

EUROPEAN NETWORK OF ORGANIZATIONAL AND WORK PSYCHOLOGISTS  
ENOP

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REPORT OF THE PARIS SYMPOSIUM, 1991

"THE CHALLENGES OF ECONOMIC AND  
ORGANISATIONAL CHANGES IN EASTERN EUROPE"

March 21-23, Maison des Sciences de l'Homme

M. Clemens Heller opened the symposium. He stressed the support of the Maison des Sciences de l'Homme both for ENOP and for the subject of the symposium.

Notes on the papers delivered are as follows. (Thanks to John Hurley and David Guest for their contributions to these summaries).

For a list of participants see Appendix 1.

**Paper 1.**

Professor Dr. Lajos Hethy, Research Institute of Labour, Budapest

"Labour Markets and Industrial Relations Changes in Hungary"

Professor Hethy described three types of change affecting Hungary:

- political changes over the past two years
- economic transformation to a market economy from a command economy, including privatisation
- economic crisis management, a large national debt, and an inflation rate of 20-30%

Key problems include uncertainties about the appropriate level of state intervention in the economy and how to create a dialogue between interest groups as real wages decline. Changes affecting key interest groups have included the following:

Trade Unions have become independent of political parties and have needed to develop new roles. New unions have emerged. At the same time membership of unions is declining rapidly from the previous artificially high level of 96%.

Employers Organisations are also changing. The government will privatise 40% of the economy very shortly. New employers will therefore emerge. New organisations, like the Society of Entrepreneurs, can be expected to exercise a strong influence.

The State's role will reduce, new legislation has prescribed limits to its interventionist role (to one of setting minimum standards). Bodies such as the National Council for Reconciliation are emerging to play a role in employee relations.

Relationships between institutions will change. While there may be more real bargaining, there is likely to be less participation. The power of unions is likely to diminish. Political and solidarity strikes will become regarded as illegal. However recently in Hungary presently most strikes have been political, expressing opposition to government changes such as increases in prices or taxes.

A number of key issues therefore emerge. Is there any place for free bargaining over wages in an economic crisis? What are the prospects for labour relations in a parliamentary democracy where the politicians have little experience and where the organisations involved are very weak?

There are many shocks to be expected for people in the area of employment, especially, unfamiliarly high levels of unemployment are to be expected. Surveys have suggested that job security is very important to people but even now around 100,000 are unemployed. As subsidies are cut production will drop and more enterprises will close. Unemployment will be exacerbated also by budget cuts and fiscal discipline.

Two broad alternatives could be considered: shock therapy involving cut subsidies and severe price increases, or gradual reform which may be less painful but may not work. In reality retraining possibilities are limited at times of significant economic transformation.

## Paper 2.

Dr. Leonid Grigoriev, IMEMO, Soviet Academy of Sciences

### "Psychological, Social, and Economic Issues of Privatisation in the USSR"

Dr. Grigoriev pointed out that no-one knows how to move a centrally planned economy to a market economy, and he introduced discussion of the problems of achieving such a reform in Russia.

- It is not possible to privatise state-run enterprises in Russia quickly. This is partly because of the capital available, partly because of the structure of the Soviet economy. Only 15% of the population have a standard of living close to those in the West, indeed the average savings people have in the USSR are about one tenth of those of people in the West. Many of who do hold savings mistrust the government. At the same time 70% of the country's assets are controlled by one sixth of the country's organisations. Progress can be made in privatising the many smaller enterprises which make up the other 30%, but the larger organisations are much more difficult to reorganise at the present time. Because of such factors the focus is now on the slow decentralisation of bureaucracies and a slow move to a mixed economy.
- There is considerable insecurity in the country. Surveys suggest that only about 10% of the workforce feel secure

many feel insecure with about 20% feeling very insecure. Immediate short-term concerns pre-occupy people; for example 67% of people polled in one survey where they were asked to identify three main concerns identified worries about food, 59% identified price rises as a problem, and 29% were worried about crime rates.

- A very large number of officials in the Soviet Union ("nomenclature") needed to be approved by the Party. People active in the economy are either nomenclature or illegal traders. Many have been imprisoned for illegal trading. In fact there are too few who are not nomenclature to change the system from without (even past leaders of the striking miners have been incorporated into the bureaucracy). There are some signs of change (for example, a refusal of artists to work with State TV) but these are small. The radical changes seen in Poland have caused Russian bureaucrats to close ranks. Debates about the need to decentralise the centralised State bureaucracy concern whether control should pass to factory managers or local officials and how far such decentralisation can be allowed.
- The Republics seeking independence from Moscow have not yet provided an alternative model for the economy. For example, the Baltic States seek local political autonomy, but they have not begun a programme of privatisation. Managers in enterprises share a wish for market stability with senior bureaucrats. For many, the idea of a market economy means price rises and food shortages.

Broadly speaking, Russia is ruled by engineers; efficiency, rather than justice, is the overriding concern.

### Paper 3

Dr. Peter Grootings. CEDEFOP, Berlin.

#### "EC Training Programmes for Eastern Europe"

Dr. Grootings reported that the EC had received many enquiries about training in the new markets of the East, particularly from organisations that had not been notably successful in their own countries.

The situation is complex, but basically the EC is involved with the East in two ways. First, by coordination of all assistance projects for OECD countries. Second, through its own budget; initially this was for activities involving Poland and Hungary, it is being extended for Czekoslovakia, Bulgaria and Yugoslavia.

A list is being considered for possible Western participants/consultants. Responsibility for different areas will be taken by specialist Directors, covering finance, HRM etc. On the HRM side there are two initiatives:

- "Tempus" for higher education, including training, research publications and translations. This has proved a popular scheme, 80% of applications to Tempus have been rejected.

- The European Training Foundation, for all other activities. This has been very short of money.

In the event there has been much disagreement about allocation of funds across these programmes and between specialist directors and many developments have been blocked for some time.

Vocational education and training is regarded as a very important part of the social policy for the EEC. Effective participation in the Community depends on the provision of vocational skills.

The Polish case provides an example of the problems that can develop if "learned helplessness" is allowed to develop into a widespread phenomenon. Attempts to reform the Polish situation have gone through many phases, from Solidarity in opposition to the communist regime, to Solidarity as government. Key problems at the present time include the question as to whether or not resources should be channelled towards a new entrepreneurial elite or more widely. The stresses that are felt are considerable, and are well demonstrated by the election challenge to Lek Walenska provided by a Canadian entrepreneur.

In reality a good vocational and educational system for the workforce is essential for the new Poland, managers need workers and foreign firms want more than simply a new financial and managerial infrastructure. It is a mistake to channel everything towards a new entrepreneurial elite. Yet the Ministry of Education has weak authority, and poor finances; only now is it building (from scratch) a programme of unemployment training. The reality is that the system of worker training and education that was inherited from the old regime is inadequate and needs to be rebuilt. The disadvantages engendered by present arrangements is creating a breeding ground for extreemism.

At the present moment the problem facing many people in Poland is one of mere survival. The task facing the country is doubly difficult therefore: to survive the crisis and at the same time to effect a radical social/economic and political transformation and build new institutions. The fact that it is the trade unionists who are creating the new free enterprise system itself makes it difficult to be sure that appropriate action will be taken.

Foreign observers might help in the following ways:

- further analysis is needed of the present system and of appropriate policies
- up-to-date assistance in the development of training programmes is needed in core areas essential for the immediate operation of an effective economy
- help is needed to integrate appropriate sectors of the economy into international networks
- practical help is needed in the development of a new education and training system necessary to offer appropriate opportunities to the workforce.

Paper 4.

Professor Dr. K. Petkov, Director, Confederation of Independent Trade Unions, Bulgaria

"Organisation Changes in the State and Private Sectors in Bulgaria"

Professor Petkov pointed out that, in many ways, Bulgaria faces some of the worst economic problems in Eastern Europe facing as it does a huge national debt. The country has a population of 9 million and a debt of \$12 billion. It has an annual inflation rate of 85%. Since the political crisis of 1989 (the communists were re-elected, but a united opposition won a sizable number of seats) prices have risen three-fold, but wages have risen only by 70%. The situation is compounded by ethnic and ecological crises.

Economic reforms modelled on the Polish experience are now being introduced. It is not clear whether or not people will be prepared to go on. Organisational changes are slow, often invisible.

Privatisation began in Bulgaria in the early 1980s, with reforms imposed from the top which were intended to prevent the growth of a Solidarity-type movement in the country. Gorbachov's introduction of perestroika led to further developments, in particular a strengthening of the legal basis of privately owned firms. By 1988/9 there were some 2 or 3 thousand small private firms in existence. Sources of investment for these were provided by private savings or credit from the State. By the close of the decade it is expected that there will have been about 70,000 private firms, but these employ only around 100,000 people; they are individual or family firms in the main, often run in their spare time by people who also have a state job.

In the State sector the story is of stagnation, corruption, and resistance. International commercial activity has all but stopped. 100s of state firms have simply stopped trading. Large numbers of redundancies are now taking place.

Presently industrial relations are very dynamic in Bulgaria, with a classic conflict of interests much in evidence. Such conflicts involve disagreements between large and small organisations, between managers and their employees, and between the public and private sectors. Large strikes have taken place, pressures for new terms and conditions of employment have grown, as have pressures for changes in patterns of company ownership.

Debates about privatisation have taken place around the legal structure that would be most appropriate, about how and to whom ownership should be transferred, and about how different schemes should be developed for different sectors of the economy.

Psychologists might offer assistance in four ways:

- In helping people understand the changes affecting them to overcome both their natural worries about disruptive changes as well as any ideological conservatism about these particular reforms. Professor Petkov drew a distinction

between good and bad populism in the management of disruptive change.

- With programmes of therapy, education and training.
- Through the development of applied psychological projects.
- By helping businesses understand the extent of the culture changes that need to be made in the East.

## Discussion

John Hurley chaired a wide ranging concluding discussion to the symposium. Questions were raised about the advisability of the East seeking to copy the West, about the advantages of attempting an orderly transition to a new system, and about the impossibility of planning for such a tidy transition. Problems of a passive citizenry were highlighted in the discussion. Comparisons were drawn with the Spanish experience of economic and political transformation, although the gestation period for significant changes was longer in this case and Spain's open borders had facilitated widespread exposure to new ideas and alternative systems.

Recurring concepts and themes identified in the issues discussed at the Symposium included:

Climate. Cognitive training of the unemployed. Collaborative strategies for change. Control and uncertainty. Creativity. Cultures of Eastern Europe. Diversity. Empowerment versus helplessness. Everyday skills. Group Process. Populism. Small is beautiful. Social scripts and their creation.

Areas were sought for possible East-West collaboration. Amongst those mentioned were training opportunities, joint research on small projects, and work in the areas of vocational guidance and personnel selection.

## Minutes of the ENOP Business Meeting

Chaired by Peter Warr

### 1 Minutes

The minutes of the 1990 meeting, circulated in Newsletter No.19 were accepted as a correct record.

### 2. Report of the Coordinating Committee

Bernhard Wilpert reported on the meetings held by the coordinating committee. Since the last Paris Symposium the CoCo had met on three occasions, reports of its meetings in July and November had been made in the newsletter. The February meeting

had been concerned with ERASMUS exchanges and is reported separately in this newsletter.

### 3. Workshops

Reports were made of the following workshops held last year:

**Technological Change Process and its Impact on Work.** Siofok, September 9-13. Miklos Antalovits reported this had been very successful and that the proceedings would be published.

**Managing New Technologies.** Bad Homberg. May 3-5, 1990. 20 participants from twelve countries had attended. Proceedings to be published by Lawrence Erlbaum.

**Telematics and Work.** Bad Homberg. 1989. Proceedings to be published by Lawrence Erlbaum

**Work and Organisational Psychology in Hospitals.** 1990 conference. To be published in "Stress at Work"

**Safety in Nuclear Power Plants.** Miklos Antalovits. Attended by 30 delegates from both the East and the West.

**2nd Spanish Congress at Valencia.** Speakers from ENOP.

### Workshops Planned

**Network Workshop.** May 2-4 Bad Homburg  
Control of Safety in High Risk Organisations

**Psycho-Social Aspects of Employment.** Sofia, September 16-20, 1992

**FOCUS 1992 International Research Group.** The fifth symposium of the International Research Group Focus-92 on "Management of Organisational Cultures" will be held in the Economic University of Athens, Patisson Street 6, 10434 Athens, Greece. The local organisers are Prof. Bourantas Dimitri and Prof Papalexandris Nancy. The project leader is Prof. Gaston De Cock, Centre of Organisational Psychology, University of Leuven, Tiensenstraat 102, 3000 Leuven, Belgium. Dates: from Sunday September 15 until Tuesday 17, 1991.

**1992 Summer School, Tilburg.** New Technology and Work. Bernhard Wilpert pointed out that ENOP members help in choosing participants for this event is essential, as is their involvement in teaching.

### 4. Research Projects

**WOSY. Work Socialation of Youth.** Pol Coetsier reported that research was neally at an end. 3 surveys had been undertaken of 2 target groups. Results to be published in a special edition of International Review of Social Psychology



**Industrial Democracy in Europe.** Involves a number of ENOP members. A twelve country comparison of industrial participation and industrial democracy. The first survey was undertaken in 1976/7. Data has been collected from 90 of the original 140 companies participating in a replication study. Contact person: Bernhard Wilpert

**Meaning of Work.** Also involves a number of ENOP members. Data from a number of countries is currently being analysed. Studies in the Soviet Union and in East Germany using the same methodology are underway. Contact person: Bernhard Wilpert

**Work Importance Study.** Branmir Sverko reported that the international comparison on the Salience Inventory and the Values Scale, is in its final phase: writing of the international volume. Other ENOP members involved are Pieter Drenth and Enzo Spaltro

**Group Focussing on 1992.** Gaston de Cock reported on the first organisational culture unified search study. 14 European (West and East) countries collaborate in this project. At this moment the standardisation of questionnaires is finished. At the beginning of 1992 the field work will start. Other ENOP members involved are Pieter Drenth and Enzo Spaltro.

#### 5. Research Projects Proposed

Enzo Spaltro invited colleagues interested in forming a research group into privatisation to contact him.

#### 6. ENOP Linked Publications

i) Attention was drawn to the forthcoming first edition of the European Journal of Work and Organisational Psychology, edited by Charles de Wolffe. John Hurley invited colleagues interested in undertaking book reviews for the Journal to contact him.

ii) Bernhard Wilpert drew attention to the report on ENOP that he had recently prepared for the Maison des Sciences de l'Homme (Appendix 4.). Members are invited to check that the list of publications associated with ENOP activities included in the report is comprehensive and up-to-date.

#### 7. European Work and Organisational Psychology

Roe Roe reported on the outcome of "Round Table" discussions with associations of psychologists in Europe to launch EAOP at the Rouen Conference. 11 associations will join, and individual membership will also be provided for. Strong support was expressed for the idea of EAOP. However, the present status of ENOP will not allow direct participation as a "constituent". See appendix 2.

## 8. Future status of ENOP

Rob Roe introduced his paper on the future of ENOP (see appendix 3.) He drew attention to the alternative models that might be used to guide the future of ENOP:

- 1 ENOP as a loose "Network of Networks"
- 2 with strict criteria for continuing involvement
- 3 with "active" and "passive" membership
- 4 with coordination undertaken entirely by CoCo.

Advantages and problems with "open" membership were discussed, as was the need to define "active" and "passive" membership. The problems some members have with ENOP as a "closed shop" were discussed and contrasted to the difficulties that opening membership to all European Professors of Work and Organisational Psychology would involve (it being estimated that there must be over two hundred). On the other hand the opening of the Eastern Block implies a larger group anyway. It was pointed out that the new European Association changes the situation from previous years.

After discussion it was agreed that most members preferred the second model identified by Roe and in particular that members not active for two years would be deemed to have withdrawn from ENOP. Members from countries not presently involved should be sought to replace those withdrawn. The CoCo was asked to work on details for this proposal. It was also suggested that it would be helpful to have written proposals about possible new members in advance of their names being proposed at the annual business meeting, and that those accepted to the network should be given information about ENOP. Again, CoCo was asked to consider appropriate procedures.

## 9. Membership

David Guest from London University was proposed to replace Peter Herriot.

Proposals for new members were also approved for

Norbett Semmer (Switzerland)  
Anna Leonova (USSR)  
Yuri Zabrodin (USSR)  
Jiri Stikar (Czechoslovakia)

## 10. East West Cooperation

Bernhard Wilpert explained how financial problems in the countries formally comprising the Eastern block lead to a request to the Maison des Sciences de l'Homme for funds to support the acquisition of books in the area of Work and Organisational Psychology in appropriate Universities. A decision on the

submission was expected soon. Assuming the submission would be successful a subgroup comprising Frank Blackler, Rob Roe, Enzo Spaltro, and Gunn Johanson agreed to liaise to prepare a list of recommended texts on Work and Organisational Psychology.

### 11. Conferences and Courses

Members were asked to note that the IUPS Congress takes place in Brussels in 1992, and the IAAP Conference takes place in Madrid in 1994.

### 12. Paris Symposium 1992

The 1992 Symposium will be held on April 2nd, 3rd and 4th.

Ideas for the symposium included the effects of 1992 on work and mobility in Europe, motivation, stress, empowerment and health. Gunn Johanson was invited to join CoCo to help develop the topic for the symposium.

### 13. Erasmus and Comett

a) Pol Coetsier reported on the acceptance of the enlarged student mobility programme. To the old network: Free University of Amsterdam, Catholic University Nijmegen, University of Amsterdam, University of Valencia, University of Bologna, Technische Universitat Berlin, State University of Gent are now added: Catholic University of Leuven, University of Madrid, University of Dublin, University of Lisbon.

b) Benhard Wilpert reported on continuing efforts with Erasmus proposals (see also notes from the February meeting of CoCo, attached). A proposal for further funds submitted to the EC had been mislaid by the Erasmus directorate and so a decision was delayed. It was proposed that even if funds were not provided by the EC ENOP would wish to move ahead in developing principles for exchanges in any case.

c) Jose Peiro reports on a joint Comett project involving the University of Valencia and the University of Ghent. A post-graduate Spanish student will go to Belgium for a one year period. The collaboration is in a triangle combination with a Belgian firm.

## Report from the February Expanded CoCo Meeting on Erasmus

Participants: B. Wilpert, P. Coetsier, J. Priero, R. Roe, F. Blackler

The main purpose of the meeting was Erasmus exchanges.

Bernhard Wilpert drew attention to the various phases associated with ENOP's Erasmus project: a fact finding survey, analysis of the survey, evaluation and validation, and the development of cooperation models and coordinated curriculum content. A report of the first stages of this work had been submitted to the EC, and a request for more money to enable work on the final stage. This application had been mislaid by the Commission and a decision on whether or not it would be successful was not available at the time of the CoCo meeting. If the report was unsuccessful the CoCo expressed a wish to continue working on the matter in any case.

Three tasks were identified. First, the identification from data already available of common teaching modules across different universities. Second, the design of module combinations to be integrated in, say, three universities. Third, the possible optimisation of the content and delivery of teaching modules.

The first two of these were discussed extensively. A number of problems emerged. These involved i) ambiguities and differences across the relative level of courses taught in different countries and ii) the content of courses, in particular, how Work and Organisational Psychology is defined and structured.

The style and content of courses at Berlin and Tilburg were compared. Although similar features in terms of a distinction between theory and application and in the ways courses were designed could be identified, there was not felt to be enough common ground to move forward on this occasion. It was agreed that at a subsequent meeting members would present descriptions of courses with about 30 classroom contact hours, to facilitate comparison of content, entrance requirements, essential texts, and teaching methods.

### Psychology of Work in Czechoslovakia

Zbynek Bures from Prague has sent ENOP a report on the "Psychology of Work in Czechoslovakia 1920-1990". Members may request a copy of the full report from Anna Rocha. A summary of the report is as follows:

The report presents basic data on the foundation, development and present state of work psychology in Czechoslovakia. It comprises data on education, science and applications as well as main features of more important achievements and results in monographs, textbooks, handbooks, journals and frequency of published articles and research topics. The author underlines the historical view with regard to the different social and economic conditions which imposed special demands and possibilities in general for the existence of the discipline and its application

in practical life. Simultaneously he follows the important milestones in the development of the discipline itself and its frame of reference; in this sense we can speak about a psychology of a labourer and craftsman, of a driver and its activity,, of an operator in a technical system, a manager in an organisational system and reflect the present problem of human potential implementation and development. A special regard is given to the last decades which brought an isolation from the world science. Criticism and comment is brought on indoctrination in psychology but also describes som ill influences in the whole organisational climate with its deforming mechanisms especially in management, personnel work and patterns of behaviour in general. The paper includes some hints on how to help the transition from the central planned to a market economy in the field of work and organisational psychology. More than fifty selected biographical items are given in the full text of the paper.