

Introduction to the Special Issue on Applied Psychology from Transitional Economies in Eastern Europe

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A decade ago communism in Europe collapsed, with ensuing political and economic transformations that continue. These transformations have been important to applied psychology. One reason certainly is that these changes could be expected to have profound psychological effects on those struggling through them. Established routines were demolished as employers collapsed; shopping and housing were transformed; the streets, press, and airwaves were filled with unaccustomed ideas and actions. Stable social status hierarchies were demolished with exposure to lavishly wealthy foreigners with differing values and behaviour patterns. Everything now seemed possible, from homelessness and poverty to great riches and freedom. It was frightening and exhilarating—all aspects of society were changing and could be expected to change in ways no one could foresee. How do people react to such monumental changes in the world around them? And what can we learn from their reactions that might enrich our theories of applied psychology?

This special issue contains five empirical articles addressing how these changes affected the people living through them. Each makes a unique contribution to our understanding of such areas of applied psychology as motivation, culture, and employee attitudes. Furthermore, taken as a whole they make an even greater contribution. They suggest both that many of our assumptions about the nature of people's reactions to these changes are mistaken, and that our understanding of the role of self-reported assessments is limited in several significant ways.

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LEARNING ABOUT PSYCHOLOGICAL REACTIONS TO THE TRANSITION

All of these papers focus on getting the empirical record straight, and from these data we learn a great deal. There has been much journalistic observation and anecdotal information about the psychological effects of the political and economic transitions in these societies. In addition, there were early comparative studies suggesting that substantial psychological adjustment may well follow the changes (e.g. Frese, Kring, Soose, & Zempel, 1996; Pearce, Branyiczki, & Bakacsi, 1994, and Welsh, Luthans, & Sommer, 1993). The studies in this issue have been able to take a longer view. For example, the articles by Konrad and Fay and Frese analyse data spanning two 15-year periods. All of these authors provide data that confound expectations based on assumptions, anecdote, and retrospective sense making.

To illustrate, despite all the talk of how the shift to capitalism disrupted collegial solidarity and fostered a greedy money culture, Konrad unexpectedly found that the importance of pay for workers actually declined after the changes of 1989 while the employees' reports of the value of friendly relations with peers remained the most important outcome valued by employees throughout the 15-year study period. Similarly, in contrast to recollections that work was less stressful in the communist German Democratic Republic than in the capitalist states that replaced it, Fay and Frese report that employees reported equivalent levels of physical and mental strain in 1979 and in 1994. Also in contrast to prevailing assumptions that capitalist firms decentralise more decision making (to aid in their flexibility) and are more responsive to employee suggestions, Fay and Frese found that employees saw no difference in decentralisation and reported that their communist bosses were more responsive to suggestions in 1979 than were their purportedly market-sensitive managers in 1994. In addition, Naumov and Puffer discovered that when care was taken in constructing a sample matching Hofstede's (1980) original, Russians' cultural values were substantially different from what had been inferred by observers. For example, Russians had much lower Uncertainty Avoidance and Power Distance than had been estimated by Hofstede and Bollinger.

The careful and systematic studies in this special issue—comparing, for example, self-reports taken at two different times rather than relying on recollections—find results substantially at variance with the early, more journalistic accounts of the psychological effects of the political and economic changes. Much as documentation has uncovered substantial inaccuracy in eye-witness reports of crimes, the documentation begun here suggests that the very size and scope of the changes may have led to distorted perceptions among observers and participants alike. These studies are the beginning of what will no doubt be a long process of setting the record straight about the effects of these political and economic transitions.

EXTENDING THEORIES OF APPLIED PSYCHOLOGY

Taken as a whole these articles also suggest refinements of our theoretical assumptions. For example, these empirical works give notice that we need to take greater care in our labelling of self-reported preferences. What we have labelled “cultural differences” may be more the result of reactions to proximate situations than they are to any more stable national or regional culture. Culture is, after all, the slow institutionalisation of practices and expectations that reflects participants’ historical experiences together (Pearce, in press). Communism itself was an attempt to change cultures immediately—through altering social conditions, incentives, and the socialisation of “new men and women” holding different, superior values. The experience of such compelled cultural change, combined with the more limited contact with those on the other side of the Iron Curtain, meant that those living in these societies had experienced 40 to 70 years of evolving cultures quite different from those of their near-neighbours to the west. Thus, it is not surprising that so many of the authors in this issue examined values. However, many of their theory-derived expectations were countered by their data.

The first problem these papers expose is that cultural values seemed more closely tied to proximate circumstances. For example, in expectancy theory employees’ preferences for different outcomes have been assumed to be the comparatively stable component of employees’ motivational expectancies (Vroom, 1964). Yet Konrad found that employees’ values did change substantially over time. His work echoes that of Porter (1962), who found that employees’ need strength corresponded more closely to the circumstances different employees found themselves in than to any universal need hierarchy. Similarly, the results of Roe, Zinovieva, Dienes, and Ten Hoorn in this issue reinforce the idea that the relationships between values and attitudes may be quite different in different countries. These works suggest the need for more research on the malleability of professed values and preferences.

Yet while what we have been calling values often changed more rapidly than expected, descriptions of what was rewarded at work changed much more slowly than expected, given the abrupt change in incentives to follow from conversion to market economies. For example, Fay and Frese found surprising stability in workplace decision making, and Konrad reported that the expected consequences for poor performance did not change at all during the 15-year transition period.

Further, Konrad’s study finds that attitudes may anticipate as well as follow structural changes. He reports substantial psychological changes before the political and economic transformations. It is now well known that the “event” of the collapse of communism was not as abrupt in its

effects as many had hoped (Pearce & Branyiczki, 1997; Fay and Frese's and Konrad's articles in this issue). Interestingly, here we find that the political and economic transitions were also foreshadowed by several years, as reflected in Konrad's reports of employees' attitudes. This suggests, first, that something was happening in these workplaces that apparently was not noticed by those governmental leaders caught by surprise in 1989. Secondly, it suggests that we need to take care in interpreting changes in attitudes, particularly if the pre-event measures were taken a year or more before the event.

Finally, Sommer, Welsh, and Gubman's work certainly calls into question the value of self-reported values as reflections of behaviour. They report findings contrary to expectations derived from popular accounts of Russia's corruption and unsavoury ties between government agencies, private businesses, and gangsters. Given this widely reported pattern of behaviour, they expected that Russian entrepreneurs would report lower levels of self-reported ethical orientation than comparable Americans. However, they found no difference in Machiavellian orientation or propensity to engage in opportunistic behaviour between those working in these quite different business settings. When such wide disparities in behaviour are accompanied by no difference in self-reported ethical orientations, we wonder at the predictive value of such self-reported measures.

Thus, what we call cultural values may be highly malleable preferences, changes in organisational incentives may not appear as changes in employees' perceptions of incentives for quite some time, attitudes may be as likely to anticipate events as to respond to them, and self-reports of personal belief may not usefully differentiate people's actions. While many of these points have been made elsewhere, they seem not to have been integrated into our central research discourse. Certainly, none of these conclusions can be considered definitive. Nevertheless, these articles do provoke us to think more about the meanings of self-assessments.

THE ARTICLES

Edvard Konrad's "Changes in work motivation during transition: A case from Slovenia" describes his longitudinal study of work motivation spanning 1979 to 1994. Drawing on Vroom's (1964) VIE model he develops questionnaire measures of employee workplace values and instrumentalities. Sampling employees in a Slovenian steel and iron roll mill he finds that employees report changes in 10 of the 20 workplace values. The importance of pay first increases (from 1979 to 1989) but then decreases thereafter. Apparently pay had little importance when there was little possibility of earning more, but increased when earning more became possible during the reform communist period, and then was overwhelmed by concerns for job security in this

overstaffed state-owned company as they watched the downsizing of the early 1990s. Interestingly, during the transition at this rolling mill, employees perceived an increase in the instrumentality of rewards for good performance but saw no increase in punishment for poor performance.

“Working in East German socialism in 1980 and in capitalism 15 years later: A trend analysis of a transitional economy’s working conditions”, by Doris Fay and Michael Frese, also reports comparisons before (1980) and after (1995) the political and economic transition. Comparing responses from two panel studies of population samples, they test hypotheses about changes in work-related strain, job control and complexity, work organisation and employee participation, and social relationships at work. Despite reports that work was easier and less stressful under communism they found that there was no difference in employees’ reported mental and physical strain or workplace social support between 1980 and 1995. Further, also contrary to popular press accounts, employees reported that under communism supervisors and managers were more responsive to employee suggestions than after the transition to a market economy.

R.A. Roe, I.L. Zinovieva, E. Dienes, and L.A. Ten Horn’s “A comparison of work motivation in Bulgaria, Hungary, and the Netherlands: Test of a model” tests the extent to which a theoretical model developed in the Netherlands applies in workplaces in the former communist countries. The model links structural features of the workplace, such as job characteristics, to attitudinal and motivational outcomes via the mediation of employees’ job involvement and organisational commitment. Based on stratified (by gender, age, job level, sector, and region) population samples in the three countries in 1994 and 1995 they found that the theoretical model did vary by country, particularly the connections between the structural conditions and job involvement and organisational commitment. The authors found that economic well-being was more important to the financially distressed employees in Hungary and Bulgaria than the more financially comfortable Dutch, but that the latter emphasised the importance of autonomy at work to a greater extent.

“The ethical orientation of Russian entrepreneurs”, by Steven Sommer, Dianne Welsh, and Boris Gubman, also reports findings contrary to expectations derived from popular accounts. As noted above, they found no difference in Machiavellian orientation or propensity to engage in opportunistic behaviour between Russian entrepreneurs and samples of Americans. While there was no overall difference, Russian women did report that they are more likely to behave opportunistically than did their American sisters. The authors argue that there apparently is no difference in personal ethics between entrepreneurs in these two countries. Rather, the differing behaviours of Russian and American business people result from the differing circumstances in which they need to work.

Finally, Alexander Naumov and Sheila Puffer's "Measuring Russian culture using Hofstede's dimensions" compares self-reports on the five cultural dimensions of a sample of Russians carefully matched to Hofstede's (1980) IBM managers, with inferential and smaller Russian samples, as well as with managers from other prominent countries. They found that Russians in 1995 and 1996 have much lower Uncertainty Avoidance (only slightly more than Americans and substantially below the French), are about midpoint on Individualism/Collectivism, modest (equal to their American counterparts) on Power Distance, and at the midpoint on Masculinity/Femininity.

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