

MIDDLE MANAGERS IN RUSSIAN COMPANIES: ANALYSIS OF INTERGENERATIONAL DIFFERENCES

Tatiana Stuken – Olga Korzhova

Abstract

In the context of the transformational changes that the modern economy is facing today, the requirements for middle managers who should become agents of change in organizations are increasing. It is especially true for the Russian economy, in which for a long time middle managers were evaluated primarily not on managerial, but on professional qualities. The present study uses a representative for Russia RLMS database (2015-2019) and authors' research on the middle managers' labor behavior. There were evaluated differences in work behavior of managers belonging to different age groups: under 30 years, 31-45 years, 45 years and older. As a rule, middle-level managers have working hours that are close to normal. The peak of earnings, all other things being equal, is achieved in the age group over 45 years. In all age groups, the coverage of additional educational programs is small. The possibility of middle managers' training positively depends on the organization's membership in the public sector of the economy. Young managers are more often engaged in self-education, but this is not enough to increase the effectiveness of their activities. Young managers are more likely to have excessive control over subordinates and the inability to delegate authority.

Key words: middle managers, working hours, competencies.

JEL Code: M12, M53, M54

Introduction

In the context of the transformational changes that the modern economy is facing today, the requirements for middle managers are increasing. They occupy an intermediate position between top managers and performers and can become both agents of innovation (Huy, 2002; Manzooret et al., 2020; Harris & Ogbonna, 2020; Harding et al., 2014) and a serious brake on organizational changes. Middle managers are the agents of top management decisions, setting rules and guidelines for subordinates, and being responsible for maintaining and improving existing policies and processes (Chang, Bright, 2012; Ukil & Akkas, 2017).

Research shows that middle managers are more likely than top managers to see contradictions between an organization's capabilities and its economic performance, and therefore, in certain circumstances, their role may be very confusing (King & Zeithaml, 2001; Wooldridge et al, 2008; Duncan, 2019). At the same time, experts note that the factors contributing to the involvement of middle managers in the most important organizational processes are not fully clear (Pappas, Wooldridge, 2007).

Middle managers by the nature of their activity should have a high level of development of competencies in the professional field that corresponds to the profile of the activity. In addition, the roles performed by middle managers (strategic, administrative, leadership, decision-making and communication) require the development of managerial competencies (Rezvani, 2017; Boyatzis, 2011), the key ones (besides specialized knowledge) are being oriented to integrity, to personal effectiveness and performance, to management job, and to people (Galanou, 2011).

Given the importance of the position of a middle manager, we are interested in the trajectories of promotions that allow taking this position. At the same time, it is obvious that the trajectories of young and older workers may differ in terms of not only education, experience in the labor market, and the amount of specific human capital but also due to different activities in the labor market. Does management education compensate for the lack of experience and expertise? Are there gender barriers to holding a middle manager position? Do industry structure, the form of ownership, and the size of companies differentiate these barriers?

The second group of questions is related to the behavior of middle managers belonging to different age groups. So, modern literature often gives contradictory assessments of the young workers' activities. On the one hand, attention is drawn to the fact that due to their age and high career expectations, such employees can work more and acquire important managerial competencies more actively. On the other hand, works in the field of generational theory note the low motivation of representatives of young ages, the unwillingness to overcome problems. And the experience of managers of older age groups is often contrasted with less creativity and a characteristic specific to Russian conditions associated with a critical attitude to market regulation.

1 Research methodology

The study includes two main parts. The first part is based on the materials of The Russia Longitudinal Monitoring Survey-Higher School of Economics (RLMS-HSE)¹ for the period 2015-2019. The sample size is 35.3 thousand working individuals, including 2.3 thousand employees classified by us as middle managers based on the International Standard Classification of Occupations (ISCO)-08 code (Group 1-Managers, except for subgroups "Legislators and senior officials" and "Directors and Senior Managers" (International Standard Classification of Occupation: ISCO-08, 2012).

The purpose of this part of the study is to identify differences between middle managers belonging to different generations. We identified several age groups of middle managers: under 30 years, 31-45 years, over 45 years. Further, to identify differences in behavior in the labor market, we evaluated some characteristics of middle managers, including the volume of labor supply, participation in training programs, etc. Methods of analysis are descriptive statistics and regression analysis.

The second part of the analysis is based on the author's survey of middle managers conducted in the second half of 2020 - early 2021 (the sample size is 0.9 thousand people from 7 regions of Russia). It was aimed at identifying differences in the structure of the functions performed and the attitude to different management methods. The functions performed by the employee. The grouping of the functions of middle managers was based on the work of S. Bekhterev (Bekhterev, 2018). All functions were grouped into six groups: receiving instructions from the head of the department on the issues of the department's activities; setting and clarifying the tasks of the division's activities, determining options for achieving them; distribution of work among subordinates, organization and control of work performance; preparation of reports, filling out documents on the work of the department; creating a favorable working environment, motivating subordinates; development of work performance regulations; performing work as a specialist. The main methods of analysis are descriptive statistics and mean value analysis.

2 Research results

According to the obtained data, 2.3 thousand people (or 6.2% of the total sample) out of 35.3 thousand respondents can be attributed to middle managers.

¹ Russia Longitudinal Monitoring survey, RLMS-HSE", conducted by the National Research University Higher School of Economics and OOO "Demoscope" together with Carolina Population Center, University of North Carolina at Chapel Hill and the Institute of Sociology RAS. (Websites RLMS HSE: <https://rlms-hse.cpc.unc.edu> и <http://www.hse.ru/rlms>).

Middle managers represent a rather heterogeneous social group, with a number of intra-group differences correlated with age (Table 1).

The descriptive analysis shows that young men are more likely to get a managerial position than women, which may be due to the existence of gender discrimination against young women due to a possible break in employment associated with the birth and upbringing of children ($p < 0.05$).

Tab. 1: Comparative characteristics of middle managers of different age groups

Characteristics	Age			Average
	Under 30 years	30-45 years	Over 45 years	
Average age, years	27.4	38.4	54.2	43.1
Percentage of women, %	47.9	48.9	51.2	48.8
Availability of higher education, %	54.4	68.4	62.5	64.8
Availability of education in the field of management, %	14.7	12.4	10.4	11.9
Participation in additional professional education programs during the last year, %	11.6	10.4	9.0	10.0
Average working week, hours	45.2	44.7	43.9	44.4
Percentage of employed in public sector, %	21.6	37.9	48.5	40.2
Percentage of employed in material production, %	28.2	34.3	34.6	33.8
Work experience in the organization, years	3.3	7.6	14.3	9.6
Average monthly salary, thousand rubles	38.4	45.2	37.1	41.5

Source: authors

Middle managers aged 30-45 are slightly more likely to have a higher education, and managers aged over 45 are slightly less likely to have a higher education compared to the average grades ($p < 0.05$ and $p < 0.01$, respectively). The fact that the coverage of higher education in the group of managers under 30 is the lowest is explained by the fact that many of them enter the labor market in parallel with their education. At the same time, all middle managers participate in additional professional education programs with the same (and low) intensity. Managers under 45 work longer hours than their more experienced colleagues ($p < 0.1$).

We also draw attention to the differences related to the structure of employment: in the public sector, mainly older workers are concentrated ($p < 0.01$), while in the field of material production, there is a clear line between young people and older people ($p < 0.01$). Middle-aged

managers have higher salaries compared to older colleagues ($p < 0.01$). At the same time, for building a career for managers over 30 years old, it seems that intra-organizational mobility is more characteristic than inter-organizational, as evidenced by fairly high indicators of work experience in the organization.

The linear regression analysis allowed us to clarify some conclusions about the employment characteristics of middle managers when controlling the characteristics of jobs (industry, form of ownership, type of settlement, number of subordinates), the level of education, participation in additional professional education programs, and the general and specific work experience of middle managers.

First, the salaries of managers under the age of 30 and managers aged 31-45 do not differ statistically significantly. However, older managers are paid an average of 11% higher ($p < 0.1$). All other things being equal, the peak of earnings of middle managers falls on an average of 17 years of experience in the labor market ($p < 0.01$), while there is no statistically significant effect of work experience in the organization on the size of wages.

Second, the chances of getting the position of a middle manager in public sector is higher among workers older than 30 years ($p < 0.05$).

Third, the probability of participation in programs of additional professional education is higher among middle managers who already have higher education ($p < 0.01$) and those employed in the public sector, where additional professional education is often mandatory ($p < 0.01$), and receiving higher wages ($p < 0.1$).

The RLMS-HSE study does not contain specific questions that allow us to assess the management style typical for managers of different age groups, but it allows us to use indirect assessments related to trust in the company's managers and staff. For both of these characteristics, younger managers show a higher level of trust compared to older age groups ($p < 0.05$ and $p < 0.01$, respectively). It can be assumed that these characteristics can influence changes in the management style in terms of delegation of authority, teamwork, and feedback.

The study conducted by the authors confirmed this conclusion (Table 2). We see that young managers, compared to older managers, tend to overestimate the role of constant control of subordinates and are much less likely to give them freedom of choice ($p < 0.1$), trying to do all the work independently, and have serious problems related to delegation of authority ($p < 0.05$). At the same time, they are determined to build effective communication with subordinates and are much more likely to respond positively to the question that they try to give constructive feedback to subordinates.

Tab. 2: Characteristics of management style of middle managers in different age groups (% of respondents)

Characteristics	Age			Average
	Under 30 years	30-45 years	Over 45 years	
I constantly control my subordinates	38.1	23.7	24.1	27.3
I control my subordinates only in critical situations	45.2	55.3	48.1	50.6
I give my subordinates the freedom of choice, but I am always available for advice	16.7	21.1	27.8	22.1
I try to do all the work myself, without delegating to subordinates	52.4	36.8	31.2	39.0
I encourage the initiative of my subordinates	76.2	89.5	88.9	86.0
I give constructive feedback to my subordinates	85.7	78.9	77.8	80.2

Source: authors

However, probably due to lack of experience, the results of young managers are worse than those of their more experienced colleagues. For example, among managers under the age of 30, only 26.2% say that their subordinates complete 90% of tasks or more on time. Among managers aged 31-45, only 40.8% ($p < 0.05$) gave a similar answer. The lack of life and managerial experience is not compensated by the existing education and the fact that young managers are more active in reading modern literature in the field of management and studying best practices (40.5% of managers under the age of 30 and 29.6% of managers over the age of 45, respectively ($p < 0.05$)).

Conclusion

Thus, our research has shown that middle managers in the Russian economy are a heterogeneous group with fairly well defined characteristics of different age groups. The peak of earnings of middle managers is reached after 45 years and the accumulation of long experience in the labor market. The lack of influence of work experience in the organization on earnings probably indicates the relatively low importance of specific skills and the possibility of building a career through inter-organizational mobility. Compared to managers aged 45 and over, the younger generation is more educated, however, the data available to us suggests that young middle-level managers are more active in self-education, but not in formal training. At the same time, self-education is often insufficient to improve the efficiency of activities. Young

managers are more likely to have excessive control over subordinates and the inability to delegate authority.

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Contact

Tatiana Stuken

Dostoevsky Omsk State University

55a Prospect Mira, Omsk, 644077, Russia

stuken@mail.ru

Olga Korzhova

Dostoevsky Omsk State University

55a Prospect Mira, Omsk, 644077, Russia

olishb@yandex.ru