



# CANADIAN TECHNICAL ASSISTANCE PROGRAM TO UKRAINE

*Canada's program of technical assistance for Ukraine was established in July 1991 and has three primary objectives: to support the transition to a market-based economy, to promote democratic development and to increase Canadian trade and investment links with Ukraine. The Monitor continues to provide regular highlights of some of the more than 80 technical assistance projects to-date.*

## Humber Business School forges links with Ukraine

As Ukrainians make their way slowly and carefully to a free market economy, they are looking to their Canadian friends for support and guidance. And some of their most trusted friends are proving to be members of an alliance between the federal government and Humber College in Toronto.

"Since 1990, we have been working with Ukrainian educational and business institutions to help this new democracy upgrade and adapt its business management programs for its new role in the world economy," explains Toby Fletcher, chair of Management Studies at Humber's school of Business.

"Our approach is to show them how we do things in Canada and let them take from our model what they want and need. They are the best judges of what will help them in their transition."

What they need and want, the Ukrainians are saying, is training in practical management with emphasis on financial planning, operations, human resources, cost accounting and

marketing.

Mr. Fletcher signed an agreement in 1994 with Victor A. Eremenko, general director of the National Productivity Centre (NPC) in Kramatorsk, Ukraine to establish a long-term, mutually beneficial strategic partnership.

Peter W. Melnichuk, then an investment officer with Industry Canada's Technology and Investment Division, was instrumental in bringing the union about. But nothing would have happened, he says, without financing from the Institute of Public Administration of Canada (IPAC).

"The centre's director, Mr. Eremenko, identified his organization's needs to IPAC which followed through to match up a consultant to work with them to help define their role and their work as a productivity centre. I spent three months there from February to April 1994. I lectured on practical productivity components and helped them put together the basic framework for their newly-formed productivity division. So Industry Canada played a role in providing the expertise that allowed the partnership to move forward to Phase II and again, IPAC played a significant role in making it happen."

Phase II was a five-week visit in August and September to Humber College by Sergey Louchaninov and Yuri Valentinovich, two industrial engineers from the centre. IPAC funded the visit.

"We are in a deep crisis in Ukraine," explains Mr. Louchaninov in his halting, deliberate English. "Our main problem is to increase productivity, especially heavy industry. When the Soviet Union came apart our market was destroyed and we now have to learn new ways of solving our problems."

Mr. Melnichuk, who speaks fluent Ukrainian and has a background in industrial engineering and management, does not doubt that solutions will be found.

"The National Productivity Centre has a skilled staff, but we must remember they are used to working under a

different system, that of a command economy which was controlled and dictated from Kyiv or Moscow. Ukrainian managers are struggling to understand the psychology and principles of a free market economy, in all its intricacies, but once they do, they'll be able to compete like the rest of us."

During their stay in Canada, the engineers met with different people in factories and shops, visited area landmarks and toured small, medium and large manufacturing and marketing enterprises including Knob Hill Farms, Canadian Tire, Consumers Gas, Chrysler Canada, Slater Steel and service agencies like the Business Advisory Centre.

From the large amount of information collected, the two will put together training programs in management, employee motivation, company operations, marketing, quality control and organizing a facility. Mr. Luchaninov's field of interest is research and application of productivity criteria; Mr. Valentinovich specializes in training and re-training.

One area that especially interested them was employee motivation. Concepts North Americans and Western Europeans take for granted, like empowerment, are unheard of in Ukraine.

"In Ukraine, employee motivation began decades ago under the old Soviet regime, but it consisted mainly of mottos that were of no real interest to the employees. Very often, managers and employees didn't understand each other and this problem became especially strained during the transition period," says Mr. Louchaninov.

The Ukrainians are also getting to concentrate on quality control and marketing.

"Quality control is an area that all the former Soviet countries have problems with," says Mr. Fletcher. "There was never an incentive for an individual to take control of the process and be responsible for the finished product, so shoddy goods were everywhere. Now, to be competitive, their final products