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THE "DIVIDED SELF" OF POLISH STATE OWNED ENTERPRISES

THE CULTURE OF ORGANIZING

> *If the whole individual's being cannot be defended, the individual retracts his lines of defendence until he withdraws within a central citadel. He is prepared to write off everything he is, except his "self". But the tragic paradox is that the more the self is defended in this way, the more it is destroyed.*
>
> (Laing, 1978: 77)

With the fall of the communist system in Poland, new rules are being introduced in all dimensions of social life. The economy is given much attention, and transition towards market economy has been seen as a central problem by all consequent governments after 1989. The enterprise and its metamorphosis are examples of the most intensively discussed issues by the mass media. Contrary to the often expressed belief that the organizations should "change fast and radical", the much awaited reorganization often seems to be delayed (Obłój and Kostera, 1994). In this paper we take up this problem. It is our interpretation here, that adaptation to market principles is hampered by the cultural mind frames

which actors have adopted, in coping with communist economic governance. There is a kind of cultural "lag", by which the actors' mind frames and behavior lag behind systemic changes introduced by the reformers: the culture of organizing requires a residue of mental stability.

In this paper we aim at developing a model of the culture of organizing of Polish State Owned Enterprises (SOEs). We start with a brief explanation of the "communist" system (i.e. the socio-politico-economic system of the "East Bloc") from the point of view of the SOE. We identify some of the main characteristics of the system that had a major influence on the culture of organizing. We assume that the culture of the SOE was an answer to the systemic context. We adopt a metaphor from psychology to show how the system favored the emergence of split cultures, inhibiting economic effectiveness and personal growth of organizational actors. Next, we discuss why and how the old cultural patterns survived and how the hinder change.

Centrally planned economy and the over-intrusive Center

Property and political rationality

Under the entry "management" the Polish Encyclopedia of Organization and Management of 1981 first gives a typical "functions of management" definition and then states the following:

> In the socialist society, where the basic means of production are the property of the society, the principles of management are determined by highest authorities; the principles of democratic centralism formulated by Lenin, one person leadership and the participation of the working classes in management are assumed as fundamental (1981:609).

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The major difference between the "capitalist", "socialist"/"communist" systems (here we use the terms as labels, culturally belonging to the two systems of the world 1945-1989; we do not give these terms their original Marxist significance) is connected to the "philosophy of property" (see e.g. Marx and Engels, 1968:904-906; Stalin, 1949 p.11; for critics see e.g. Staniszkis, 1989). The communist system was founded upon the dogma of collective property. In reality this meant ownership of the state as a subject and property being a prominent political issue (Staniszkis, 1989). In a Centrally Planned Economy (CPE) management was based on principles of political rationality (more on the primacy of political rationality in East Bloc enterprises in Rottenburg, 1994). The existence of economic organizations relied primarily not on the individual capability to accumulate profit, but was accounted for in terms of social or state interest - which turned into a symbolic doctrine. They also relied heavily on the "good will" of political decision makers (the political decision makers of higher levels will be hereon called "Center"). Creation and growth of SOEs was a fundamental symbolic act of communist systems, a "demonstration of power". Simultaneously, the economic rationality faded away (Staniszkis, 1989), making costs "insignificant" to the decision makers (Koźmiński, 1985). This contributed to the low economic effectiveness of production and a continuous lack in the economy as a whole, emergence of *economy of shortage* (Kornai, 1985).

Centralization and management

The SOE was dependent in its decisions on the Center and the political authorities of all levels (Czarniawska, 1985). The decision making structure was highly hierarchic and bureaucratic (Obłój, 1986; Koźmiński, 1993; see also Beksiak, 1987). Management, by having different tasks (derived from the plan) to fulfill, was completely absorbed by these (see e.g. Granick, 1960). Strategic decisions "belonged" to the Center, management was only an "executor" of decisions

made somewhere else. The managers were "officially" declared subservient, but simultaneously the had a responsibility for "their" company" and "their" employees. The problem of responsibility not accompanied with authority was repeatedly pointed out (e.g. Lipiński, 1981; Koźmiński and Obłój, 1983; Koźmiński, 1985; Obłój, 1986).

The Center "possessed" and allocated information, resources and meanings, which it interpreted and "distributed" according to the dogma of "planned development", i.e. social and economic engineering, based on the assumption that some (the Center) know what is *good for all of us* (Karpiński, 1992).

Socialization into the system

During the 44 years of communist rules in Poland, more or less stable cultural patterns developed and reinforced. People became socialized into the system, even if it lacked popular support and was often rejected (e.g. Michnik, 1986 and 1991 takes up these complex problems). The goal of the paper is to examine the suppositions on the consequences of socialization. The implications for the cultural mind frames of socialization into the system are of more than historical relevance: culture survives the system itself.

Method

We adopt an exploratory methodology, rather that a hypothesis-testing approach. As social constructivists and representatives of the interpretive approach we do not believe in "testing" hypotheses nor in "proving" - much more in interpreting and illustrating. Further, major characteristics of actors' mind frames under socialism have not been studied sufficiently directly and extensively so far. To extract such characteristics, it is necessary to rely on open interviewing.

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Our method is that of explorative inquiry, based on a series of mini-cases. Our brief study we intend as an explorative effort, "opening the field" for further interpretive studies. We would recommend carrying out of an extensive case study, based on anthropologic methods of research for future research.

We focus on big concentrated SOE, rather than smaller firms, cooperatives, or small private businesses (co called "handicraft"), which were allowed to exist in Poland under communism. It is necessary to study managers from concentrated SOEs, because they are expected to have greatest difficulty of transformation.

We have interviewed seven managers from different enterprises. Five of them were men, two - women. Two were managing directors, two - vice-directors, three - middle level managers. By the time we spoke to them, four were retired, one was still occupying his post, one was a manager employed by a big foreign company, and one was not working as a manager. Two of the retired managers ran a business of their own. The reason why most of our interlocutors were retired, was that we wanted to talk to managers with possibly long experience under communism. Their age varied between early forties (the youngest manager) and early sixties (the oldest). No one was retired prematurely, in Poland there is a possibility to become retired after having worked a certain amount of years, not necessarily reaching the retirement age. Currently, another one of the retired managers has started a small business, and the second works as a part-time consultant. As the current development of their career shows, they were probably not so eager to leave work and started an own business when an opportunity materialized. Our interlocutors came from three parts of the economy which we identified as particularly interesting: consumer goods producing company (1), public sector (1), engineering companies (2), foreign trade (3). We also interviewed a management consultant, active since late 80. (i.e. before 1989), who served more as a reference person. The managers we spoke to represent quite well the context we want to describe, except for heavy industry which is not represented in our study, but was quite distinctive in communist countries (see e.g. Koźmiński, 1993). We thus studied organizations which were relatively autonomous and

whose survival was not taken for granted. The public sector organization was different, as it hardly could be liquidated, rather incorporated, but it too was quite autonomous for technical reasons.

Our interviews were semi-structured. We only used a open question guide-line. We thought that we would learn the most by adopting an *anthropologic frame of mind* (Czarniawska-Joerges, 1992a). Therefore we asked the managers general questions, such as: What did you do as a manager of company X in the 70.? in the 80.? Name some examples. Which were your official duties? Did you go beyond the official duties? Relate an example. How would you characterize your job - was it rewarding? exciting? Name examples. Were you satisfied with the job? then? how do you feel about it now? Describe a "normal work-day". Depict some "special/ critical event": something you remember as very positive? very negative? These general questions lead our interlocutors into narrating their experiences and ideas about their jobs very much in their own terms. We then continued to ask questions about some topics they brought up themselves, or which had been brought up by our former interlocutors. E.g. when one manager explained to us, that plan fulfillment did not have any economic sense, we asked other respondents to comment upon that statement. We must add that only one of the seven allowed us to tape record the interview. The other either rejected the idea directly, or said "yes" first, and explained that they were embarrassed by the recorder later and asked us to turn it off. One manager explained that many Polish managers might have developed "paranoid reactions". They were often "supervised" by the secret police and private informers. The manager (Manager 3) asked us to note, however, that the situation of Polish managers was, in this respect, much better than that of the East German, or Russian.

The interviews were thus autobiographic, reflecting the actors' opinions about the past from the point of view of the present. We chose the seven interlocutors after some introductory attempts at approaching people, mainly such with whom one of us could possibly establish a personal relationship based on confidence. The seven ultimately chosen were executive students, old friends, or the friends of old friends. Those whose voices this study is based uopn are thus the ones who went in for a more reflective and self-critical reminiscence of their work and the situation before 1989.

We also studied texts of Polish economists and organization theorists, both critical of and positive to the system (even if the former prevail among our references). David Granick's *The Red Executive* from 1960 has been an interesting source of information. The book refers to the Soviet 50. The 50. were a special period in East European history, and Poland differed considerably from the Soviet Union, in many respects the system can be said to have been more "liberal" in Poland. However, many of Granick's insights and conclusions held true for Poland, and many offered an interesting background for comparison.

On these grounds we constructed and re-constructed our description of a passed (but enduring) reality.

Culture, politics and economy

After Gagliardi we assume that culture is a dynamic phenomenon, a process (1986). We further agree with Czarniawska-Joerges that culture is socially constructed, we live in it an co-create it (1991). Culture we understand as the *network of meaning* (Smircich 1987), through which we make sense of our lifes.

In this paper we see culture as concerned with collective mentalities, people's mind-frames. We thus adopt a root metaphor we would call culturalist-psychological, based on a constructivist view (on constructivist psychology, see e.g. Kozielecki, 1992; Koźmiński and Kostera, 1994 write some more about the intersections of the psychological and cultural concerning norms and values of organizing). The process of reality and culture construction is not necessarily conscious; an important part of it is unintentional and as good as completely unconscious, and much of what we call norms and values is taken for granted.

Czarniawska-Joerges (1994) remarks that the metaphor of organizations as super-persons is perhaps the most common one in organization theory. Psychological metaphors have been applied to organizational culture many times

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before. To name just a few of the best known: Selznick writes about the organization's "character" describing its way of acting and responding (1957:47), Morgan (1986:120-121) compares the organizations' cultures to individuals' different personalities within a broader cultural context. According to Mintzberg, the organization's strategy understood as a perspective (defined by Mintzberg nearly directly as culture) is to the organization what personality is to the individual (1988:18).

We speak here metaphorically of the organization's "self" referring to interpretive schemes of people engaged in organizing. It does not upset our interpretive approach to the study (cf. e.g. Morgan, 1984; 1986). Metaphors are useful because they enable to see some things clearer, in a different light, as Gareth Morgan points out. But at the same time, they (always) obscure other aspects of the studied object (Morgan, 1986).

We use our metaphor to show the mechanism of interaction between "organization" and "environment". The self we understand phenomenologically, as a socially constructed *process* (see Laing, 1977; Giddens, 1991), so our metaphor is not "really" organic, and not reifying even if it is personifying.

Culture of organizing encompasses the cognitive schemata ordering the processes organizational reality construction, or the prescriptions, rules and habits concerning both individuals in specific roles, interorganizational relationships, and concerning what is "normal", "acceptable", "natural", "recognizable" etc. in the construction of organizations' cultures.

Various aspects (or dimensions) of social life are reflected in the culture of organizing. The dimensions (or spheres) we are interested in here are: the economic and the political. By political sphere we mean the processes directed to achievement and maintenance of power, while by economic sphere we understand the processes of production, exchange and consumption of goods. Culture embraces the two (through symbols and meanings), and contains the *interpretive schemes* (Bartunek, 1984), or "the cognitive schemata that map our experience of the world, identifying

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both its relevant aspects and how we are to understand them" (ibid: 355). The relationship between the economic, the political and the cultural we consider as complex and non-trivial, which means that we are not going to speculate on "cause" and "effect". However, culture is the one through which people make sense of the other two.

We also differentiate between "economic" and "political" rationality. By economic rationality we mean maximization of material utility. By political rationality we understand maximization of influence and power "utility" (on rationality construction see e.g. Czarniawska-Joerges, 1992b). Similarly, the notion of "effectiveness" in the two systems differs. "Economic effectiveness" means "efficiency" in a market economy, while in communist enterprises "effectiveness" used to mean plan fulfillment.

Managing the SOE: Interviews with Polish SOE managers

A political business

Managing an enterprise was to a big extent, a political business. As Manager 3 put it:

> It was endless meetings. The Ministries, party people, officials from all possible places, you were just driving around and talking to all of them. If you were smart, you knew how to do it - it was a game ... Sometimes being a manager was a link in one's political carrier - or the other way around. You became a manager for your political virtues, as, for example being a good party secretary on some local level. You could also be "promoted" to a high post within the party bureaucracy from the one of a manager. It was a natural link. ... Anyway, if you "just" wanted to manage your enterprise, you had to be engaged in all possible political activities, and I mean, really busy with it.

Manager 5 described the political activity of the Polish managers in the terms of the war metaphor:

> They [authorities, the party, the secret police] had a right to intrude everywhere and one was really fighting like a lion in order not to let them in too close.

Other interlocutors tended to describe their jobs in a similar way: as a primarily political business. Politics was something they had to engage in "outside of the enterprise". Nobody recalled any such political activity from inside the enterprise. The fight for power was going on not *in* the organization, but with whom they called "them", i.e. external decision makers and external party people.

> I think most had good relations with the POP [local Party people], by the end of the 70. they too started to feel responsible for the enterprise, you know, started to feel as 'insiders'... They could be of great help in the negotiations with [the external decision makers] (Manager 3).

Also Granick (1960) observes that the Party and management of an enterprise are not necessarily involved in conflicts. He also notes that their careers overlap - Party representatives and managers often are the same people. However, Polish managers liked to see themselves in their role of manager and thus tended to perceive the managerial profession as distinct, as Andrzej K. Koźmiński (1976) maintains - or at least they would like to see it as such.

During the communist period in Poland the economy was treated as a means of achieving political ends by the authorities, Bolesta-Kukułka (1992) argues (see also Beksiak, 1987). On the other hand, the political activity was

perceived by the management as a way to achieve all ends, economic ones included (Obłój, 1986; Koźmiński, 1982; Koźmiński, 1985).

Economic temperance

Manager 1 told us the story of a Polish manager, who was "too active" and "ended up bad".

> [H]e showed off. Was too visible. [His company] grew and it irritated, provoked... He ended up bad, in prison. Nobody of his powerful former protectors lined up with him.

Similar examples were quoted by other managers. Manager 5 recalled a once famous manager, imprisoned in the 80.:

> Much of the company's assets are from his times. He was thrilled by growth... He certainly benefitted from it, lived in luxury. But the company, and the people - they never lived as well as under his rule... Had he lived in Germany, or the US - he would have been a great businessman. In Poland he was excessive, took too much risk.

In the SOE there was typically nobody willing to take full responsibility for economic decisions, our respondents made clear to us. The interviewed managers claimed that they have "learned" throughout the years that the "most stupid thing to do" was to "show off". Simultaneously, they were expected to behave like political actors (Beksiak, 1987) and actively engaged in political games, as we pointed above. To our question, why they did it, they simply answered that "it

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was necessary", "I didn't have the choice, did I?", or the like. Clearly, it was in the economic sphere that risk taking was unwelcome and not rational, as Krzysztof Obłój established through empirical research (Obłój, 1980).

The plan: no economic meaning

Our respondents stressed the importance of plan fulfillment. In the words of Manager 3:

> Plan fulfillment was a powerful argument. It silenced down the officials. You explained to them what your "quotas" were, in relation to the plan, in relation to previous periods. You talked about threats and causes of this or that - that was clearly our domain in all these discussions.

Manager 3, holding an degree in economy, commented knowingly that the Plan did not have anything to do with demand, the market, or economic mechanisms. Nor did other managers perceive any link between plan fulfillment and satisfaction of consumers' needs. Instead, plan fulfillment, through production, became a political instrument. A whole intensive political life (including various games, played with the Center, political authorities, the secret police, etc) focussed around plan fulfillment (see e.g. Kostera et al., 1992). The main argument in countless negotiations and bargains with those "stakeholders" was the "continuity of the production process", as the quoted manager pointed out. To fulfill and surpass the plan was attractive: it assured bonuses, equipment and other rewards, for management and other employees. No wonder, management engaged in games to keep planned quotas to a minimum (Wawrzyniak, 1985).

A Polish consultant we talked to made the following point:

> I think the key word for communist management should be "bubel" [poor quality product of no use]. I like the American expression "anything goes". It was exactly how the system ran ... People stood in long queues in front of factory doors anyway, paid for whatever the merciful enterprise "gave" them. ... The enterprise had no reason to bother about the consumer. It had, though any reason on earth to bother about the authorities and they demanded *production,* not quality.

An obligation of accomplishing the plan according to the principle that "the end justifies the means" has often led to both deficit and shortage *and* production surpassing real demand. It also resulted in neglecting quality. (see Kornai, 1985; also Granick, 1960).

The plan was "given", prepared by the "Center": first in physical units, later, in ratios and "parameters"; reducing the autonomy of the enterprise to a minimum. Profit, even if existed as an official category, lacked any economic significance: the profits achieved by an enterprise were collected by the Center and reallocated (see Granick, 1960).

Economy is about the "own people"

Our interlocutors told us long stories about how the manager was responsible for the "own people", or the employees of the enterprise. His or her daily job in the organization very often consisted of "organizing" important goods, seeing to

that people get so called "bonuses", which together with the often unattractive salaries made "life possible" for them, "organizing" trips abroad, etc. In the words of Manager 6:

> For Christmas, for example, we saw to that everybody got a parcel with all the important products, that were unavailable on the market: wine, sweets, and most important - lemons and oranges. It required much "bartering" between divisions, even enterprises.

The SOE was strongly concerned about its internal resources (Koźmiński, 1993). Because of the unpredictability of the supply, the permanent shortage and highly regulated "market", the SOE was the employer, neighborhood store and home for the employees. Big enterprises offered medical care, housing and supply in most important goods to their personnel (Nowak, 1992; Koźmiński, 1993; see also Granick, 1960). It was also a common practice to originate and maintain production of goods directly meant for own employees or for barter with other SOEs, aiming at the same thing.

Thus, production was not a way to provide output for the consumer (who hardly had any meaning for the SOE management, Czarniawska, 1985), but a process, highly valued for its own sake, aimed at satisfaction of needs of the own employees.

Invest or die - but never mind the economy

According to our interlocutors the most difficult task was to ascertain input. Manager 4 sketched a romantic picture of the supply manager's job:

One of the most important people in the enterprise was the supply manager. He was often a hard drinking fellow with the remarkable faculty of *not getting drunk.* He travelled around and "organized" materials, you know, over the bottle with suppliers. He was "vice-God" ... When you finally managed to "organize" input you had to see to that it was enough. Of course you had to store it, everything you were lucky enough to "get". Anything could be found useful. You never knew.

In the typical SOE, supply (of various resources, including know-how and privileges) was arrhythmic and unpredictive and there were no economic stopping forces (e.g. no real financial risk) (see Kornai, 1985 on consequences of *soft budget constraints*). Also David Granick (1960) observed that the Soviet managers had to concentrate on ensuring the inputs instead of looking at the market. This held true for Poland as well. The SOE had thus to ensure the needed inputs, often a considerable surplus, stored, waiting for the moment it possibly could be found useful (Koźmiński, 1985). It included maintaining human resources surplus.

Also, there was also a permanent hunger for investment. This means a constant demand on investments reported by the enterprises, a permanent political game between the SOEs and the Center for resources and an incorporating of the investment in the central plan. These resources, when finally gained, were allocated according to a political, not economic, rationality (e.g. Koźmiński and Obłój, 1983; Obłój, 1986; Koźmiński, 1985). In early 70. enterprises received important investment credits, often utilizing the means for an extensive development of the "social base", that is facilities and institutions for the own employees. Big holiday centers, sport facilities, swimming pools, medical service, housing, etc. were raised. The costs of these facilities were not considered relevant (see e.g. Koźmiński, 1982).

Investment made sense, then, as a political activity outward. The economic significance of investment can be difficult to discern; however, it has some meaning in that sphere. In the words of our interlocutors, it was about "taking care of the own people".

The vulnerable enterprise

Manager 3 explained to us that:

> Many [CEOs] were distressed by the idea of including them in 'zjednoczenia' [Polish version of kombinats]. It meant loosing independence, having a supervisor over your head all the time. The directors from industry resented it.

This point was repeated by other interlocutors. From a cultural point of view, the SOE was constantly threatened with a loss of identity, or even the self. Not being the owner of assets, nor the strategic decision maker, reminded all the time that it was "really" a part of a "bigger whole" (kombinat, branch of industry or even the "socialist economy as a whole"), the SOE had serious problems in establishing its individuality. Today, in spite of changed legal regulations, during strikes in SOEs political and macro-economic claims are raised. Even the employees seem to still have problems in distinguishing between "the whole system" and "the enterprise".

The vulnerable manager

The job of manager was described by all our interlocutors as difficult and stressful, not very rewarding. Manager 3 recalled that:

> [being a manager] was very difficult. Stressful. ... Everybody demanded something, it was no logic and no sense in it; when they write that communism was a system, it's just not true. It was chaos, institutions and people, everlasting negotiations. The person who actually had to make sense out of this chaos and find some way to put order in it ... responsible for the company - was the manager ... Everybody had special problems with some outside authorities, usually it was the UB [secret police], I think most had good relations with the POP [local Party people]...

Our informants complained about the difficulties of the past, referring to them as "clowning", "madhouse", etc. But they also seemed to have a professional pride. To us, it reminded of professional bridge players' pride of being able to master the most emotionally harmful situations and to keep "cool". They thus spoke of "keeping the face", "accepting not stress but earthquakes", etc. They rather refrained, however, from romanticizing their job too much.

Czarniawska (1985) reports, after Daniecki (1981) that as many as 60% of Polish managers revealed symptoms of psychosomatic diseases. Czarniawska shows that the managers were feeling helpless, threatened, under constant stress. She explains this by showing, that rewards were few and rare, but punishments were severe and probable. There is an additional possible explanation offered by our informants, and that is what we would like to examine more now.

Active or passive: How contradicting is the picture?

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The picture emerging from the interviews seems contradicting at a first sight. First, the managers state, that managers were avoiding risk taking. Then they go on and recall a very risky activity of political game playing. They present a picture of an SOE totally alien to economic rationality, and then go on and talk about how the managers were obliged to take care of the employees' economic needs.

This lead us to differentiate between two dimensions of SOE management.

The SOE was like a house, with windows on two sides, facing two different milieux. We saw different things, while "looking from the exterior and in", depending on from which side we looked.

The introverted organization

Let us then, first take a look on the SOE, looking in from a window "on the economic side".

The highly bureaucratic structure of the decision making process in the SOEs and management's duty to gratify needs and expectations of external decision makers lead to reduction of risk taking. In the SOE there was no one too much willing to take economic risk; the managers preferred performance at minimal acceptable level (Czarniawska, 1985). This is shown in our interviewees' accounts: to take economic risk is labelled "showing off" and condemned. The cultural norm and value was to be "quiet" and not much "visible" (reducing self-activity and risk taking) (Kostera et al., 1992). On one hand, there was a duty of management to think in macro-economic terms (what is good for all of us?) and, on the other, concentrating on themselves (the SOE level). This situation (mixed messages on macro scale) lead to a limited participation in the economic environment, which we call *organizational inertia.*

In the economic sphere the communication was sparse. The organization did not bother to "listen" to the customer. The imperative to fulfill the plan was a powerful cultural norm. The definition of success is constructed by each organization and thus created through its culture - an example of how values are translated into goals (Martin et al., 1987). For the typical SOE the success meant fulfillment of the plan. Economic success was, thus, placed inside the organization as plan fulfillment ratios and has nothing to do with the "market (consumers') image" of the firm. To achieve economic success, the organization had to concentrate strongly on what was going on "inside" - not "outside", on the market.

The permanent demand for investment input for the SOE was only a symbolical illustration of the cultural value - to be self-sufficient as a reaction to arrhythmic and unpredictive supply.

To summarize, the cultural norms and values, which we found "looking in through the economic window of an SOE" were: an aversion to risk taking ("be quiet"); an aversion to participate and create the (economic) environment (organizational inertia; "not to be too visible"); an aversion to communicate with the (economic) environment (isolation); and an inward orientation ("be self-sufficient and isolated"). These cultural norms and values remind us very much indeed about the traits of an introverted individual.

Introvertism is defined by C.G. Jung (1983) as the sensitivity to one's own feelings, memories, and inner life. Another definition of introvertism is offered by Eysenck's two dimension model (introvertism-extrovertism : low-high neuroticism), where introvertism is characterized through following qualities: quiet, passive, reserved, rigid (Eysenck, 1973:27).

The extroverted organization

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Let us now take a look on the relationship between the "political sphere" and the culture of organizing of the SOE. What interests us is the influence of the conditions of organizational "life" in the political dimension on the "patterns of understanding" - culture of organizing of the SOE.

The political life of the SOE was indeed very dynamic and active. The role of the manager encompassed being passive and observant in the economic sphere, but implied activity and risk-taking in the political sphere. The cultural norms condemned "too much visibility", but this norm seemed to apply only to economic activity. "Of course" managers "had to" be active politically. This norm was so obvious, that our interviewees did not think it was necessary to explain. If they restrained from political activity, the company would not survive.

There was a similar outward activity connected to production, also clearly within the political sphere. Many of the meetings mentioned by the quoted respondent concerned, more or less directly, the production process and plan fulfillment. Production and plan fulfillment was therefore an outward criterion of success (politically) and measure of "good management" in terms of political rationality. It was also an activity oriented toward the political environment (and rather directly) in order to satisfy its political needs and demands. Any true economic significance of production and plan fulfillment was absent in this outward activity, culturally their economic dimension was almost meaningless, at least compared with their political significance.

Further, investment was an argument in political games, a stake and a political issue. It lacked, culturally, economic sense (this was present only in the "introspect" perspective we analyzed before).

Accordingly, the SOE was very active with enactment of the political environment. The cultural dimension of this activity was intensive and creative. The actors enacted this dimension of reality and, during the interviews, we have got the impression that they were aware of it. The political communication of the SOE was also very intense, and the SOE was a careful and sensitive "listener".

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To summarize, the cultural norms and values, which we found "looking in through the political window of an SOE" were: a willingness to risk taking ("take part in the games"); a willingness to participate in and create the (political) environment (organizational dynamism; "don't let them get on your head"); a willingness to communicate with the environment ("listen and be heard"); an outward orientation ("be where important thing happen").

In the political sphere, the typical SOE was an *extroverted organization.* Extrovertism is "a kind of outward orientation" (Jung, 1983) and we learn that

> extroverts prefer job environments that provide novelty, variety, ... bursts of intensity, unpredictability and spontaneity, extroverts enjoy conflicts. (Organ and Bateman, 1991:199)

Two cultures in one

TAB. 1 ABOUT HERE

Czarniawska-Joerges pointed out that "the concept 'organizational culture' proves to be fruitless when applied to socialist economies" (1986:313). She argues that the centrally steered system did not encourage the formation of distinct organizational cultures. She also notices that the intraorganizational variation tended to be greater than the interorganizational one (Czarniawska-Joerges, 1986; see also Granick, 1960). Our study indicates that the system favored emergence of similar cultures - or a quite consequent culture of organizing - "split" in two, responding to two

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different logics in the political and in the economic spheres, respectively. The SOE was, actually, "two organizations in one": one "introverted" and one "extroverted".

As we have seen, the manager's task was difficult under these conditions. Our study indicates that this utter stress can be explained by the "divided culture" they had to suffer. They had to unite discordant sets of values and act on them, depending on in which "sphere" they actually operated. To make such a distinction between "spheres" or "dimensions of the environment" is much easier to do for a theorist than in real life. However, the SOE managers learned their lesson well. They even learned to speak different languages, depending on the context (political "show" to please authorities or everyday conversation with other employees), as Obłój and Kostera (1994) point out in their essay on cultural change in Polish SOEs. To make a difficult situation even more trying, the managerial profession was not rewarded with high social prestige (Domański and Sawiński, 1991).

Why bother now? Or: are times changing?

Much has been said about why the communist system survived for so long. Soviet dominance in the region is an undisputable reason (see e.g. Staniszkis, 1989). It is, however, not our theme in this paper. Rather, we want to examine what types of mentality survival of the communist system brought about. We assume that cultural adaptation under communism helped to keep it relatively viable. Since 1989 Poland is abandoning communism. Koźmiński describes this process in the following way:

> The answer [to the question when economy looses its communist character] is probably the most closely related to the central control of the economic life and has to be formulated in terms of political science rather than economics or management. ... Abandoning of the communist system starts when

the party monopoly of economic, political, social, legislative and even cultural events is broken. (1992:2).

Thus, new institutions are constructed, space for new types of action is being freed, and the enterprises are expected to perform as enterprises do in market economy. In our terms here it means that the attention of enterprises is supposed to be drawn in an "extroverted" way to the economic sphere. It implies: a strong orientation outward, economically is required: economic risk taking, intensive communication (with the market), sensitivity to the environment, etc.

However, helping to make communism survive, the cultural frames became the more persistent. The problems of transition have already been described as deriving from organizations' cultures, lagging behind introduced "technical changes" (Obłój and Kostera, 1994). Richard Rottenburg also observes that the efforts of the regime to implant the "right consciousness" into people's minds, together with concrete living conditions inevitably have had an effect on personality structures - "even if not the one intended" (1994: 80).

The managerial skills under communism became rather specific and less transferable to new situations. The cultural frames generate ready answers to new conditions, which gives the impression that *plus ça change, plus c'est la mˆme chose*. The following example illustrates this phenomenon.

A big Polish machinery producer has since long been in economic trouble. The company is cost-ineffective, its products are obsolete, both at the international and internal markets. Before 1989, however, the company was one of the major empires of communist Poland. Being a big organization, it had considerable bargaining power. A strike here could mean the fall of a ruling equipe. After 1989 the inefficiency of the company had been announced in public. Several times subsequent governments promised to "do something about the problem" and from time to time the threat of bankruptcy

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emerged. In this situation, the former managing director was dismissed and a new one elected. The new director was an activist of Solidarność trade union. He immediately started to fight for the company: using both formal and informal political channels, he presented the government with ultimata and political arguments, supported with macro-social argumentation. Simultaneously, the company continues to be run as it used to: products are manufactured just to be stocked up, no contacts with markets have been established, the company owns and finances big parts of the city where the company is located where its employees work. Over 100 new people have been hired recently and it has become reintegrated with its suppliers anew (some time ago the suppliers had become untied from the organization). The manager faces tough opposition: the new trade union leader, openly aspiring for the post and also a candidate for the parliament, is criticizing him for being unable to pay his employees better and provide them with better housing conditions. However, in a recent TV program all parts (management, employees and trade unions) agreed: the factory produced very good products. The customers' were not even referred to (the case has been developed by the Authors thanks to material furthered by a consultant, engaged in a project for the described company; on the request of the consultant, we publish no names).

The case quoted above looks familiar: the company (which in our opinion is rather typical for Polish SOEs) is as extroverted in the political dimension and introverted in the economic one as ever before. The only real difference is that it is now the subject of a public debate and possibly also that the company might now be "punished" for its schizophrenia: the authorities might decide to restrain from subsidizing the giant and let the market "assess" it. Yet, there are many enterprises of the old type, even if the population now is being enriched by other, more market-oriented kinds (most of them newly created) (Koźmiński, 1993).

Some of the consulting projects we have been taking part in demanded extensive interviewing of employees of SOE's under privatization. Even if people as well as never explicitly diagnosed their situation in the terms we have been using here, notably often they utilized the possibility the interview offered to complain about "crazy" life at work. They

could seldom point at some specific problem. Asked what exactly got worse they could even admit that "everything improved", but "things" were getting more difficult, "anyway". The same observation has been made by us while teaching management to SOE executives. The participants often take initiative and contact the lecturer to complain how "messy", "crazy" and "difficult" things have grown. It would be too easy to disregard such complaints and label them as "irrational" or "post-communist nostalgia". People often express an opinion that the communist system was "unbearable" to live in, yet they present themselves as losers due to the transition (Marody, 1993 presents statistical data showing that a majority of respondents see themselves as having lost due to the transition). We would also hesitate to explain the distress people communicate as "resistance to change" (a label we dislike for many reasons). In our view, the negative feelings are to a great extent rooted in the ontologic insecurity of the culture of organizing *combined with* changing environment, making their organizational life not only miserable, but also their misery "meaningless".

Concluding remarks

Origination of 'divided culture'

Much has been said and written on state interventionism and protective government policy and their influence on economic performance of the enterprise. Many different points of view can be heard and are advocated for. It is not our intention to raise a voice in this discussion. We would, however, like to make a point about the consequences of "over-intrusiveness" and "over-protectiveness" of the communist state. As we have seen, the "Center" had the absolute authority to interfere into all spheres of life of the enterprise (this is particularly true of SOE's). Hence our metaphor with the "overprotective" and thus destructive "parent" (or perhaps "comrade warden", guardian of parentless children in a Stalinist state orphanage), i.e. the Center. The organization's "self", i.e. culture, was, under these conditions, certainly dramatically endangered. The organization lacked "privacy" and the range of its individual "choice" was, constantly,

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seriously limited and threatened. This mechanism can partly offer explanation to the phenomenon we have observed. The organization had to "protect" its culture - the shared assumption of "being an organization" at all; not just a part of the system: the Party, the Secret Police or central administrative bodies. It developed a self-defending mechanism which resulted in a split between the political and economic dimension. The culture of the typical Polish SOE was "schizophrenic": the two dimensions belong to two directly conflicting (even antagonistic) cultural systems, which, put together, do not make a coherent whole. We assume that this not only has a negative effect on economic results, but also influences very unfortunately the people taking part in it. According to public opinion surveys over the last 3 years (OBOP bulletins, 1989-1992), this is what happens in Poland - an initial enthusiasm giving in to a increasing pessimism. There are many complex reasons: the remnants of "schizophrenic" culture of organizing may have a certain impact. Among the social consequences we also would like to stress the low morale and the ostentatious lack of commitment of the participants of Polish organizations: people "presenting themselves as disenchanted and dispassionate observers" (Czarniawska-Joerges, 1986: 314).

More than "just" being over intrusive, the Center was also keeping the enterprises in a constant double bind (Hennestad, 1990), by a perpetual use of mixed messages, of vital importance to the organizations (and the people). Double binds originated from a prolonged and intensive exposure to conflicting organizational and managerial goals (see Czarniawska, 1985 for an extensive study of Polish managers' role conflict; see also Koźmiński, 1976). Managers had to internalize organizational goal conflicts, and achieve a satisfying, pragmatic harmonization of such conflicts. This is well reflected in the statement of the quoted manager, who maintained that the manager was responsible for making sense out of chaos. Typically for double bind conditions, the managers were not allowed to comment upon the paradoxicality of the situation, and had to deal with it very much by themselves. The interviewed managers viewed their job as difficult, stressful. Also executive students we have been discussing communist culture of organizing with, tended to describe the situation similarly. They accepted the "divided self" model with recognition, often very positively.

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The communist authorities put much efforts in their attempts to manage meanings. Czarniawska-Joerges describes and analyzes the process of symbolic management of meaning in Poland, 1970-80. She shows how ideology was used to manage meanings by participants in economic life (1988). Seemingly economic messages had a "second bottom" - the political meaning. The managers learned to look for these "hidden meanings" in everything; so did the employees and in that sense - the cultures of the organizations. Gregory Bateson, the father of the psychologic concept of double bind, emphasizes that individuals caught in double bind exhibit the same type of reactions as schizophrenics (Bateson, 1978). Pursuing further the psychologic metaphor, we wonder whether this also can be the reason (or one of the reasons) behind the cultural phenomena we observed in the Polish SOE's. If this were an accurate explanation, one would expect the same situation to be found in other post-communist countries. Comparative studies on socio-politico-economic systems would also be of a great value.

Consequences of 'cultural division'

Communist organizations were different from Western organizations, even state agencies and other non-profit organizations. In the West, public officials must respond to citizens, at least make an effort to be perceived as doing so. Communist SOEs did not need to bother about "customers" of the system. Their main concern was to satisfy the political authorities. The other important duty was to content the employees.

Further, a "Western" enterprise is an seemingly an independent unit, with a unique culture - the organization's "personality". The demand for an impression of "integrated personality" is coming from the market and has not much to do with the organization's "inner self" to utilize further the psychologic metaphor. In fact, the Western organization is very much like an extreme extrovert - "going up" in communication with the environment, adopting different façades depending on the audience (to use Goffman's terminology). In fact, capitalist enterprises try to create "multiple

personalities" for themselves, aimed for different relationships and no negative feelings evolve (Gergen, 1991). The capitalist enterprise is thus not one of "divided self", it's self is treated as a self-reflexive project (see Giddens, 1991). From the point of view of the participant it can be a difficult milieu for personal growth and development of "real feelings" (see e.g. Van Maanen and Kunda 1989).

The Polish SOE was a difficult milieu for living for other reasons. It presented the individual with an open ontologic conflict, perhaps most notably the manager. Even if people were not under economic press and productivity was not demanded of them (and typically not even measured), they suffered from constant stress. The organization's culture did not provide ontologic security: on the contrary, it granted ontologic *in*security. People were many times not forced to work hard, but they had other reasons to feel exhausted. The world as seen through the communist cultural membrane seemed ambivalent and conflicting. Even though, culture provided everyday life of an SOE with meaning and the illusion of necessity. Now the environment can react in new and strange ways, complicating life even more. No wonder that our consultant's interview notebooks often reads like Strindberg.

After communism

Organizations' cultures, "introverted" in the economic dimension, were one of the main economic weaknesses of the system. This was *not* so much a question of ownership (collective versus more or less individual, "capitalist") nor management per se ("socialist" versus "capitalist"). There are certain examples of collective property, managed in a "socialist" way (whatever it means), as for instance many kibbutzes or Western cooperatives (e.g. the Swedish KF) which achieve more or less sound economic results. Close ties between politics and economy are not specific for communist countries, but their character is (Beksiak, 1987). This character: domination of the political sphere and political rationality, even adoption of this rationality in the economic domain is, as we have seen, more long-lived than

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the politico-economic system called communism. It was established by Bolesta-Kukułka (1992) in her interpretive study on the relationship between economy and politics in Poland (in macro-sphere) that politics still dominates over economy in Poland, current mechanisms are almost explicit copies of the old ones, even if the transition process generates a new "business-environment". The actors act as they have learned throughout the years: by repeating reactions and interpretations. The Author sees the reasons within the unchanged cultural sphere. The new situation requires, however, what we would call an "extrovert" economic orientation of enterprises: the newly introduced artifacts of market economy may doom out enterprises ignoring the economic environment. This phenomenon, the "cultural lag", is the difference or even conflict between various constructions in-progress; different societal groups, with unequal power, constructing different societal realities. The same person or group of people can live in these distinct "worlds" - used to double binds, they are likely not to perceive any real difference and to see them as just another double bind.

Every politico-economic system has its own double binds. The communist "schizophrenogenic" culture was not so much a problem in itself, even if it lead to anxiety. The current transition process both generates and meets problems that we here view as particularly worth attention. The new system's rules are not culturally "obvious", especially to the old SOEs who are expected to adjust and change almost overnight. New rules are difficult to absorb and exchange for the ones people are accustomed to - even if they are "schizophrenic". The problem is then how to adjust to a double bind which fits new rules of the game. As we have seen, the adjustment process is not easy: people feel frustrated, helpless and often take to strikes, such as we witness currently (May, 1994). As OBOP public opinion surveys show, people are less predisposed to trust any authority or institution, and are increasingly pessimistic about the reforms and negative toward "capitalism". It will take time before people in the enterprises change their mind-frames, and their problems should be treated with thoughtfulness and attention. As they tend to be skeptical, it will not be easy to manipulate them into a new double bind. Public discussion is needed, a debate concerning everything that is important, or in Burkard

Sievers' (1994) words: about "work, death and life itself" (more about problems accompanying the shift between different kinds of ambiguity in Rottenburg, 1994).

Implications for future research

Consultants and practitioners (among them many helpful Westerners) have to remember that the mechanisms behind the emergence of the phenomenon are complex and the relationship between so called economic, political and cultural forces in creating it are reciprocal and non-trivial, it is also important to note that the now so urgent efforts to improve effectiveness of the SOEs cannot be of a simplistic and one-dimensional kind.

Culture of organizations studied as a process enables to see the mechanisms behind the emergence seemingly "meaningless" or paradoxical sets of values and norms in organizations. This is a particularly valuable approach when exploring communist and post-communist organizations, but in our opinion it also could be beneficial when applied to Western organizations of different kinds. From Weick (1969/1979) we know that organizations enact their environments. The emerging culture is thus a "process of negotiation" of meanings between the organization and its "surroundings". Concentrating on the specific aspects of the "environment", one learns more about the essence of enactment. With "whom" and "why" does the organization communicate? Which symbols, meanings and "data" are given attention and which disregarded? It is not so "obvious" as it could have seemed to many a organization researcher before we started to interest us for very "unusual" organizations and realities, such as the post-communist.

NORMS and VALUES of DIVIDED CULTURE		
ECONOMIC DIMENSION (Introvertism)		POLITICAL DIMENSION (Extrovertism)
- aversion to risk taking - aversion to active participation in environment - "inner life" oriented -isolation (in terms of communication with the economic environment)	VS.	- willingness to take political risk - willingness to participate in political environment -openness to political communication

Tab.1. Norms and values of the SOE: the political vs the economic dimension