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CHAPTER 5

Entrepreneurship in East Europe: A General Model and Empirical Findings

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INTRODUCTION

There is no doubt that we are witnessing a radical revolutionary transformation in East Europe. While there are differences from country to country, there is a general trend from bureaucratic socialism to capitalism[2]. Entrepreneurship within companies and outside is of great importance in these countries because only the active support of the employees can overcome the economic problems. Our hypothesis is that the command and control structure of bureaucratic socialism has systematically reduced initiative at the work place[2]. To look at entrepreneurship in East Europe, we shall first develop a general model of entrepreneurship and then look at the literature on East Europe.

A MODEL OF ENTREPRENEURSHIP: PERSONAL INITIATIVE, INNOVATIVENESS, AND MARKET ORIENTATION

Entrepreneurship refers to "behaviors that include demonstrating initiative and creative thinking, organizing social and economic mechanisms to turn resources and situations to practical account and accepting risk and failure" (Hisrich, 1990, p. 209). Some authors have

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distinguished between entrepreneurship—an orientation characteristic of entrepreneurs—and intrapreneurship—a sort of entrepreneurship shown by employees in a company. I do not follow this distinction because, psychologically, entrepreneurship is a unified concept that can be found among employees (not only among managers but also among low-level blue-collar workers) and the self-employed alike.

Entrepreneurship implies three concepts: personal initiative, innovativeness, and market orientation. Without good market orientation, the entrepreneur may fail easily, without innovativeness, the entrepreneur will do too much of what has been done already, and without initiative, the entrepreneur will not be able to get new ideas off the ground. We want to explain these three terms with the help of an action theory approach (for details, cf. Hacker, 1985; Frese & Zapf, 1994). Figure 5.1 presents a convenient description of an action sequence. At work, one usually has an external task. This external task has to be translated into a personal task and goal—this process is usually described as redefinition (Hackman, 1970). There is some kind of integration of different pieces of information and some prognosis of how a system in which one operates will behave. One must search for the right information, one must develop good analogies, and the information has to be on the right level of decomposition (Reither & Stäudel, 1985). From this one develops some kind of action plan (Miller, Galanter & Pribram, 1960). This action plan is then executed. After each action sequence, one gets some kind of feedback from the environment.

Underlying all of these constructs is the operative mental model (variously called operative image system, image, mental model; cf. Miller, Galanter & Pribram, 1960; Frese & Zapf, 1994). This provides the model from which one develops one's goals, one's information paradigms, one's plans, and recognizes which feedback is important. This process is, of course, not as orderly as described here, but this description is a good first approximation of an action sequence.

Personal initiative, innovativeness, and market orientation can be described with reference to this action sequence.

Personal initiative is a behavior syndrome characterized by the following aspects (Frese et al., 1994a, cf. Figure 5.1).

(1) One *redefines* the task in a broader sense. Extra-role activities become part of one's (subjective) task. For example, a blue-collar worker may define quality issues to be important for his task even though he is not officially responsible for them: Swiss metal workers have been observed to waste money by reproducing a part of a tool just because the first one got scratched. It was against their idea of quality production to deliver a scratched tool (N. Semmer, personal communication, 1993).

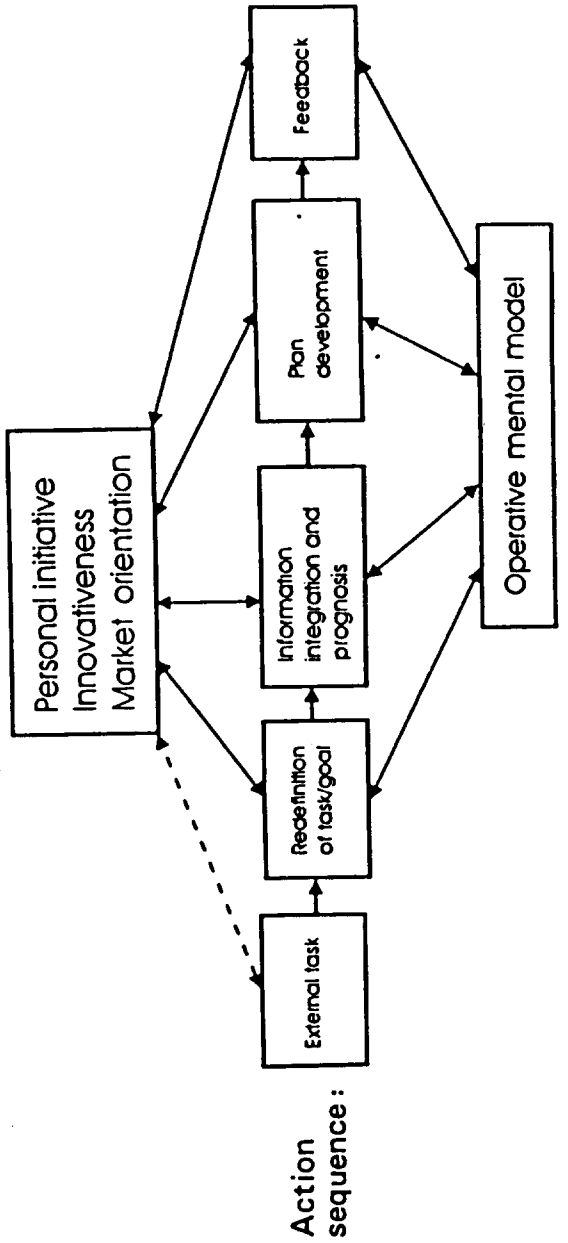

Figure 5.1 A general action theory approach to entrepreneurship

Another aspect of this redefinition process is the long-term orientation of one's goals at work. For example, if a machine breaks down fairly often, the operator may actually decide how to learn to fix the machine, so that she can fix the machine herself. If one has these long-term goals, one is more likely to become pro-active with regard to machine breakdowns.

(2) *Information integration and prognosis.* Since initiative implies a long-range perspective, prognosis will be oriented further into the future if initiative is high. Moreover, information gathering will be more active; i.e. the environment will be scanned for signals, to be able to change things actively.

(3) *Plan development* implies that the goals are translated into action plans that are executed. Kuhl (1992) has elaborated individual differences on how quickly goals are translated into actions. Some people may want to do something (have a certain goal) but will not execute this particular action—he calls this "state orientation". Others will quickly put the intention into action ("action orientation"). Kuhl (1992) has argued that state-oriented people are more occupied with their thoughts than with their actions; they brood about bad or even good things that have happened or will happen to them, etc. Action-oriented people, on the other hand, do not brood about problems or the advantages of their goals; rather, they translate these goals quickly into actions. Thus, initiative implies that there is an orientation to implement one's goals—there is a tight relationship between goals and actions.

(4) One will actively structure the type of *feedback*. For example, one will listen to the sound of the machine and act before the machine actually breaks down. This allows one to be able to prevent difficulties appearing. Moreover, negative feedback is processed differently. Implementation of long-term goals usually leads to some new problems, barriers, and setbacks, for example the supervisor may not like the new idea or a new work procedure may just not be executed well in the beginning. Initiative implies that one will deal with these problems actively and persistently (at least if there are solutions available).

(5) *Innovativeness* leads to developing new products or new work procedures, etc. Thus, a certain creativity is important here. However, as Drucker (1985) has pointed out, innovation does not imply that something completely new is invented. Rather, it means that a procedure that is commonplace in some area (e.g. putting things into suitcases) is transferred to a new area (e.g. shipping goods in containers). A person may be innovative if a new product is developed, even if the idea has been taken from somebody else. An entrepreneur systematically innovates, which "consists in the purposeful and organized search for changes, and in the systematic analysis of the opportunities such

changes might offer for economic or social innovation" (Drucker, 1985, p. 35). Innovativeness can again be related to the concepts in Figure 5.1.

- The *goals* are oriented to finding new products, procedures and feedbacks.
- *Information integration and prognosis* means that mental models from other areas are used to come to innovative solutions (analogies are important here, but also far-fetched associations in areas that are not connected). The environment is scanned for new ideas that can be implemented.
- *Plan-development* implies here that new procedures are attempted and that there are action plans oriented towards innovation.
- *Feedback* is processed with innovation in mind. This implies, for example, the development of new forms of feedback (e.g. using a customer satisfaction scale for customers of a small shop). Feedback should not be purely negative when something innovative has been tried—this leads to less innovativeness (West, 1990).

(6) *Market orientation* means something different for the employee than for the entrepreneur. A market-oriented worker will have the customer and the market in mind when he or she produces something. For an entrepreneur, market orientation means that he or she is thinking about what products can be delivered to which market niches. However, in both cases there will be a general customer orientation and one will understand how one's work is related to the market place. Market orientation can again be explained with the concepts of Figure 5.1. The *goals*, one's *information gathering and prognosis*, *plans* and *feedbacks* are oriented towards the market. For example, market-oriented people will talk a lot about their product and attempt to find out how people react to it (and to new ideas). There will be an explicit strategy to receive market feedback (e.g. by evaluating one's advertising strategies, by developing strategies to tap customer satisfaction, etc.).

Personal initiative, innovativeness, and market orientation only work for a company if people have pro-company values. One can show all of the relevant behaviors of entrepreneurship but direct them against one's company, e.g. by developing innovative ideas of how to steal from the company. Thus, commitment to the company and identification with the company goals are crucial for the question of in which direction entrepreneurship is employed.

Entrepreneurship defined in this way has consequences for productivity. First, since there are no perfect production or service systems and since there are always unplanned events, there is some need for extra role and innovative activities to uphold and to improve production or

service (Organ, 1988; Borman & Motowidlo, 1993). For example, if a machine breaks down and the worker is able to fix it or is able to tell the repairperson what to do (although all of this is not part of his or her job description), organizational effectiveness is enhanced.

Second, Hacker (1992, cf. also Frese & Zapf, 1994) has argued that superworkers are characterized by a longer time orientation in their work, by a better developed mental model of their work, and by a more proactive approach to work than average workers. Interestingly, the speed of working was not significantly higher in the superworkers but the strategies were better.

ENTREPRENEURSHIP IN EAST EUROPE: PROBLEMS AND PROSPECTS

Figure 5.2 presents a general outline of how we can organize our look at entrepreneurship in East Europe. The person, the organization, and the society can be influenced to show high or low entrepreneurship. Obviously, the different sectors may interact, for example, societal values can influence subjective values and theories. The last sector—the societal level—falls outside my expertise; it is therefore only touched

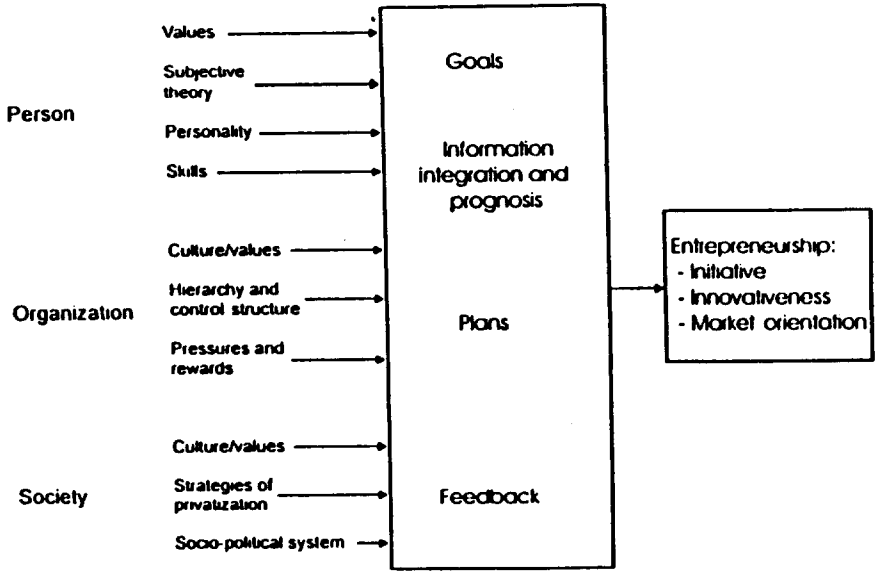

Figure 5.2 A framework for looking at the long-term effects of bureaucratic socialism on entrepreneurship

upon for the sake of completeness but I will not elaborate. Therefore, I shall concentrate on the person and organizational side.

Person Variables

Values

Economy, science and engineering students in East Germany are more security—and less self actualization—minded than their peers in the West: they are more interested in getting jobs with high security, better money, and a more congenial social environment (Maier et al., 1994)[3].

There is always a certain amount of risk involved in entrepreneurship because one has to accept responsibility for one's mistakes. East Germans are more likely to reject control over and responsibility in their work situation than subjects from the West, since control implies that one is also responsible for things that go wrong (Frese et al., 1994b). Since control and responsibility rejection is also a good predictor of initiative (Frese, 1994), this speaks for a value structure that is more likely to be negative for entrepreneurship in the East.

Rejecting risks is related to authoritarianism and uncertainty avoidance (Hofstede, 1980). Possibly a higher level of uncertainty avoidance may also be the reason for the higher degree of authoritarianism in East as compared to West German students (Rippl, 1994). Lack of authoritarianism is most likely to be related to post-materialist values; thus, the higher degree of post-materialist values in West than in East Germans falls into place. West Germans value autonomy much more than East Germans (Schnabel, Baumert & Roeder, 1994).

Many authors have described the East as a socially supportive niche society (Marz, 1992). Warm, close friendships were nourished within and outside the work sphere. These are contrasted with the cold, hard market approach from the West. "One has to sell oneself in the West". Students in the East are more interested in good relationships at work than those from the West. At the same time, they have the feeling that their social networks are destroyed by the cold and egoistic orientation in the West (Rappensberger, Rosenstiel & Zwarg, 1994). This attitude may have implications for the development of initiative and market orientation because both imply changes that are not necessarily conducive to foster the warm feelings of a niche society.

Subjective Theory

Dweck & Leggett (1988) have discussed different subjective theories and their relationships to performance. An *entity theory* implies that there

exists a fixed amount of intelligence and that one's performance is an indicator of this intelligence. If one has an entity theory of intelligence, one will avoid challenges but seek performance goals. The latter give information on how well one is doing. In contrast, if one subscribes to an *incremental theory*, one assumes that failing indicates a learning opportunity leading to learning goals. While this has not been tested directly, Oettingen et al. (1994) have shown that East German children have lower agency and control beliefs. Oettingen et al. (1994) argue that this is due to the East German teachers' emphasis that the children should have an adequate self-evaluation. That teachers were effective in this is shown by the fact that East German children's self-evaluations were highly correlated with grades. Thus, the students in East Germany were taught an entity theory, while an incremental theory was more dominant in the West. An entity theory leads to low initiative and little persistence in difficult performance situations and a higher degree of rigid thinking (Dweck & Leggett, 1988). Education in the East may have produced a widespread acceptance of subjective theories that reduce entrepreneurship.

Personality

If one takes general measures of personality, there are also a few differences between East and West. In the German version of the California Personality Inventory differences were found in five of the 18 dimensions: lower scores in the East in social assertiveness, flexibility, independent achievement, and self-confidence, and higher scores in scepticism (Stratemann, 1994). East Germans are more orderly and conformist, more reliable and punctual, less sensation seeking and spontaneous than those in the West (Becker, 1992). Becker (1992) interprets this as showing that the classical "German virtues" are higher in the East than in the West. Since these "virtues" are not likely to bring about a higher degree of initiative, innovativeness, and market orientation, these omnibus questionnaires can be seen to underline our general conclusion.

If one looks at work-specific personality dimensions, this conclusion is even more strongly supported. East Germans are lower in self-efficacy at work (Speier & Frese, 1994) and in readiness to change at work (Frese & Plüddemann, 1993).

Skills

The employees in all of the East European countries were well qualified. Schooling and education had been emphasized under bureaucratic

socialism. Blue-collar workers had usually learnt some trade and there was a good general high school system with a sound but authoritarian teaching system. However, the qualifications were usually not oriented towards a modern market economy. Company officials described a need for continuing education in the following areas: finance, management, sales, and modern technology (Klopfer, 1993). Thus, skills needed for a market orientation are lacking.

Surprisingly, there is a higher readiness to develop one's skills in the West than in the East, although there are clearly more pressures and opportunities for continuing education in the East (Frese et al., 1994a). While most East Germans know that they do not have the skills to deal with new technology, their readiness to acquire them is somewhat low.

A particularly interesting issue is the existence of one particular type of qualification in the East: being able to work with old decrepit machines and old technology. Marz (1992) discussed this issue under the rubric of "chaos qualification". The workers knew tricks which made their decrepit machines run, they knew how to get material even when there seemed to be none left, they knew how to get rid of production output that could not be sold because it was substandard, etc. This type of qualification was, of course, not easily teachable and it was used by the workers at their own discretion. Often, they would use these skills only when additional rewards were given (Pearce, Branyicki & Bukacsi, 1994). However, it was a skill that contributed to innovativeness and personal initiative.

Thus, on the positive side for the development of entrepreneurship, there are good skills and skills that have been used to make do under difficult circumstances. On the other hand, values, subjective theory, and personality are less prone to support entrepreneurship. This suggests using a motivational approach to increase entrepreneurship in the East (rather than just increasing entrepreneurial skills).

Organizational Level

Four issues important for entrepreneurship on the organizational level are shown in Figure 5.2—culture and values of the organization, hierarchy and control structures, pressures and rewards, and leadership.

Culture and Values

There is very little known about the socialist company culture. A good generalization is that there was an *official* culture of participation in decision making and of a social orientation by the company. However, the *actual* culture was quite different. There was a rigid reward structure,

a personalized power system organized by anonymous decision-making bodies without transparency in their rules (Pearce, Branyicki & Bukacsi, 1994). People were forced into a "superficial" conformism with the prevailing policies. For example, they "volunteered" to work extra time for a "good" cause. Actually, no participant really volunteered and none was interested in the good cause. This hypocrisy was prevalent, and we assume that it counts against showing entrepreneurship.

Hierarchy and Control Structure

Economic behavior by the companies was highly regulated by central planning. There was no feedback via the market and there was little pressure to change things in the work place. The company goal was not to achieve high productivity, but not to make mistakes.

However, contrary to popular beliefs in the West, individual productivity measures and payment by results were used extensively in bureaucratic socialism (Klopfer, 1993; Welsh, Sommer & Birch, 1993). The person-based reward structure described by Pearce, Branyicki & Bukacsi (1994) implies that there was a steep hierarchy in the socialist companies. Three important rewards were controlled hierarchically: promotions and perks, bonuses, and access to resources (e.g. travelling, goods for barter, etc.). Pearce, Branyicki & Bukacsi argue that these rewards were very important. For example, yearly bonuses could range from 0% to 200% of base pay. Since base pay was low, supplementary income was crucial (be it in terms of bonuses or of a second job that, again, had to be made possible by the supervisor, e.g. by allowing the worker to leave early). However, the criteria under which these rewards were given were not transparent and arbitrary. Rewards were usually decided by the supervisor or by some party committee. The workers usually kept it a secret how much they received (and that they received anything at all). "In Hungary ... everyone believed in the value of personal relationships." (Pearce, Branyicki & Bukacsi, 1944, p. 267.) "... we suggest that person-based reward systems should not be seen as inadvertent incompetent but rather as systems designed to obtain the behavior desired ... If subordinates 'caused trouble', even if the trouble was unrelated to job performance, they might jeopardize their bonuses (and their travel and their apartments, as well)." (Pearce, Branyicki & Bukacsi, 1994, p. 267.) All of this was done to foster compliance and dependency. The consequences were that "... person-based systems lead employees to more frequent bargaining with one another, to withhold information, to avoid collaborative tasks, to engage in more personal ingratiation behaviors, and to avoid rule compliance." (pp. 277 and 278). The authors also argue that the person-based reward structure leads to

feelings of helplessness and unfairness. All of this has the effect of reducing entrepreneurship.

Another issue is the degree of Taylorism in the East (Haraszti, 1977; Münch, 1990; Wuppertaler Kreis, 1992). Economic behavior by companies and within companies was highly regulated by central planning. Initiative was negatively sanctioned by superiors (Ladensack, 1990; Münch, 1990; Shama, 1993). "It happened easily that a high achievement oriented worker would be perceived by management to disturb the organization." (Münch, 1990, p. 105.) Division of labor was high and there was little attempt to recombine tasks again. As already discussed, bonuses were paid frequently, but not necessarily fairly distributed. Workers were told in detail of how they had to work. There was very little job discretion or control at work. This was ostensibly so because the workers could not be trusted. All of this did not help people to develop entrepreneurship (as shown empirically in East Germany, cf. Frese, 1994).

Pressures and Rewards

Pressures to conform were high but to produce efficiently were low. Supervisors were often judged by whether they were able to deal with the social situation (e.g. somebody contradicting the party's wisdom) but relatively rarely by an increase in productivity.

Leadership

There is good evidence that leaders are more authoritarian in the East and that the workers expect (and demand) this. Jago et al. (1993) compared leaders' participatory styles in Poland, the Czech Republic, the USA, France, Switzerland, Austria and West Germany. They found three clusters of countries: West German, Austrian and Swiss managers allow the highest amount of participation, France and the USA are in the middle, and Polish and Czech managers are the most authoritarian. On a country level, the mean level of participation score showed a correlation of −0.87 with Hofstede's (1980) power distance scale.

Comparing East and West Germany, similar results emerged (Schultz-Gambard & Altschuh, 1993): East German managers are highly motivated to be accepted by their superiors, leaving decisions to them rather than developing their own ideas. Thus, managers' authoritarian attitudes are also geared towards their own superiors. This is not surprising because middle management did not have a high level of decision-making power during socialism (Ladensack, 1990; Puffer, 1994)

and managers were primarily selected for their Party loyalty and not for their independent thinking (Ladensack, 1990). Thus, both socialization and selection factors seem to play a role here.

Eastern managers are expected by their subordinates to be authoritarian. Experimentally, this was shown in a carefully designed two-week experimental study in a Russian weaving company (Welsh, Luthans & Sommer, 1993) comparing strategies of participation, contingent extrinsic rewards (money), and social rewards (positive comments, etc.). Extrinsic and social rewards increased, and participation decreased, production. While this was only a two-week experiment, and therefore one should be careful not to conclude long-term effects, the study at least shows that participation cannot be used as a quick fix in Russia.

One problem that follows from these results is obvious. If managers persist in their authoritarian ways and do not "rock the boat", they will meet the expectations of their workers, but they will not be able to increase entrepreneurship because entrepreneurship only develops when job-decision latitude and control at work are high (Frese, 1994). The better the fit between culture and management style, the less is there an improvement in entrepreneurship. As a matter of fact, one common observation in East Germany is that even Western managers who are accustomed to participatory management will revert back to "tightening the ropes" when they experience that participation does not work well. This leads to a vicious cycle: the less control at work, the less entrepreneurship; the less entrepreneurship, the lower workers' participation and control (Frese, 1994).

Societal Level

The general culture, the strategies of privatization, and the general socio-political system (how democratic, how authoritarian, etc.) are important here. As mentioned before, this level will be discussed only very briefly.

Culture/Values

There has been some discussion that the culture in the East (e.g. Poland, Jankowicz, 1994) and particularly in Russia, has never been entrepreneurial (cf. Puffer, 1994). While there may be some truth in this, there has been quite an explosion in the numbers of small-scale entrepreneurs in Russia and Poland. Czechoslovakia has always been a strongly entrepreneurial country in the past. Thus, one would expect a differentiation between these countries to occur rather quickly.

Strategies of Privatization

Obviously, those countries that stimulated private initiative even under Communist rule (primarily Poland and Hungary) have a certain "head start" now. Moreover, countries like the Ukraine, that have not yet really started privatization, seem to have more difficulties economically.

Socio-Political System

Unfortunately, it cannot be taken for granted that entrepreneurship can only flourish in democratic countries. Asian countries, noticeably Singapore and Taiwan, show that this rule does not apply. However, the socio-political system must allow small-scale entrepreneurs to do their work without too much interference. This is also true at the work place. There may be a general autocratic rule in a company, but the workers may still have considerable leeway in how they do their own work. This is enough to allow and even stimulate the development of entrepreneurship at work. Thus, only if an authoritarian society interferes with the concrete situation, and one's concrete goals, information gathering, plans, and feedback processing at work, does this have an influence on the development of entrepreneurship (cf. Figure 5.2).

CONCLUSION

The general conclusion of this article is that there have been, and still are, a number of factors that have long-term consequences and make it difficult to develop entrepreneurship at work in the East European countries. The three aspects of entrepreneurship—personal initiative, innovativeness and market orientation—have to be translated into personal goals, the environment has to be scanned and the information integrated into a prognosis, plans have to be developed, and appropriate feedback has to be developed and processed. The development of these features is affected by person, organizational, and societal variables.

However, there is no complete uniformity in the direction of influence factors; some factors speak for a higher degree of entrepreneurship in the East as well, the most important ones being "chaos qualification" and the pressures to be active because of the threat of unemployment. However, most of the factors that arrive from work in bureaucratic socialism have a negative influence on the development of entrepreneurship in the East.

Some of the differences in entrepreneurship between the East and the West are probably due to socialization factors at work (Frese, 1982). Frese et al. (1994a) have shown that the lower scores for personal initiative in East Germany are caused by socialization factors. The most important of these were control and complexity at work. Control implies that one has some degree of freedom of how to do one's job, and complexity implies that the job is interesting and challenging (Kohn & Schooler, 1982).

Given the number of factors that speak against a high degree of entrepreneurship in the East, one may actually be surprised that there are small-scale entrepreneurs in East Europe and that rank and file workers show some degree of entrepreneurship in the companies after all. We assume that an active approach to life and work is something that is difficult to suppress in humans (White, 1959), and that it takes a lot of outside pressures to reduce entrepreneurship to any large extent. Thus, there should be some resilience to come up with entrepreneurship in spite of negative outside factors.

Nevertheless, it makes sense to think of interventions that could help to increase entrepreneurship in the companies and the development of small-scale entrepreneurs. These interventions can have three forms: selection, training, and support.

Selection: It is possible to select for entrepreneurship and, to a certain extent, assessment centers have traditionally attempted to do that. A more radical approach would be to test a large part of a segment of society for their propensity to become successful small-scale entrepreneurs and to induce those people who are high in personal initiative, innovativeness, and market orientation to become small-scale entrepreneurs, and to give them adequate support with money and training.

Training: People can be trained to be higher in personal initiative, innovativeness, and market orientation. For initiative, a training concept would include an increase of self-efficacy, a stronger interest in taking over responsibility, a higher degree of change orientation, a higher action orientation, the development of longer range, difficult, and concrete goals (with appropriate subgoals), and an orientation to learn from their errors (and not to be afraid to make them). Of course, McClelland & Winter's (1969) achievement motivation training has a certain degree of overlap with such an approach.

Support: Many of the issues described under organizational and societal input can be seen as supportive functions of entrepreneurship. Thus, giving more control at work, reducing hierarchical controls, giving rewards for entrepreneurship, etc., all help in this process. Obviously, the direct supervisor is of particular importance: the more he or she supports entrepreneurship, the more likely it is that it will be shown. Thus, it is important to train the supervisors to recognize, accept, and encourage entrepreneurship in the work place. This is harder than it sounds, because often entrepreneurial people are more difficult to deal with than non-entrepreneurial employees. Since they have more ideas, since they persist even when things go wrong, and since they will also see more problems, they are often "difficult" (albeit more productive) people to work with.

This article has emphasized the communalities of the socialist experiences in East Europe in looking at the "long arm of socialism". It needs to be complemented by a chapter on how the transition from socialism to capitalism is managed. One could use Figure 5.2 for the same discussion that would emphasize the differences between the various East European countries. For example, pressures to become entrepreneurial are higher in Poland than in East Germany. Poland has a high degree of unemployment and, therefore, many people attempt to become entrepreneurs in order simply to survive. This is not so in East Germany, which also has high unemployment but provides generous unemployment benefits.

Unfortunately, there are few studies that look differentially at East Europe from this change management perspective. In one small-scale study, we compared management initiative in a Czech joint management firm (Schumann, in preparation). It turned out that the Czech managers were higher in initiative than both the East *and* the West German managers. Whether this is due to change management characteristics of the Czech Republic or of this particular firm, we do not yet know.

While this article may have been sobering, we can stop on a much more optimistic note because entrepreneurship can be changed, increased, and fostered. Obviously, this should be done not only in the East but also in the West. Change management will be much easier if entrepreneurship is increased in companies, and societal change will be enhanced if more small-scale entrepreneurs are working in a society.

However, one should warn the reader, that there is no reason to assume that this change process will be quick. Most behaviors are based on routines that are difficult to change and have a tendency to reappear

in stressful situations (Frese & Zapf, 1994). In addition, there is a certain amount of resistance against change. However, more often it is simply that one does not change one's habits quickly. One of the most fascinating results of my longitudinal research has been the tenacity with which people stayed the same in spite of those revolutionary societal changes, that East European people had worked very hard for themselves.

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NOTES

1. In this article I shall be biased towards the East German experience, partly because more studies have been done there, and partly because I have been involved in one of the largest longitudinal studies there.
2. This does not apply to activities outside work; here, a high degree of creativity and tenacity were necessary to find ways to build one's own summer house, for example.
3. However, there are dissenting voices to such a viewpoint. Based on questionnaire results in Bulgaria, Zinovieva, ten Horn, & Roe (in press) argue that the structure of needs in Bulgaria is not different from the one in The Netherlands (although their data also show that income is more important than self-actualization needs).

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