and international partners and investors. As the country continues along the trajectory of transition, it is important for both management scholars and practitioners to develop an understanding of management and management practices in the Mongolian context. The remainder of this chapter focuses on issues involved in management in Mongolia by examining narratives of Mongolian management practitioners.

RESEARCH METHODS

The empirical basis of the research is provided by 45 in-depth qualitative interviews with senior management practitioners in Mongolia. This includes 35 interviews conducted between May and August 2014, and ten follow-up interviews with selected participants carried out between July and August 2015. All interviews were conducted by the first author. The sample of participants consisted of 16 chief executive officers (CEOs) and 19 middle to upper-level managers representing 32 different firms. The participants shared their views on what effective management entails, and brought to light the key influencing factors on their daily practices. In addition, four CEOs were shadowed for three days each to gain detailed knowledge of their management methods and how they engage with the internal and external factors that influence their roles. Table 3.1 provides more detail regarding the sample of participants.

The participants were divided into three groups based on their personal and professional background. The main criteria used in the process of categorization were: (1) temporal – in relation to the participant's age and the number of years of managerial experience; (2) qualifications – in relation to the participant's qualification and training background; (3) geographical – in relation to the participant's country of origin; and (4) the participant's personal definition of management. Using these four main criteria, the management practitioners interviewed were divided into three groups, as follows.

'Socialist era managers', the first group of managers, defined themselves as a 'product of socialism' or 'red socialist managers'. They were trained and had management experience prior to 1991, when Mongolia was a socialist country. Members of this group tended to be older than participants categorized under either of the remaining two groups. However, it is difficult to set an exact age criterion for them, as university graduates at the beginning of the 1990s were still taught the same curriculum as before transition. Broadly, this group tended to be aged from the mid-forties

Table 3.1   Sample of participants

Managers in Mongolia: four main criteria		Socialist era (12)	Transitional era 14)	Non-Mongolian (9)
Temporal	Age	45–60	30–45	30–60
	Start of managing experience	Prior 1990	After 1990	n/a
	Number of years of work experience (in Mongolia for non-natives)	Between 18 and 35 years (average 21 years)	Between 3 and 19 years (average 9 years)	Between 3 and 12 years (average 7 years)
Education and training	University (Mongolia or abroad)	Former socialist countries 10 Mongolia 2	Overseas 10 Mongolia 3 Other 1	University 5 Other 4
	Degrees (technical or business)	Technical 9 Other 3	Technical 4 Business 10	Business 5 Other 4
	On-the-job training	n/a	n/a	Apprentice 4
	Management training (after university)	Yes 2 No 10	Yes 12 No 2	Yes 9
Current working sector	Public or private	Public 5 Private 7	Public 4 Private 10	Public 0 Private 9
Involvement with social and political activities	Member of political party	Yes 10 No 2	Yes 8 No 6	No 7 n/a 2
	Voluntary posts	Yes 12	Yes 1 No 2	Yes 4 No 5

upwards and trained primarily in former Socialist countries, such as Bulgaria, Czechoslovakia, Poland and Russia. The paramount reason for studying in these countries was to promote brotherhood relations between socialist countries and learn to build socialism based on each other's best practices.

'Transitional era managers' made up the second group of managers, whose training and work experience took place after the socialist period. They defined themselves as 'people of business' and tended to be younger

than the first cohort of managers. Many of them were educated abroad and had business and management degrees obtained at a university. This was in contrast with 'socialist era' managers, who held mainly technical-related degrees. Transitional era managers were more likely to attend management-related training and workshops, and generally worked in the private sector.

'Non-native Mongolian managers', the third group of managers, have settled in Mongolia by choice since 2003, and at the time of the interviews were involved in managing local businesses. They were not categorized using age or previous work experience, as the only criterion used in this case was geographical. Non-native Mongolian managers defined themselves as 'people and business developers' and had worked for international or local companies for a minimum of three years. While they did not constitute an ethnically homogeneous group, their shared views are presented as 'non-native Mongolian' without specifying their nationality.

The interviews started with demographic type questions to explore whether participants had any experience of being a manager during socialism or had studied or worked abroad. These initial questions were followed up by asking about the participants' experiences and opinions on the difference between being a manager in the past and the present. Subsequently, practices-related questions were posed to discover the participants' approaches to managing. The interviews were concluded with enquiries about participants' perceptions of future management practices, the workforce and business environment in Mongolia. All general questions were followed by 'presupposition questions', as described by Patton (2002, p. 369). He suggested that their value lies in allowing the participant to say something within their own time and space, without persuasion, which may bring valuable insight to the research.

The nature of the interviews was narrative and drew on references to participants' experiences. It was common for managers to tell stories of how their organizations were managed during socialism, or what they had learnt from their upbringing in the countryside or education abroad. Most interviews with local managers were conducted in Mongolian, although it was surprising that a few younger managers who had studied and worked abroad preferred the interview to be conducted in English. All interviews with non-native Mongolian managers were conducted in English. It was common for certain phrases and expressions in Russian to be used by the older managers, who had been educated in former soviet countries. As the researcher conducting the interviews is a native Mongolian and a fluent English and Russian speaker, switching between languages did not interrupt the flow of the interviews.

The empirical data collection resulted in more than 1000 pages of text

which was coded and analysed using, first, an early data analysis approach adapted from Glesne (2011); and second, a narrative analysis approach (e.g., Cassell and Symon, 2011; Czarniawska, 1998; Feldman et al., 2004; Gertsen and Søderberg, 2011; Miles et al., 2013; Riessman and Quinney, 2005), supported by the use of NVivo software.

MONGOLIAN MANAGEMENT: PRACTITIONERS' PERSPECTIVES

The empirical material provides rich evidence of Mongolian senior management practitioners' understandings of the concepts of 'manager' and 'management', and of the activities and roles carried out by managers in the Mongolian context. Narratives of the three cohorts of managers – namely 'socialist era', 'transitional era' and 'non-native' – highlight both similarities and differences in participants' views. This section first introduces participants' understandings of notions such as 'manager' and 'management' and the roles for which, according to the senior management practitioners interviewed, managers are and should be responsible. This is followed by a section discussing the influence of a range of interconnected contextual factors on management in Mongolia. Table 3.2 provides examples of interview quotes illustrating the points made in the analysis and discussion below.

What is Mongolian Management?

Understandings of the notion of 'manager'
With regard to how they understood the notion of 'manager', the participants placed a key emphasis on the roles and responsibilities fulfilled by individuals. These roles and responsibilities were shaped by circumstances within and outside organizational contexts, including social and cultural influences, as well as political and economic conditions and formal training at the start of their career.

Firstly, participants' perspectives were inspired by their personal experiences of upbringing and education within a specific cultural context, as well as the professional influences of their formal training and workplace. References to a chief, head, guardian and parent were common, particularly amongst older contributors (e.g., 1 and 2). The idea of a head or chief evokes the notion of a manager whose position is above others (e.g., Stewart, 1976) or one who oversees an organization (e.g., Mintzberg, 1973, 2009). The participants' understandings of the roles of a manager extended beyond fulfilling functions within an organization. They included a range

Table 3.2 Interview quotes illustrating points made in discussion

Themes	Examples	Interview quotes
Manager as a head, guardian, chief and parent	1 and 2	'Management is the relationship between people and as a manager I create one big family, where everyone is looked after. Parents treat their children equally despite their differences and in return, they (children or staff) remain loyal to you.'
		(S-4, Private sector, M, 23 years of experience)
		'After completing my university in Stalingrad (now St Petersburg) I was appointed to be a Master. On my first day, I was given a mentor, who took me as her own daughter. She is one of the biggest influences in my life, and I kept in touch with her until she passed away a few years ago. I still have contact with her children.'
		(S-8, Private sector, F, 30 years of experience)
Expected to have high moral standards and be a role model	3 and 4	'We did not use the term of manager or management. The person in charge was known as "*darga*" – the chief or master. Being a master means to be the exemplar, professionally and morally and respected by everyone.'
		(S-1, Public sector, M, 28 years of experience)
		'People, who were with me during the socialist time, are trustworthy and have high morality. If any of us need a favour, we help each other without a condition, which you cannot get from today's youth.'
		(S-1, Public sector, M, 28 years of experience)
Showing respect to elders and ancestors	5 and 6	'We grew up in a society, where everyone knew their roles and responsibilities. Letting just anybody make decisions was not something that happened in the socialist time. It has always been a part of our culture and history, listening and respecting elders or chiefs.'
		(S-12, Public sector, M, 28 years of experience)
		'I advise and help my co-workers. They are no different to my children and they respect me like their mother.'
		(S-8, Private sector, F, 30 years of experience)

Becoming a manager by learning-by-doing	7 and 8	'I have an engineering background; I quit my job when my workplace was privatised in 1993 and started my own business from scratch. The last 20 years have been a constant learning curve for me and continues to be so. Running a business is a new expertise in Mongolia. The first few years have been just to survive, pay the bills and salaries. Nobody knew how to run a business, nor was there an institution to teach us. All we had to do was go with the flow and deal with things as they happened and experiment with what works and what does not. Only in the last five years or so, have we started learning about management. I'd like to know more about how others have managed in the local context.' (T-10, Private sector, M, 14 years of experience) 'I learn a lot from my staff, especially in customer relations. They know the local attitudes and preferences, which can be the total opposite of a Western mind-set at times.' (N-9, Private sector, F, 6 years of experience)
Non-native managers' daily challenges	9 and 10	'Mongolia is a relatively new market economy … There is a lot to learn from international standards and business practices. On the technical side, international financial and auditing standards are obviously new here. Our company has to follow these standards and I need to train my staff from day one.' (N-9, Private sector, F, 6 years of experience) 'My staff are keen to learn new things and I found that Mongolians are fast learners. However, I often struggle to have open discussions with them during and after training. They are very good listeners, but not good at expressing themselves. I do not know whether it is something to do with how they were brought up or that they still see me as their boss rather than as a tutor who is trying to help them.' (N-1, Private sector, F, 5 years of experience)
Importance of empowerment, emergent for younger Mongolian managers	11 and 12	'The role of an HR [Human Relations] manager is to provide the system that allows line managers to have the right to choose their staff and take the responsibility to train and manage them. I empowered line managers by giving them the freedom to choose their staff, and in return, they need to deliver. That is my control. Usually after one or two mistakes, they (line managers)

Table 3.2 (continued)

Themes	Examples	Interview quotes
		learn their rights and responsibilities. The important thing is to provide the system, where they can make decisions and perform at the same time.'
		(T-6, Private sector, M, 18 years of experience)
		'A good manager gives employees an opportunity to grow. By empowering my staff, they become more confident. It has also reduced my time needed for micro-managing them.'
		(N-8, Private sector, F, 6 years of experience)
Need for direction, micro-management	13, 14 and 15	'I get the sense that Mongolians want their management to be strong and have a clear direction. They do not want over-involvement and they expect you to know the answers. So, they get on with their job and feel safe that the company is heading in the right direction. They wanted us to behave like bosses, and when we did, the company was so much happier.'
		(N-2, Private sector, F, 5 years of experience)
		'We started up with a very idealistic approach in terms of work environment. We wanted to create a collaborative environment. I learnt that the Western style of communication is probably more indirect and softer. I was criticised for not being strong and blunt. We spent a lot of time listening to staff ideas, but they still wanted us to make the final decisions.'
		(N-2, Private sector, F, 5 years of experience)
		'Although, it has been 25 years since the collapse of the planned economy, Mongolia is still very young as far as a market economy is concerned. There are many graduates, but not enough experienced people out there. Therefore, we (non-native managers) are challenged by the lack of negotiation procedure in business deals too.'
		(N-5, Private sector, M, 11 years of experience)
Preference of being directed	16	'I think that Mongols need a fear factor. (sigh) We – Directors do not want to frighten them, but they need it when it comes to accountability and responsibility. Ever since we were pupils at school, we were reprimanded by the teacher and threatened with

being reported to our parents if we did not do our best. So, that mentality of being pushed is reflected in our work ethics when we became employees. Young people today, know their rights, but fail to understand their responsibilities, so we have to pressurise them to make them understand they work for themselves, not for the manager.'

(T-1, Private sector, M, 12 years of experience)

| Importance of building a network with politicians | 17 and 18 | 'If you follow the formal process, nothing gets done or it will take months. However, if you know the person who is in charge through a personal connection, it gets done within days. It is all about who you know.'

(T-9, Private sector, M, 12 years of experience)

'It may sound strange, but getting the correct information is difficult here (in Mongolia). If you ask ten people, you will have ten different answers. Even something simple like a monthly report about export or important figures, which you'd expect to see on their website. We need that information for our marketing strategy and I often use my personal network to get an updated report.'

(T-4, Private sector, M, 19 years of experience) |
|---|---|---|
| Demand and challenge for introducing international standards | 19 and 20 | 'You know, kid, that moment you realise that your entire education and work experience have become worthless . . . (sigh) I was a qualified accountant with nearly 10 years of work experience when my workplace was privatised. After quitting my job, I applied elsewhere and was confident of getting employed immediately. I was wrong and was asked about my knowledge of the international standard of auditing wherever I went. Many of us gave up the profession, and those who managed to stay were given an international auditing handbook with a Mongolian–English dictionary on their first working day.'

(S-6, Private sector, F, 27 years of experience)

'In 2010, we (the Mongolian Stock Exchange) were the best performing exchange in the world with share prices that increased by 121% within a quarter of the year, and in 2011, we increased our profit by 70%. Obviously, there is still huge interest from investors to work with local |

Table 3.2 (continued)

Themes	Examples	Interview quotes
		companies. Many potential investors have high expectations of their local partners and observe existing companies. It means we need to fast-track ourselves into international standards to keep up with the global market. Easy to say, but we are working at it.' (T-13, Public sector, M, 16 years of experience)
Practice of poor planning	21 and 22	'You cannot plan in Mongolia for more than four years. Because every four year, the entire business environment and legislations tend to change depending on who (political party) wins the general election. Hence, there is no point of planning for a longer term.' (S-8, Private sector, F, 30 years of experience) 'We tend to make last minute decisions based on current circumstances than foreseen ones. It is frustrating that things get delayed due to external circumstances and others' poor planning practices. It is hard to push things on time here, it really is.' (N-2, Private sector, M, 12 years of experience)
Role of central government in planning practice	23	'Sometimes, I think that the local managers' poor planning practice was inherited from the socialist habit of everything being planned by the central government. Planning was not the manager's job, instead, it was instructed by higher authorities. Therefore, I often think it is a new skill to learn by modern managers.' (T-12, Private sector, M, 18 years of experience)
Preference of giving and receiving orders by socialist era managers	24	'Negotiation is a very new practice in local business. Personally, I do not think it is possible to negotiate with people from the socialist era because they are reluctant to put all their cards on the table. For younger managers, again it is something we need to learn. I am learning now but good negotiation involves a lot of ground work.' (T-11, Private sector, M, 4 years of experience)

Preference of open discussion and communication, by younger local and non-native managers	25	'I could not say that I am really a Mongolian manager, because I am not, as I was educated in Hong Kong and completed my high school in the States. I am honest with my team and our communication is very open. I even share my personal stories and what I am trying to gain from this position. I told them that after three years I will move on to academia and be a media law professor in the future. This kind of information helps them to open up and contribute their opinions.'

(T-14, Private sector, M, 6 years of experience) |
| Practice of funding 'Home Council' without financial obligation | 26 | 'I am the Head of Home Council of the province, where my dad came from. Although I was born in the city, I still attend social activities and fund projects. It is my moral duty for my ancestors and father.'

(T-8, Private sector, M, 26 years of experience) |
| Vista metaphor: spiritual and symbolic relations between humans and landscape for Mongolians | 27 | 'We grew up in the generation of Marxist philosophy and our office walls and homes were decorated with portraits of political leaders. After the 1990s, portraits of Lenin and Sukhbaatar were replaced by a painting of my birth-place mountain, sculpture of Chinggis Khaan, and *morin huur* (a traditional musical instrument). I have always been proud of my ancestors and believed in the deity of my mountain, even during the socialist time. Of course, democracy then allowed us (Mongols) to show our devotion to our home town and be proud of our ancestors.'

(S-2, Private sector, M, 35 years of experience) |
| Doing favours for people who share same locality | 28 | 'It is a common practice to ask a help or do business with people who are from same province as you. I think dealing with people from same place is easier as you know them well and trust them more. Also, it is often expected to give or receive a favour from your *nutgiin akh* (brother from same county) in Mongolia'.

(S-8, Private sector, F, 30 years of experience) |
| Importance of building a collegial relations | 29 | 'I worked in India before, and we also used to run staff social gatherings. The difference in Mongolia is, when we have a staff party, nobody brings their family. I do not know whether it is a cultural thing, but at times, it seems people spend more time with their colleagues than their friends and family. Also, companies (foreign) are judged by how many activities they organise for their staff. It is almost seen as a code of conduct here.'

(N-8, Private sector, F, 6 years of experience) |

Table 3.2 (continued)

Themes	Examples	Interview quotes
Inherited habits from socialist legacy	30	'My staff are keen to learn new things and I found that Mongolians are fast learners. However, I often struggle to have open discussions with them during and after training. They are very good listeners, but not good at expressing themselves. I do not know whether it is something to do with how they were brought up or that they still see me as their boss rather than as a tutor who is trying to help them.'
		(N-1, Private sector, F, 5 years of experience)
Ingrained impact of socialist thinking in contemporary management	31	'The approaches of managers from the public sector are related to their system, not their personality. When I worked for the Ministry, I had to follow the instructions of my Head of Department and the government sector has not altered since the socialist period, and it will take a long time to change.'
		(S-9, Public sector, M, 21 years of experience)
Convergent influence from current economy in management thinking	32 and 33	'As a business owner you wear many hats to develop business. People progress quickly in our company on merit. We are a very transparent and fluid team who help each other.'
		(N-2, Private sector, F, 5 years of experience)
		'The manager serves people under you. So, I want Mongolians to reach the mid-level (of management) and share some of my responsibilities in the coming years. That is my target for the next two years.'
		(N-4, Private sector, F, 3 years of experience)
Managing to 'survive', by transitional era managers	34, 35 and 36	'I started my business from a small shop and employed three people. My duties were to keep my business alive and pay salaries on time. The bigger the business grew the more people could be employed.'
		(T-4, Private sector, M, 19 years of experience)
		'We all started from scratch under great economic pressure. Our entire focus was to survive and pay our bills on time. If we made a profit, it was a bonus and it meant staff could have a pay-rise.'
		(T-6, Private sector, M, 18 years of experience)

'When we do well (profitable), then I invest more in new products and people. However, we have to stand on our feet by first developing our business.'

(T-4, Private sector, M, 19 years of experience)

| | 37 | Importance of creating stable business environment | 'I do remember my grandmother used to say "I was lucky to see two governments in my lifetime". Look at us now. Having 2–3 parliaments within 4 years is common in Mongolia. It is not something we should be proud of. The whole uncertainty of government pushes us (managers) to take an active role in politics to run our businesses because we cannot trust them (politicians).' |

(S-8, Private sector, F, 30 years of experience)

| | 38 and 39 | Managing to create an egalitarian value and treating everyone equally, by older managers | 'We had the motto of "Each member of a socialist society devotes his skills to building Communism by reaching our work target and looking after each other as one family."' |

(S-3, Public sector, M, 32 years of experience)

'Management is the relationship between people and as a manager I create one big family, where everyone is looked after. Parents treat their children equally despite their differences and in return, they (children or staff) remain loyal to you.'

(S-4, Private sector, M, 23 years of experience)

| | 40 | Western business values, by younger managers | 'I helped many people to reach their dreams, now I want to help myself to reach mine, which is why I started my company. There are a lot of problems and challenges for any new venture in Mongolia. Things like new company registration, or submitting accounts are a simple and straightforward process in the US [United States], but in Mongolia, it can take several months. Then again, there are lots of opportunities to grow and prosper here, so I try to focus on the bigger picture.' |

(T-12, Private sector, F, 8 years of experience)

| | 41 and 42 | Influence of younger workforce, who have overseas qualifications and experiences | 'Management is building a successful venture with a great product and the right people. I came here to start my own consultancy. So, starting my business is important, but without the right people, it will not happen.' |

(N-2, Private sector, F, 5 years of experience)

'I am privileged to be appointed to one of the most prestigious posts in the country at such a young age. This chance will happen only in Mongolia. On my first day, I had a meeting with my senior managers, and asked them to prepare project ideas within

Table 3.2 (continued)

Themes	Examples	Interview quotes
		a week. After a week, nobody submitted a thing. I am talking about senior staff, not clerks, you know. It was a culture shock for me. Then, I realised that they did not know how to. So, I had to hire skilled people or at least people, who could be trained.'
		(T-5, Private sector, M, 11 years of experience)
Interference of economic authorities in daily managing practices	43	'The government gets too involved in business in Mongolia, and sometimes I think they are trying to introduce a monopoly like during socialism, which is frightening. One example, they just exempted their (state-owned) airline from tax last week. How can other private airlines compete? It is not economic market policy. The reason is that they have personal and economic interests in certain companies and it is in their interest to kill the competition in the market.'
		(T-3, Private sector, M, 18 years of experience)
Negative effects of frequent changes in key laws and legislations in daily managing	44	'I was the Chief Financial Officer for Z for 15 months, which was without a doubt the most frustrating time in my entire career, because of the dysfunctional nature of management, completely dysfunctional. My feeling is that pretty much most of the state-owned enterprises in Mongolia are run by mostly political appointees and very corrupt. They are supposed to be run by people who have strong business knowledge . . . It is all about keeping their political master happy, irrespective of whether the business fails or succeeds.'
		(N-5, Private sector, M, 11 years of experience)
Non-native practitioners' views on developing networks in Mongolia	45	'Mongolia is a much easier-going environment. It is extremely difficult to link with end-users in China. They have too many middlemen and establishing *guanxi* takes a lot of time and effort. It is almost impossible for someone who is travelling for business for a short time. Just after coming here (Mongolia), I was introduced to one of the top business people in Mongolia through one of my friend's contacts. Then that business person linked me to others. Here, people, especially young business people are much friendlier than the Chinese and share their information and network.'
		(N-6, Private sector, M, 3 years of experience)

Note: S = Socialist era; T = Transitional era; N = Non-Mongolian; M = male; F = female.

of responsibilities involved in 'looking after' or 'guarding' subordinates outside of the work context by advising them and developing a 'family tie' relationship with colleagues, rooted in notions of the role of guidance by the elders in traditional upbringing. The narratives also indicated a strong influence of social expectations and norms upon the local definitions of a manager, such as having higher qualifications than the subordinates, acting as a role model for them through displaying high moral standards, having outstanding performance in all tasks, and taking on responsibility for developing the business and the employees (e.g., 3 and 4). In addition, all Mongolian managers saw service to their local county as obligatory within the current social customs.

The country's 21 provincial municipalities and their several districts each have a Home Council, or *Nutgiin Zovlol*, a voluntary-run association with the purpose of promoting and developing the local society. Each *Nutgiin Zovlol* relies on support from businesses and individuals who share the same locality. Many accounts indicated that supporting that association, as well as showing respect to their ancestors, are considered to be among managers' duties (e.g., 5 and 6).

The narratives also indicate that becoming a manager is understood in the Mongolian context as 'an ongoing process', as both professional and personal development (e.g., Watson and Harris, 1999; Mintzberg, 1973, 2009; Watson, 2013). Becoming a manager, moreover, was associated with learning new skills or improving one's own expertise through learning-by-doing (e.g., 7 and 8).

Understandings of the notion of 'management'
The participants elaborated on their understandings of the concept of 'management' through discussing a variety of their own practices and experiences of management. All three groups recognized that the socio-economic and political changes continually shape how they understand and approach management. For example, socialist era managers' narratives highlighted their experience of working towards 'building Communism' during the socialist period; whereas transitional era managers stressed the need to generate income when the country entered the free market economy in the 1990s. Consequently, while older practitioners' under-standing of management highlighted the importance of 'looking after people', transitional era practitioners referred to management as reactive rather than proactive by repeated references to the concept of 'survival'. In the case of non-native Mongolian managers, their understandings of management highlighted their daily practice of staff and business development, as well as the wider socio-economic issues, such as the need for a qualified workforce and stability of the legal framework in the local

business environment (e.g., 9 and 10). Following from the above, local practitioners' understandings of the notion of management to an extent reflect the traditional management literature that focuses on roles and responsibilities (e.g., Fayol, 1916, 1930; Mintzberg, 1973, 2009), while at the same time also showing affinity with more recent views of management as a practice and process (Mintzberg, 2009; Watson, 2011, 2013; Watson and Harris, 1999).

Mongolian managers' views of managerial roles

All three groups of participants made references to four key roles of managers, understood as: leading; networking; personal development and learning; and decision-making and negotiation. Interestingly, one of the typically considered managerial role of planning (e.g., Mintzberg, 1973, 2009; Stewart, 1976) was hardly mentioned. Instead, the roles of being a parent, applying fear and pressure, looking after people from the same county and learning by experience emerged as sub-roles discussed by the Mongolian practitioners interviewed.

The first main managerial role highlighted by participants was that of leading, which is one of the most frequently addressed in classical management literature (e.g., Fayol, 1916, 1930; Mintzberg, 1973, 2009). However, the understandings of what this role involves differed between the three cohorts of managers. While the narratives of Mongolian practitioners tended to emphasize a more paternalistic approach characterized by a strong hierarchy, non-Mongolian managers and some younger local managers highlighted the importance of empowerment (e.g., 11 and 12). Furthermore, four sub-roles of parenting, controlling, applying fear or pressure, and empowering employees emerged in participants' perspectives on the role of leading.

In particular, 'parenting' or 'being a parent' was a common phrase amongst Mongolian managers. It referred to creating a situation in the organization whereby the subordinates would feel more content and supported at work as a result of being directed and guided, be it through 'mother-like nurturing' or 'father-like directiveness'. The local paternalistic approach had mixed connotations, linking an obligation to look after descendants or co-workers to practising an autocratic, top-down management approach. A similar understanding of leading as a role which requires the fostering of individuals has been noted in indigenous management literature, for example in relation to African contexts (e.g., Jackson et al., 2008).

All three cohorts of managers acknowledged that they exerted some form of control as part of their leadership approach. Here, socialist era managers emphasized that systematic control over financial and human

resources makes effective and successful leadership possible, and leads to the achievement of results. They shared a view that the entire economy worked much better when tighter controls were in place before the transition in 1991. In contrast, non-native Mongolian managers said that they were impelled to control their local colleagues regardless of their personal preference, due to a lack of self-direction and poor performance by the local workforce (e.g., 13, 14 and 15).

The third sub-role that emerged from the narratives consisted of exerting pressure upon subordinates and invoking fear in them as tools to increase productivity, punctuality and/or accountability. While many of the older practitioners justified their use of pressure and fear as a matter of managers' right to be 'respected' and 'listened to', younger Mongolian managers saw pressurizing colleagues as a way of promoting self-accountability and responsibility among their staff. Similarly, non-native Mongolian managers admitted to utilizing pressure to improve punctuality, and suggested that the role of pressurizing arose from their employees' preference for being directed (e.g., 16). At the same time, opposing the idea of leading by control or fear, some non-native and younger Mongolian managers' accounts indicated the importance of empowerment and staff initiatives in their approach to management and leadership.

In addition to the above, networking was identified as one of the main managerial roles in the narratives. It was suggested that practitioners engage in networking in looking after *nutgiin hun* (people from the same county), and use it to access information and achieve results faster. In the indigenous management literature, networking is identified as a set of context-specific practices, rooted in local social and cultural traditions. As described by the managers interviewed, the approach to networking in the Mongolian context is similar to the Chinese concept of *guanxi* (e.g., Tsui, 2004; Yang, 2012), though not identical. Its application is derived from a sense of ancestral lineage and moral duty of the individual – for example, a business manager – to the local community. Social networks in Mongolia stem from four types of relationships: kinship, classmates and co-alumni, co-workers, and *neg nutgiinhan* (people from the same homeland) (Dalaibuyan, 2012). Both younger and older Mongolian managers discussed their networking role as linked with a moral responsibility towards their close circles – such as those originating from the same province, commonly referred to as 'brothers from the same county' – rather than merely in relation to business-related purposes. The narratives suggested that in the local management environment, gaining favourable access in business largely depends on 'who you know'. Accounts of all three cohorts of managers indicated that developing extensive industry networks as well as links with politicians is one of the primary tasks of

local management practitioners (e.g., 17 and 18). To manage effectively in Mongolia, and to navigate smoothly through the bureaucratic landscape of local rules and business formalities, it is necessary to develop and cultivate mutual networks of favour exchanges. In this sense, business networking in Mongolia fulfils a role similar to that of *blat* in the context of (post)socialist Russia: a way of taking advantage of informal networks to facilitate and speed up business deals (Ledeneva, 1998, 2009).

Improving one's own skills and supporting staff professional development as a key managerial role was also discussed by the senior managers interviewed. Many listed the rapid economic transition and changes in the business environment as the reasons why they had to improve their computer literacy, test new management methods or become entrepreneurial in business development. Particularly, older managers saw being the head of an organization as being able to guide everyone in the right direction, and meeting the expectation of having all the answers. Hence, they explained that their approach towards learning and development focused on improving their own skills, and they saw it as the biggest challenge in their career. Similarly, transitional era and non-native Mongolian managers repeated the idea that local employees expected the manager to be able to provide answers to all questions and solutions to all problems within the organization. In the view of these two categories of participants, it was important for managers not only to learn and develop new skills themselves, but also to focus on staff development, especially to meet new business demands such as customer orientation and competence in applying internationally recognized accounting and auditing standards (e.g., 19 and 20).

The final managerial role that emerged in the narratives was that of communicating in decision-making and negotiating. Decision-making is considered one of the main roles of managers (e.g., Anderson et al., 2015; Mintzberg, 1973, 2009), and scholars argue that approaches to communicating involved in decision-making vary in different cultures (e.g., Ang et al., 2007; Nishi et al., 2016). The empirical findings suggested that local managers' perspectives on decision-making were influenced mainly by the socio-economic and political context. Accounts of all three cohorts highlighted the impact of political uncertainty on poor planning practices and the need for last-minute decisions. They suggested that long-term planning barely exists in local businesses due to the frequent amendments in key legislation and local parliamentary appointments (e.g., 21 and 22). A few also explained that planning has never been a strength of Mongolian managers, as planning issues used to be dealt with by central government (e.g., 23; see also Yang, 2012).

Furthermore, the empirical findings indicated that negotiating is an emergent role within Mongolian practitioners' understanding of communication.

Participants pointed out that the decision and communication process requires constant negotiation with political and industry partners; an activity that proved particularly challenging for socialist era managers, because under socialism decision-making involved giving and receiving orders rather than engaging in a discussion (e.g., 24). In contrast, transitional era and non-native Mongolian managers tended to express a greater openness towards negotiation and decision-making processes, although they acknowledged that engendering honesty and openness in communication – for example with staff – was a difficult task to accomplish (e.g., 25). Negotiating, then, while an important skill and role of the manager, emerged as a new and challenging competence for Mongolian management practitioners.

Influences on Management within the Mongolian Context

Contextual influencing factors are a well-studied area within cross-cultural management, international business and institutional theories-based approaches to management (e.g., Al Ariss and Sidani, 2016; Jamali and Neville, 2011; Kwon et al., 2016; Ralston et al., 2008 [1997]; Ralston et al., 2015). Existing studies discuss the impact of a range of factors on local management, including culture (e.g., Hofstede, 1984, 2001; House et al., 2004; Schein, 1985, 2010), political and legal institutions (e.g., Holmes et al., 2013; North, 1991; Scott, 2013), and economic ideologies (Deeg and Jackson, 2008; Friel, 2011). Research has tended to address the cultural and institutional aspects separately by focusing on the cultural consequences (e.g., Hofstede, 1984, 2001; House et al., 2004; Schein, 1985, 2010), the macro-level institutional influences (e.g., Holmes et al., 2013; North, 1991; Scott, 2013), or micro-level business-related impacts (e.g., Deeg and Jackson, 2008; Friel, 2011; Morgan, 2007).

Our empirical findings point to a comprehensive set of contextual factors that influence management in Mongolia: from the traditional nomadic culture, to past and present economic ideologies, to societal trends and local politics. The perceived salience of various contextual influences on Mongolian management – and how it is understood – emerged as being related to three temporal phases: before, during and after socialism.

Traditional nomadic culture

In participants' views, management during the pre-socialist period was heavily influenced by nomadic values and ancestral lineage, though such values remain. In particular, the accounts bore numerous references to the 'vista' metaphor of homeland, 'my mountain' or 'birthplace'. Consistent with Wickham-Smith's (2013) explanation, nomadic culture and society can be described as a symbolic relationship between the

landscape and the Mongolian people. This relationship was manifested in most native managers' active participation in promoting their home town by funding a Home Council or *Nutgiin Zovlol* (a voluntary association that relies on support from native people) (e.g., 26). Both older and younger Mongolian managers suggested that contributing to the development of their homeland is their moral duty, and intrinsic to the symbolic and spiritual connection between their mountain and themselves (e.g., 27). Furthermore, participants used references to the 'golden thread': a notion representing Mongolians' belief in being connected to their ancestors, history and origins, especially the thirteenth-century ruler Chinggis Khaan and his family tree, which is known as the 'golden lineage' in local history. Participants explained their understanding of favouring *nutgiin hun* in the recruitment process or conducting business with them as their moral duty to the ancestors. Simultaneously, many accounts indicated that senior Mongolian managers perceive their managerial role as a 'guardian' or 'parent' to the younger generation from the same county. Some accounts suggested that being looked after by *nutgiin akh* ('brother from the same county') is an expected social norm among people who share localities. Perceiving a moral obligation towards *nutgiin hun* was common among local practitioners' narratives. Some accounts suggested that their approach was linked to the nomadic concept of sharing trust with people from their neighbourhood. The nomadic society neighbourhood known as *hot ail* (a group of families, who are not necessarily relatives) shared resources and bonded during the seasonal moves. Favouring people from the same county, funding projects for one's home province, or creating an extensive network among people from the same town, was considered acceptable behaviour in the local business context (e.g., 28).

The socialist legacy

Following the influence of culture, the second recurring theme in practitioners' narratives was the influence of the socialist legacy. For example, the effects of a centrally planned economy and inherited habits in relation to planning and communication are still ingrained in Mongolia, according to local practitioners.

The notions of 'employer' and 'employees' first emerged when Mongolia became a socialist country in 1924. During socialism, groups of nomadic families formed collective farms, called *negdel*, supported by a cooperative transport and agricultural system (Humphrey and Sneath, 1999). In urban areas, communist principles and collective ethics were observed in workplace organizations (Dalaibuyan, 2012), and *hamt olon*, a workplace collective, played a key role in social life. The narratives of all three groups

of managers in Mongolia suggested that maintaining a good collegial relationship remained one of their key roles (e.g., 29).

Moreover, some practitioners' approaches to leading were reflected by the values of a socialist work code of conduct. During socialism, *darga* (*pl. darguud*) ('masters of the urban landscape') became the power term to describe leaders in collective farms (*negdel*), organizations and institutions (*alban baiguullaga*) (Zimmerman, 2012, p. 84). Some accounts suggested that the expectation of being directed and having decisions made for them by a *darga*-style leader, coupled with a habit of poor self-accountability, remained strong among Mongolian employees (e.g., 30). The *darga* approach to leadership can still be found in Mongolian organizations also because those who used to be junior managers during the socialist era are today's top executives in the private sector or government.

Younger Mongolian and non-native participants emphasized the deeply rooted influence of the socialist legacy in local management despite the growing effect of FDI, the increasing number of foreign firms and graduates with overseas qualifications (e.g., 31). Some narratives touched upon the educational system of Mongolia as part of the remaining socialist legacy in local management. Transitional era managers, who studied for business degrees locally, criticized the irrelevance of the curriculum to their current practice; whereas non-native Mongolian managers observed the incongruity between qualifications and skills in their younger employees.

Western management knowledge and 'market forces' ideology
Empirical findings also indicated strong links between Mongolian management practice and the current market economic conditions. Specifically, the narratives suggested that Western management techniques are becoming more popular due to the demands of working with foreign investors, entering an international market and managing a younger workforce with overseas experience (e.g., 32 and 33).

The accounts of transitional era managers suggested that their approach to management differed from socialist era managers in terms of work ethics, human relations and leadership roles. Younger practitioners' perception of business development and monetary rewards coincided with Linz and Chu's (2013) findings about how younger workforces in transitional economies were driven by individual gain, achievement and results-orientated performance. Many accounts of transitional era managers linked the dramatic economic and social changes to their focus on business development. The participants, many of whom are today's successful business owners and senior managers, started their careers either selling on the black market or establishing family-run small and medium-sized enterprises (SMEs). Consequently, transitional era managers defined their managerial approach

and business strategies through an emphasis on survival (e.g., 34, 35 and 36). That contrasted with the older practitioners' view of management as looking after people or promoting a collegial culture.

As with other major transitional economies (e.g., Drahokupil and Myant, 2015), Mongolia has experienced the expansion of MNCs and the inflow of foreign direct investment. Correspondingly, the narratives indicated that local managers faced both challenges and opportunities due to the local economic growth and the cash flow from FDI. Participants stressed the importance of a stable business environment for attracting more investment (e.g., 37).

Moreover, they acknowledged that one of the main challenges brought about by the current economic situation is that managers are expected to be more innovative and skilful to manage successfully in the competitive environment. In line with this, both younger Mongolian and non-native Mongolian managers highlighted the importance of a reward structure and shared their experiences of linking monetary reward to personal achievement and technical competency. Younger participants saw monetary reward as one of the key motivating factors for their employees, and under-lined the importance of individual performance and introducing different approaches to promote competitiveness and individual accountability.

Such views clashed with those of older participants, who considered adapting to the new conventions of competitive behaviour and individual reward orientation as a struggle. They stressed that their understand-ing of managing and being managed revolved around the egalitarian value of treating everyone equally and promoting morality (e.g., 38 and 39). Conversely, there were many overlaps between younger Mongolian managers' accounts and those of the non-native Mongolian managers: for instance, with respect to leadership, decision-making and staff develop-ment. Both groups shared common views on empowerment, motivation, staff training and development, financial reward, as well as on encouraging staff initiative and participation in decision-making. This demonstrates that at least some Mongolian managers have internalized the Western capitalist ideologies and values surrounding the economy and business, as well as management techniques (e.g., 40; see also Brewster et al., 2015; Budhwar et al., 2016; Katz and Darbishire, 2000; Yip et al., 1992).

Importantly, the influence of Western management philosophy was seen as being sustained not only by the presence of MNCs in the country, but also by the changing profile of the Mongolian labour force. The influx of a foreign workforce, and a growing number of graduates who have studied abroad, were highlighted as among the most significant influences on Mongolian management within the past decade. Although the narratives indicated the different challenges of working with a younger workforce, all

three groups of Mongolian senior managers acknowledged that employees with overseas experience benefit their organization by meeting the demand for local knowledge and skills, and by having the ability to perform at an international level (e.g., 41 and 42). At the same time, most practitioners expressed the opinion that working with overseas-educated colleagues who tended to be more open in their communication style often meant that they had to amend their own approach. Altogether, the narratives pointed to the development of hybrid approaches and management practices which combined socio-cultural and institutional effects (e.g., Al Ariss and Sidani, 2016; Ralston et al., 2008 [1997]; Ralston et al., 2015). A tendency towards reliance on informal networks, and 'last-minute' planning and decision-making, were results of their nomadic heritage and reliance on the socialist 'centre', whereas the newly arrived capitalist ideals and norms have introduced notions of inter- and intra-organizational competitiveness, as well as working to international accounting and auditing standards.

Evolving financial and political institutions

Beyond the impact of individual and organizational-level values and ideology, the role of evolving institutions in the country came across as particularly powerful influences on how management is understood, how it is put into practice, and what the roles performed by managers should entail. The role of the government and regulatory institutions in establishing a stable business environment is not a new idea in the management and international business literature (e.g., Holmes et al., 2013; Scott, 2013). Institutional theory scholars have also argued that formal institutions established by the government play a key role in promoting stability in the society and economy through laws and legislation (e.g., North, 1991; Scott, 2013). The empirical material has provided evidence of that very same idea with respect to the Mongolian context. All three groups of participants stressed the importance of local government for forming a supportive legal environment for domestic and foreign businesses and investors. Furthermore, some narratives indicated that their daily approach to management was influenced by local economic authorities with respect to their handling of the country's monetary policy and financial regulations (e.g., 43; see also Deeg and Jackson, 2008; Hall and Soskice, 2001; Witt and Redding, 2009).

In addition, the impacts of newly developed financial and economic systems were seen as necessarily mediated by still unstable political processes and institutions. Many practitioners shared their disappointment with the performance of the Mongolian government since 2011, highlighting the negative consequences of frequent amendments in key laws and legislations, which tended to change after each general parliamentary election

(e.g., 44). Simultaneously, practitioners drew attention to the fact that poor planning practices in organizations are, at least in part, a consequence of the need to operate under conditions of local political and economic uncertainty. Further, the managers – especially those based in private sector organizations – highlighted the over-involvement of local authorities in pricing strategies, which discouraged competition and the organic growth of businesses in the local environment.

All of the managers interviewed suggested that they are required to take precautionary action due to the pressure of local political institutions. Consequently, most native Mongolian practitioners admitted they were a member of one of the main political parties in Mongolia, took an active interest in local politics, and networked with influential individuals in order to have an impact on the development of new business- and industry-related legislation. While non-native Mongolian managers were not members of political parties in Mongolia, their accounts suggested that securing the presence of influential 'names' in their networking circle was common (e.g., 45). In addition, political involvement was also pursued by Mongolian management practitioners out of a more personal motivation: to take advantage of extensive networking with industry executives and politicians, and to benefit from the increased social status associated with political involvement. It was evident from the narratives that there was a two-way influence between the political and legal institutions, and business practices in Mongolia.

CONCLUSIONS

Understanding Mongolian Management

An awareness of history is essential for building an understanding of Mongolia as a country and Mongolians as people. The discussion presented in this chapter has drawn attention to the importance of understanding a range of influences – such as local history, nomadic cultural heritage, and current socio-economic and political changes – for building a picture of contemporary Mongolian management and management practices. The understandings and practices of management by senior practitioners within the Mongolian context emerge from a unique combination of factors and influences (see Figure 3.1).

At the same time, this chapter has shown that the practices of managing, planning, leading and organizing have existed throughout history with different purposes and names. Before socialism, the understanding and practice of management was focused on livelihood, and was inspired by
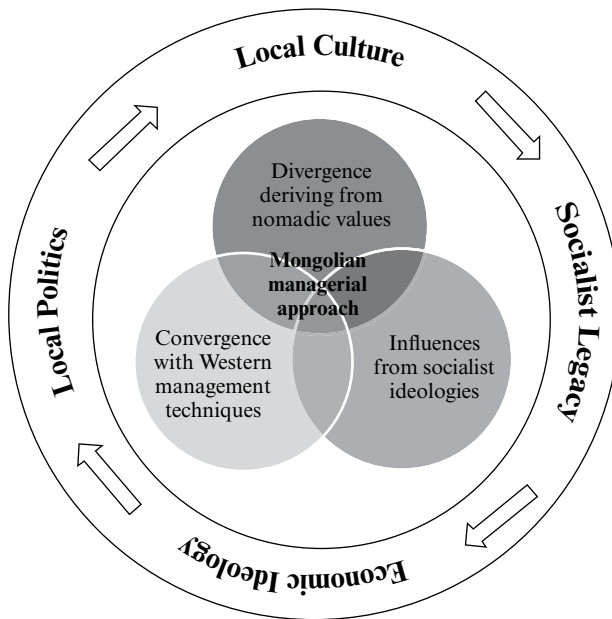
Figure 3.1   The Mongolian approach to management

a traditional paternalistic approach and charismatic leadership. Socialism brought central planning, a collegial culture and regulated working hours, and created autocratic leadership amongst practitioners. The transition from a planned to a free economy in the 1990s brought rapid change: the terms 'management' and 'managers' arrived for the first time in Mongolia, along with privatization, socio-political reforms, and freedom of speech and movement. All these changes have had an impact on management in the Mongolian context. The study underpinning this chapter provides an important contribution to research into management within transitional contexts, due to the Mongolia's ongoing economic growth and its emerging role within the global political arena.

Implications for Managers

The empirical material has highlighted the existence of tensions to which managers at different levels and of different profiles are exposed on a daily basis. On the one hand, younger Mongolian managers have highlighted the benefits of familiarizing themselves with Western management techniques and experimenting with new methods. On the other hand, the inherited

socialist era approaches to working still actively influence management and business practice in Mongolia. Furthermore, as Mongolian managers are constantly being challenged to keep abreast of cultural and institutional changes, there is an inclination among local practitioners to lean towards managing in a reactive manner.

The analysis presented in this chapter allows drawing a number of implications for managers and other organizational stakeholders, whether native or non-native Mongolian. The empirical material has provided a plethora of examples evidencing the challenges of managing in Mongolia, not least due to the underlying dynamics of local political, economic and socio-cultural changes that contribute to its complex nature. While the environmental uncertainties are inherently difficult to address, Mongolian practitioners would benefit from systematic approaches to problem-solving and analysis. The ad hoc, last-minute decisions that are common in Mongolian organizations at present bring the danger of overlooking significant trends and phenomena affecting mid- to long-term business activities. Adopting more structured ways of appraising the current situation would enable managers to shift to less reactive and chaotic approaches to practising management and making decisions.

Further, the study has demonstrated that there are significant differences in approaches to communication between older and younger managers, as well as managers who studied overseas and those who had graduated from local universities. The differences between socialist and transitional era managers are particularly complex. Socialist era managers tend to adopt a 'top to bottom' approach to communication, and exhibit a preference for hierarchal decision-making. By contrast, younger managers are more likely to adopt a two-way communication style and to encourage employees' participation in decision-making. In order to develop successful collaboration between potential and existing business partners in Mongolia as well as foreign firms, it is essential to establish effective communication between different generations of Mongolian managers.

The empirical findings suggest that non-native Mongolian managers' knowledge about the local management practices is, in general, limited due to the lack of studies addressing the Mongolian management context. Considering the significant influence of both past and present contextual factors on management in Mongolia, it is therefore important for non-native managers to familiarize themselves with locally meaningful knowledge, including the nomadic culture and traditions, and the way in which these influence ways of working and managing in contemporary Mongolia. Understanding locally meaningful constructs will help non-native managers to develop a better understanding and rapport with their local colleagues and business partners.

Non-native practitioners should also be aware of the continuing influence of the legacy of socialism on management in Mongolia. The socialist approach to managing and organizing still manifests itself in, for example, the bureaucratic processes associated with registering and conducting business, and in top-down autocratic approaches to leading within organizations, especially where leadership roles are fulfilled by managers who started their careers during the socialist era. Understanding the present impacts of socialism on management will enable non-native managers to navigate more effectively through the local institutional and business landscape.

In addition, the empirical material has shown a disparity between the expectations of native and non-native Mongolian managers in relation to work performance, competence and self-initiative. In particular, non-native participants expressed their frustration over the lack of professional competence locally. It is important for both native and non-native Mongolian managers to be conscious of the multifaceted challenges faced by all stakeholders within the turbulent Mongolian economy, and to address the development of skills constructively and collaboratively, towards the implementation of international accounting and auditing standards, as well as advanced technologies in the Mongolian context.

Implications for Political Authorities

There is a need for political institutions in Mongolia to focus on stabilizing the local business environment by ensuring consistency in the local parliament and legal frameworks. It is also important for the local government to work towards improving the dialogue and communication with businesses and industry leaders to provide more support to SMEs and the private sector. Within the last ten years the private sector has become the largest employer and contributor to the local economy (National Statistical Office, 2016). However, as the empirical material has indicated, there is very limited support and cooperation from local government for Mongolian organizations. By engaging in closer relations with industry leaders, government ministers will gain a better understanding about the needs and demands of the business environment. Overall, the mutual understanding and collaboration between government and businesses will help formal institutions create a more supportive business environment, as well as contribute to the local economy.

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