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ATTACHMENT TO THE ENTERPRISE IN HUNGARY

SOCIETAL DETERMINATION OF ENTERPRISE INTEREST IN DEVELOPMENT

The article is a part of a sociological study analyzing interestedness relations determining the investment decisions of enterprise. An empirical analysis of 24 investment decisions taken in 8 enterprises has shown a strong group interest in the development of the given enterprise on the part of those in leading positions, which is integrated into a predominant group interest by the forced attachment of executives. The article summarizes socio-economic and personal factors bringing about this forced attachment.

In the course of a sociological examination of the enterprise decision process* — aimed at revealing latent interest relations — our attention was drawn to the persistence of enterprises in fighting for investment possibilities, and to the amount of energy, diplomacy, manoeuvring, and use of official as well as personal relationships by which executives** try to acquire resources necessary for developments.

*The investigation was carried out in 1973-75 as a subject of the Economic Research Institute about development decisions. It was examined in eight enterprises, how important development actions are initiated, who receive and what role in the organization in setting objectives, in the selection of means to serve the objectives, i. e., which are the characteristic interests guiding the selections. Among the eight enterprises there were preferred ones, large and medium-sized enterprises; pharmaceutical, textile industrial, metallurgical, household machinery manufacturing, machine-tool manufacturing, telecommunication and metal mass goods manufacturing enterprises (or factories (plants) with an independent production line belonging to the enterprise but located elsewhere). The staff of the enterprises covered by the examination ranged between 3000 and 20 000. (The enterprises do not constitute a statistically representative group.) In the course of the examination we succeeded in a comparative processing of the history of twenty-four development actions. Several methods were applied in the examination: analysis of data characteristic of the development situation of the enterprises, case studies processing the history of individual development actions, personal interviews with about 100 leaders at various levels, and questionnaire investigation covering practically the whole set of leaders (594 persons from general managers to heads of production units) of the enterprises.

**“Leaders” were considered all who belonged to the enterprise staff category of “leaders”, except direct workshop leaders (foremen). According to their position in the directing hierarchy leaders were classified as follows: I. (general) managers and their deputies; II. technical directors, (chief engineers), economic directors, (chief accountants), factory directors; III. enterprise heads of department; IV. enterprise heads of section; V. factory heads of section; VI. heads of production units (factory, plant). In addition, leaders of political and social organizations were put into separate categories. The present analysis is concerned mainly with leaders under categories II-VI; the special interest components of (general) managers and their deputies are not treated.

"If an enterprise wants to develop, it will team up with the devil himself" — was given as explanation for their efforts by the head of the investment department of an enterprise. And indeed, enterprises led fights with inventiveness and made surprising compromises. They were ready to postpone even development plans originally deemed urgent and important and to develop instead whatever that might be subsidised by one of the higher authorities. Unable to get any money for its own development program held for most important, one of the enterprises carried on negotiations with several higher authorities, prepared to go into any development project that would be subsidised. Among the possible actions there were: the purchase of a licence, computerization, the building of a high store-house, the manufacturing of a product belonging to the line of another Ministry, etc. As the common opinion was formulated by the party secretary of the enterprise: "In addition to centrally decided projects substantial amounts are allocated to various organs and these amounts are rather freely given. . . The clever leader tries to find out, for what purposes those amounts of money are preserved; and he is flexible in his conceptions." To this was added by another leader: "We did not give up our own development projects, just changed the schedule. We have to find side entrances, because 50 million can be tapped here and another 50 million can be tapped there. In the last year we succeeded in getting quite a few millions: the potatoes from one place and the bacon from the next for a good soup".

The leaders of another company, soberly considering the situation and with a view to larger possibilities let their sectoral ministry prepare the whole development action.

The preliminaries are not without interest: the earlier modest plans of the enterprise, requiring a lower subsidy, were rejected by the ministry, and the latter decided itself by what volume production capacity should grow, i. e., what amount should be requested from the central organs. Why exactly that capacity was decided upon, nobody knew for sure at the enterprise; market conditions and developments of the neighbouring countries gave grounds rather for a modest home investment. Yet everyone at the enterprise refrained from going into these questions and thus risk the whole action by revealing uncertainties. Instead, each enterprise executive became a co-operating partner of the ministry fighting for larger amounts of money: they supplied the wanted data and did as was required by the Ministry.

Further examples could be enumerated, but individual examples are not, given their "peculiarity", really apt to describe the *strong* and *general* character of the efforts readily teaming up with the devil: the fact that *every* enterprise endeavoured to obtain money from *every* possible source in one way or another, trying to widen the limits of their own development funds as far as possible.

What is then the reason for the necessity of developing *anything, in any way*, in certain cases neglecting even basic questions of profitability and practicability, considering only that there should be investment?

The phenomenon is not a new one. The well-known direct and indirect advantages obtainable through investments have always been important for enterprises, and they have always tried to find the way to main and side entrances leading to resources. Most of

the motivations are not new, either, although certainly an important role is played in today's efforts by the contradiction between the interest in the continuous augmentation of profits, and the increased centralization of investment resources.

Yet the profit motive in itself does not explain why enterprises are not content with modest development possibilities, a somewhat lower pace, and the realization of really important and well-grounded programs.

From among today's motives for the strong and general development efforts one will be described here, which has been revealed by our examination: the existence of a group interest* rooted in the strong and often forced attachment of executives to the enterprise. This phenomenon, with its present components, has become observable only recently, since factors causing attachment as well as interest relations that are intertwined with the profit motive now determinant in the development efforts of the enterprise developed in the course of several years.

Attachment of executives

It was clear from both interviews and data of questionnaires that the majority of executives have been with their enterprise for 10–15 or 20 years and, although unsatisfied in many respects with their situation (e.g. less than half of the executives are satisfied with their income or the moral recognition of their work, and hardly over half are satisfied with their present professional perspectives, etc.), they would remain with their enterprise, were they put before a choice. What accounts for their attachment, for their loyalty, in spite of dissatisfaction and in some cases even of grievances?

Before answering the question two statements must be made.

First: within the attachment characteristic of the whole set of executives the situation of general managers and directors *appointed by the Ministry* differs in one respect essentially from that of leaders at lower levels of the hierarchy. This is that they are the "cadres" not of the enterprise but of the Ministry; their staying with the enterprise or their leaving depends at least as much on the intentions of the controlling organs as on other factors to be analysed. And, although the particular interests of the highest enterprise executives in developments are quite well definable, we shall refrain from their specification in this paper.

The second statement to be made as a preliminary is that what we conducted was not a so-called identification examination: this was not our purpose.** Therefore, we did

*Without touching upon the philosophical concept of "interest", we use here the sociological interpretation accepted by Soviet sociologists, in which "interest is an expression of an effort to achieve something"[1]. This formulation agrees with what has been expounded in several studies by I. Pozsgai: Interest is the motive of reasonable actions and work activity, and the ordering principle of satisfying needs. See e.g.[2].

**We have refrained for several reasons. First of all because identification (or, as it is also called: satisfaction) examinations traditionally belong to the area of psychology or socio-psychology and

not start from individual aspirations serving as basis for "regular" identification examinations, and did not look for the extent of their fulfilment. Instead of examining the relation between individual and organization, our efforts aimed much more at "identifying" the factors — in the formation of the group interests of a sociologically relevant *group*: that of executives constituting the formal power structure of the organization — originating in the *organizational form* i.e. the objective conditions determining the executives' situation. Our methods were to serve this aim: the use of the items of the questionnaire, the data collected at enterprises relating to the mobility and fluctuation of executives, and national statistics reflecting the real weight of phenomena.

Our starting-point was that the many kinds of individual reasons for attachment to the enterprise can be grouped in two large categories; the province of the *subjective* factors of attachment and that of the *objective* factors. (Objective and subjective factors are, of course, inseparable for the individual; they exist and exert their effect in a mutually complementary way: strengthening or weakening one another. Also the categorization applied separates the factors determining individual intentions and efforts only hypothetically, for the sake of analysis. Yet for the analysis the separation can be done and is justified.)

In this sense everything is considered subjective that follows primarily from the personality of the *individual*, from his demands, and expectations towards the enterprise, income, atmosphere, etc. (E. g. the same job, management style, and the role assigned in the life of the enterprise may be judged radically differently by individuals, depending on their personal aspirations and expectations; what is quite convenient for one may be unbearable for another.) Although subjective factors are widely responsible for the attachment of individuals, we have not treated the "subjective aspect", i. e. if somebody is attached to the enterprise also because he feels well there, likes his work, is content with his role in the life of the enterprise, as well as with his income and the atmosphere.

Objective are considered all such elements of attachment that exist *independently of individual intentions*, as given conditions, which are *common* determinants of attachment for the whole group of executives. The groups of objective factors appearing in numerous combinations make it difficult, and in some cases render it impossible, for an executive to leave the enterprise and work for another one. Thus it may be stated that

require characteristically psychological methods. Examinations of this kind carried out by Hungarian sociologists are also rather of a psychological than of sociological character [3, 4, 5]. (I have also made — together with Z. Endreffy — an identification examination among the specialists of two cybernetical institutes whose results have not been published.) And, although in examining the interaction of characteristically individual aspirations and possibilities and limits set by the enterprise, many attempts have been made since Ch. Barnard and H. A. Simon to arrive at the *sociologically relevant collectives* formed by the *organizational existence*, in the end it is rather the well delimited group of highly qualified specialists that serves as subject for identification examinations. What is more, while the methods of examinations carried out among specialists are quite well tested (these being the most frequent, since it is usually the effort of organizations to keep this group), those to serve examination of leaders as a group are rather uncertain.

they *force* identification. Objective factors set individual aspirations against realities and realities force individuals to compromise — instinctively or consciously — with given circumstances and to accept factors otherwise considered unsatisfactory, such as the given professional perspective, income, and moral acknowledgement. They realize — instinctively or consciously — that their own life and existence, income and career are closely dependent on the life of the enterprise which they do not want to leave, since they cannot, because of the existence of these objective factors.

Factors forcing attachment

Three large categories of objective factors which may be qualified as the most important, will be presented in the following: 1. environmental, 2. organizational, 3. personal and family factors.

1. Environmental factors

In the given context the macro-structural conditions of the country are considered "environment". Three of these will be mentioned here as objective conditions directly affecting the attachment of leaders:

a) *The organizational system of industrial production.* From the much analysed problems of the concentration of Hungarian industrial production [6, 7, 8] a few data will be quoted only for reminder and introduction. Owing to the geographical, historical, economic and demographic conditions of the country a situation has developed that — in spite of a diversified industrial development — numerous industrial branches are represented by a *single* enterprise; certain products are manufactured by a single enterprise. (There is only one rubber industrial, household refrigerator and washing machine manufacturing enterprise in the country, Hungarian ball bearing industry is represented by one enterprise, etc.)

A few data: the number of state-owned industrial enterprises was 1427 in 1950, 1368 in 1960, and today it is hardly more than half of the 1950 number: 779. (And that the concentration process goes on stubbornly in spite of so many known negative consequences is shown by data of recent years; in 1970 there were 812 enterprises, in 1974: 794, in 1975: 779.) [9].

The given structure of industry may be — beyond its economic and other known effects — *the most fundamental objective factor of the forced attachment of leaders.* The fact that a number of industrial branches consist of a single enterprise restricts very strongly — in some cases makes impossible — any movement, first of all for qualified technical specialists and executives with technical qualification. (Detail of an interview: "There is no other place in Hungary where I could use my qualification. Wherever I would go, I ought to begin everything from the start. But to stay in my own field I would have to emigrate, because there is no other similar factory in the country." — Head of a Development Section.)

The situation is made more difficult by the fact that in case two or several enterprises manufacture the same kinds of goods (medicines, textiles, etc.), each has a line demanding special knowledge even within the branch and their similarity is only apparent (aluminium- and non-ferrous metallurgy, roller bearing and ball bearing, etc.). The conclusion is simple, as put by a leader, similarly with technical qualification: "The truth is that there is no real space of movement for us. Where there is metallurgy, it is not better than with us. And non-ferrous metallurgy is not anywhere else, not even in a research institute, since there only aluminium is dealt with, and that is a separate branch, not belonging to nonferrous metals. As a matter of fact, our special knowledge can be utilized only at this place."

And, to make restrictions even more expressed: enterprises of similar lines or producing also identical products make agreements between themselves not to take over specialists from each other (telecommunication, pharmaceutical industry).

42 per cent of the executives gave the answer on the questionnaire that their special knowledge bound them strongly to their enterprise. And, though special knowledge binds strongly first of all highly qualified technical leaders, the fact that there are only a few industrial organizations renders movement difficult also for leaders of more "universal" professions or jobs (economic, financial, material supply, commercial).

b) *The "closed character" of the organizations.* Earlier, in various centralization and decentralization periods, in the course of changes affecting the structure of economic control and management, and at the time of the introduction of the new system of economic control and management in 1968 the set of enterprise executives always changed a little. The large waves of organization (or their danger) took many from the controlling organs to enterprises, and part of them back again, as well as quite a number went from enterprises to higher authorities and, following this exchange, some movement developed also among enterprises. After 1968 the exchange practically stopped, gates "closed". There is today but a slight movement *among* organizations. Every enterprise makes efforts to have a set of leaders of "their own breeding" and takes a leader rarely from the "outside".

This is a country-wide phenomenon. According to an investigation of the Central Statistical Office published in 1964 [10] 74,1 per cent of technical employees in directing jobs at the enterprise level *did not change their workplace* between 1964 and 1969 (i. e. in 5 years), and 72,7 per cent of administrative employees with the same scope of authority did not either; a further 19–20 per cent did once at most. (According to the latest investigation; under publication 93–94 per cent of this group have not changed their job since the 1st January 1973!)

We examined the movement of leaders at every enterprise under investigation. We shall give only one example to illustrate the overall identical formula: at an enterprise 31 leaders were appointed altogether in 1972–73 (heads of section, heads of subsection or group, and mainly foremen). There was only one among the new leaders who came from the "outside": a head of section.

It is quite a general principle and is quite definitely asserted that only "our own people" can be assigned to leading posts; and no leaders are brought in from the "outside". And indeed, at most enterprises gates are rarely opened before "strangers". This closed character — advantageous from numerous aspects for both enterprise and those "inside" — entails also that an executive has seldom an opportunity to take a job elsewhere.

c) *Housing conditions*. Another environmental factor is housing conditions. It is well known that the general housing shortage is a strong brake on migration. It is an old phenomenon that those living in Budapest as well as those living in the country-side bring themselves very slowly to change their job entailing a removal, even if the new job offers advantages. By their own will, "only" because they do not feel well at their own job, they would hardly go into a removal.

The executives of enterprises in Budapest and in its surroundings are in a more fortunate position from this point of view. Yet the place of residence may be a factor working against the changing of a job even for those working in enterprises in the vicinity of Budapest and living in surrounding settlements. (The centre of an enterprise in the vicinity of Budapest is in a large country town. To the question whether leaders go to the central positions bringing advancement the characteristic answer is: "No, but this has mainly geographical reasons: most of the leaders here live in Budapest and they do not wish to move to the country.")

2. Organizational factors

The objective conditions originating in the macro-environment are completed by ties rooted primarily in the micro-environment i. e. the *organization* or the fact of belonging to a given organization. Again three characteristic organizational factors will be reviewed:

a) *Familiarity with the enterprise, routine*. The largest sphere of leaders (67 per cent according to answers given to our questionnaire) are tied most strongly by another knowledge of about the same intensity as the professional knowledge: that of the enterprise, the manufacturing process, the people and customs, the everyday routine.

The interrelation is only too trivial: the more and the richer the knowledge obtained at the enterprise and therefore best utilizable at the same place, the stronger the tie.

And the majority of today's set of enterprise executives have been for long accumulating such knowledge. At the enterprises under examination 82 per cent of today's leaders have been working there for over ten years, and within this the share of those working there for over 15 to 20 years is very high: 65 per cent. The above-mentioned investigation of the Central Statistical Office indicates a similar tendency. Although national data cover a much narrower sphere and thus only the tendencies are comparable, it does appear that in 1969 56,6 per cent of leading employees with technical qualification at the enterprise level and 55 per cent of administrative employees in the same sphere of authority had been working at the same place for over ten years[11].

Knowledge accumulated in the course of long years and even decades is not easy to give up. According to interviews a number of leaders received at least one possibility for choice in the course of years: they were offered a job elsewhere, in some cases with much higher salary (although these instances and the amounts mentioned may be embellished by memory). Yet very few left a leading post, particularly in the last 6 to 8 years: one or two in each case, and much more owing to insoluble conflicts than to advantages available in the new job.

The others stayed in spite of attractive offers. In the course of interviews they gave grounds in detail for their decision. Of course, giving grounds ulteriorly is usually self-justification; and perhaps one of the most handy and therefore most general explanation is the diversified knowledge obtained at the enterprise and utilizable there in the best way. "A lot of things binds one here, the fights, the everyday work one has been doing here for so many years. And human relationships. . . Long years help people to get to know each other well, everyone can be sure that people know him quite well here, and it is not at all certain that it would be better in a strange environment." (Shop-manager.)

b) *Position reached and attainable.* Another factor that ties one to the organization is the position reached: the place occupied in the organization. As was shown by the data of the questionnaire: the leaders questioned are discontented with many things, but 79 per cent are contented with their present position and 77 per cent are contented with their career in the enterprise. (First of all, of course, those belonging to the three upper levels of leadership: 94 and 93 per cent resp. are contented.)

Most of the enterprise executives became leaders at the given enterprise, which means that in a considerable part of cases becoming a leader was an actual step forward in comparison with the earlier status.

To belong to the set of executives means a particular status in rank, prestige, responsibility, income, etc., and therefore even those are contented with their "leader's career up to now" whose position is stagnating: they have been holding the same post since their appointment. (Most leaders' career are like that; at every enterprise only a narrow circle of executives could make several steps forward in the leaders' hierarchy.)

For the majority the given enterprise is not only the scene of their rising, their hope for an eventual further promotion is also stuck to the place; and because of the environmental conditions almost entirely. And that is the ambition of many. First of all of young leaders at lower levels who do not consider their career as ended. Yet this ambition is more general: with the exception of the highest level of the leaders; hierarchy promotion is possible from every level. (And here we do not deal in particular with qualified young specialists, many of whom would like to get a leaders' post because, owing to the rigidity of the Hungarian system of salaries, for them, too, it is a leading post that would open up perspectives, wider professional possibilities, and promise larger income, etc.)

There is today a strong tension between ambitions and possibilities. At the enterprises examined there are 40 to 250 executive statuses in addition to leaders directly in charge of the working places. It is a continuous effort with every company to increase the

number of statuses, so that any inner reorganization and change are opportunities to do so. It can be pointed out with every enterprise that the number of executive' statuses has grown nearly each year, even when production remained unchanged. The statuses are, however, "occupied", most of them for 10–15–20 years, since 60 per cent of the present set of leaders are under 45 years of age. (According to the latest (as yet unpublished) data of the Central Statistical Office, the average age of the set of leaders — more or less of the same scope as that examined by us, yet differently classified — is as follows: 46,5 years with general managers and directors, 45,1 years with their deputies, 44,7 years with those in the first category of technical-economic leaders, and 43,2 years with those in the second category.)

Therefore, with an unchanged number of executive statuses, the chances of promotion in leaders' posts or of becoming a leader are slight. With the usual activity of the enterprise, and with its given size something can be done: the number of leading posts can be augmented a little, but, finally, the number of possible leading posts is rather limited. Essentially more leading positions can be created only with certain conditions: considerably increased production, growth and development of the enterprise. "If the enterprise grows, many people can enter the "inner circle" of the enterprise, which entails growing income as well as other advantages. We were in difficult situations many times, and the enterprise overcame the difficulties because there were 20 or 30 people for whom the tasks to be solved and expansion brought the hope of promotion" — this statement, made by the technical director of a major enterprise, renders the relationship quite simple and obvious.

And it is also obvious that — with a few individual exceptions — for the majority chances are better at the place where they are well known and counted upon, where their promotion may be already envisaged in accordance with the consequently asserted principle: the insistence on a set of leaders of "own breeding".

c) *The income attained.* Although, according to answers to the questionnaires, leaders are least content with the moral and material acknowledgement of their work, and we list the income attained among the objectively binding factors, the contradiction is only apparent.

It is a fact that discontent with incomes is rather strong at *every* level of leading posts. (The least, naturally, at the three highest levels: 63 per cent of those at the top levels are contented, while only 43 per cent of those at the four lower levels. Discontent is highest among medium-level leaders: heads of departments of enterprises and of factories.)

It is also a fact that discontent shows more openly now than at any earlier time. (Earlier it was either not held proper to complain, or complaints were formulated more modestly. Yet discontent did exist. This was clearly shown by a survey of the Institute of Economic Research carried out back in 1969–70. At about a hundred enterprises 250 interviews were followed by a questionnaire investigation of over 3000 leaders of various levels. One item was concerned with the expectations of leaders towards their work, sphere of authority, income, etc. — and the fulfilment of these expectations. Although in

the course of the several hundred personal discussions it came only as a rare exception that somebody complained about this income, answers given to the questionnaire showed that the widest difference between the levels attained and those considered as deserved existed in the case of income. As it was stated in the analysis: if it is examined closely, what the average Hungarian economic leader is contented with and what he is not, it will be found that his number one effort is to increase his income.)

Here we can dispense with the analysis of the *reasons* for discontent and, in comparison *with whom and with what* leaders consider their income unsatisfactory.*

According to 1972 data of the Central Statistical Office [13] the average monthly earnings of general managers and directors in the state and cooperative industry was Ft 7353, that of deputy general managers Ft 6424, that of technical and economic leaders in the first category Ft 5721 and that of those in the second category Ft 4537.

Data supplied by enterprises show that in 1974 not only the general managers', directors', and deputy general managers' income surpassed Ft 7000 but — according to classification of the Central Statistical Office — also that of technical and economic leaders of first category: the average monthly income of those in our sample was Ft 7300. (The overall average monthly earnings of workers and technical and clerical staff was Ft 2903 in the state industry in 1974, while Ft 3107 in 1975. [14].

Apart from the question whether this income is to be considered "high" or "low", leaders are aware that they could not earn their present income just anywhere. (Fragment of an interview: "As head of department my monthly salary is Ft 5200, my income amounted to Ft 83.000 in the last year. I could not get this income elsewhere, since e. g. in this county there are only five such posts." Or: "Earlier I was invited to teach at the University. I did not go then, and now I am kept back mainly by financial matters. At the University I would be a beginner only, which would entail a much lower salary than what I have already attained. I have children and cannot go back to such financial conditions." — Head of department.)

Actual income is a strong tie, especially with those in the higher income categories. This is because, although they might find an activity with higher prestige than their actual one (scientific career, university, etc.), but hardly any that would ensure also the income already attained.

3. Personal and family factors

Two objective conditions have been put in the third group of factors causing forced attachment: age and family circumstances.

a) *Age*. According to the above-mentioned publication of the Central Statistical Office (which does not differentiate according to sphere of authority in its breakdown by age groups, giving only the aggregated data of leaders and staff) it is those between 21 to 25 years of age among technical and administrative employees who change jobs most

*Causes are analysed in detail e. g. in [12].

frequently (about half of those in the age group). Later this rate of job-changers is gradually decreasing: 14 per cent of the technical employees and 22 per cent of administrative employees in the group of 46 to 55 years, 10 resp. 15,5 per cent of those in the group of 55 to 60 years. That is, over a certain age, people do not like to move.

According to the enterprise data of our survey the age distribution of the set of leaders is the following: 17 per cent under 35 years, 14 per cent between 36 and 40 years, 68 per cent over 40 years. That is, the majority of leaders is of an age when they prefer to settle down instead of changing. (Fragments of interviews: "What is the explanation for the attachment? It is partly age: none of us is so young as to want to change. We have spent a long time here." — Economic director. "Between 35 and 38 years of age one dares begin something, but is more or less aware that after that it is very difficult to begin something new." — Head of section.)

According to our findings those *over 40 years of age* rarely bring themselves to change (just as those with a long enterprise service, which two factors usually meet); only a few cases have been found looking back over long years.

It is also general experience that at that age it is seldom an advantageous offer but much more the forcing circumstances: failure, insolvable conflicts that induce a leader to leave the enterprise. The majority of the sporadic cases are such, and they usually involve a forced compromise for the leaving leader: he accepts a lower rank and salary to be had elsewhere.

b) *Family circumstances*. It is first of all leaders of country enterprises for whom job changing is rendered more difficult by having a family. This is a factor acting against movement and encouraging staying from several respects.

One characteristic feature is — and by far not only in country enterprises — that several members of the family work at the same place. There are no statistics about family ties within enterprises, although it would certainly provide an interesting picture of one of the special components of social mobility accompanying industrial development. In the course of talks it was usually asked how the person interviewed had come to work for the enterprises. It seems that family connexions still have a highly important role in the selection of a job. However, the situation within the enterprise of one-time workers' dynasties has changed obviously also in that one or several members of the family are not merely workers but leaders of the factory as well.

At one of the Budapest enterprises it was estimated that about one-third of the leaders had a *close* relation working at the enterprise, and that the rate of less close relatives very high. And that is a moderate estimation; at country enterprises family connexions are presumably even farther-reaching. And for the leader whose wife or husband, or child, i. e. a direct relative works at the enterprise, this is also a factor in attachment.

Another characteristic factor hindering mainly again leaders of country enterprises in moving to another place is that new jobs should have to be found for the whole family, and school for the children. Existing relationships at the dwelling-place, social prestige, in a certain sense the giving up of a regular way of life may be strong brakes on a change.

The interest-forming effect of forced attachment

Of course, the numerous kinds of environmental, organizational and personal factors hindering movement do not equally affect the situation of each leader. Yet, *in their totality they dominate as factors forcing attachment to the enterprise*. A considerable part of the leaders *cannot* leave the enterprise and exchange it for another one. This means also that their further career, income, and possibilities of satisfying their professional ambitions (to mention only the most general efforts) depend largely on circumstances developing at the enterprise.

It is at this point that in part the individual interests rooted in attachment, and in part the dominating elements of the sphere of interests integrated from individual into common "enterprise interests" become tangible.

In the given situation for most leaders *security* becomes one of the primary interests (which is not a *common* effort yet, only an *identical* one, resulting in *similar* behaviour). The effort to defend the position held in the organization and the concomitant social and economic prestige is not accompanied — under our conditions — by fear of losing one's existence. On the contrary: according to our findings most leaders feel — and justly so — that they are needed at the enterprise, their abilities and knowledge are wanted, their person belongs to the life of the organization, and they would be hardly replaceable on account of their routine and local knowledge. Their loyalty, devotion and responsibility in difficult situations are in a great part due to this consciousness.

At the same time, inevitably, most of them take care, consciously or instinctively, not to jeopardise their position and not to get into insolvable conflicts that might force them to leave. They go far to comply with given conditions, not to sharpen but rather avoid disputes, to take the least risk possible, and, instead of initiative and search for new things, they restrict themselves to fulfilling instructions. As a matter of fact, for many of them the desirable situation is if they are told clearly what to do, and are not expected to have their own opinion, since this might sharpen conflicts, while the reasonable conduct for them is to avoid conflicts.

All this has been extensively supported by documents both in daily conflict situations and in the whole system of decision-making on developments. Leaders realistically considering their situation are themselves aware of it: "Leaders try to adapt themselves to new situations, they make efforts to find quickly compromises. That is how it is. And I should add that the higher the position, the stronger the conformism. This is because a higher position goes with a higher income level, which cannot be ensured at another place. It is good luck that our factory is not in the country-side, because then even the flat would be an attachment; as it is, it does not come into account, yet what there is, is enough to lead to conformism." (Head of section.)

Further: "If the given place is quite satisfying for someone, he will try to avoid conflicts and will become prone to compromises. That is, he will be more willing to accept somebody else's ideas, and act not according to his own conviction. And, if one is of a character unwilling or unable to compromise? It is not at all certain that I can ensure

for my family the same standard of living somewhere else, and this makes one think it over again. If one considers this all, the idea will be arrived at that a leader insists and is obliged to insist for existential reasons on his position already acquired. This is such a motive that, knowing it, he will try to avoid conflicts. By the way, what I have related serves also as an explanation, why there are no disputes within an enterprise. It is worth examining, up to what level disputes occur at all in enterprises." (Production manager, chief engineer.)

It is otherwise understandable that the majority readily leave decision-making and the expressing of opinions to those "more competent". Although in this way they can less assert the interests of their own section and their individual efforts differing from those of others, on the other hand, they will not jeopardise their own situation nor cross common interests: those of the enterprise, within which they are searching for a future promising wider perspective. (More exactly: the deep intertwining of enterprise and individual interest results in two characteristic types of executive behaviour: a smaller group of active initiators comes into being, who "explore" — through their place taken in the hierarchy, and their official as well as non-official relations — the various possibilities for a further development of the enterprise, while on the other side, a larger group of leaders is also established, who accept the efforts of the active initiators and, conforming to them, avoid disputes.)

And the interest of the enterprise is already a *common* interest, which becomes *integrated into being common exactly by forced attachment*. The condition of satisfying individual efforts existing anyway — such as the wish of promotion, higher income, work in better conditions — is for all of them the success and prosperity of the given enterprise, their common base of existence. In spite of so many hidden interior conflicting interests, on this question lasting agreements are easily reached between the leaders of various sections of various levels in most cases, although inner conflicts reproduce themselves from time to time. And, since enterprise efforts and the corresponding actions are primarily decided by executives constituting the formal power structure, their interests in developments are formulated as "enterprise interests", i. e. as enterprise objectives.

The fact that every organization, from the moment of its coming into existence, has its special interests differing from and sometimes clashing with those of other organizations is an axiom of organizational sociology. In this interpretation, therefore, the existence of the organization group interest is neither "good" nor "bad", but, necessarily, an integral characteristics of the organization, it is only the way of assertion of interests or their consequences that can be qualified according to social values, norms and rules.

And, as concrete group interests appearing as organizational aims, defensive or offensive towards environment, are moulded by the interaction of the organization and its environment, the feasible ways of assertion are regulated by the environment (by its values, norms, written and unwritten rules); or the "rules of the game" i. e. the means that can be resorted to emerge in the course of a continuous "bargaining" between the organization and the environment.

And, naturally, enterprises do everything in order to assert their interests; it would be surprising if they did not. It may be safely stated that today the set of leaders serves as the best guarantee for further development of the enterprise, since this cannot be so important for anyone as it is for them, who are tied to the enterprise by a multitude of objective factors. It is for the enterprise, and for their own elementary interests intertwined with it, that they carry on indefatigably their activities for investments, starting again from dead ends, with diplomacy and manoeuvres, looking for allies and making compromises.

And in this they are supported by the atmosphere felt constantly within as well as outside the enterprise, in which it is not only a desirable and acknowledged effort but also an expectation that development should be continuous and measurable by the rate of profit increasing year by year. "From inside" this is a requirement of the whole enterprise collective, even if the advantages concomitant with development appear less directly, and in a less wide range for the various groups of employees. "From without" development is required and pressed for by economic and political organs supervising enterprise activities, and it is desired also by the political, administrative and local organs of the local geographical environment, taking it for a condition of rising living standards of those living in that locality. The ambitious efforts of executives are in harmony with these expectations.

It is a different question, what desired and non-desired socio-economic consequences come from the existence of the group interest originating in the strong attachment of leaders, and the given possibilities of its assertion. Here only a single example of *economic* contradiction will be mentioned.

The efforts made to obtain development possibilities and the readiness to develop anything in any way may have the advantage that enterprise will realize *first* development projects that are in accordance with central intentions. It remains a question, however, in how much the development programs — usually serving *long-range* aims — of various higher authorities disposing of resources and the *given*, primary needs of the enterprises coincide; or, whether the contradictions between objectives on the macro-level and needs felt primarily on the micro-level result in fact in really efficient utilization of development means.

In this paper, however, we did not wish to take into account the far-reaching effects but to present the circumstances in which a group interest *comes into being*. Its development — as that of every group interest — has been determined by a multitude of historical, economic and social factors; its existence is maintained by objective processes. A number of things are subjected to its existence, thus, among other things, the enterprise decision-making process as well.

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ПРИВЯЗАННОСТЬ К ПРЕДПРИЯТИЮ В ВЕНГРИИ

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В 1973–75 годах автор изучала на восьми предприятиях интересы, влиявшие на решения, принимавшиеся в области капитальных вложений. В ходе социологического исследования она проанализировала историю принятия 24 инвестиционных решений, ища ответа на вопрос, какие — предписанные или ожидаемые — задачи выполнялись отдельными относящимися к организации лицами при проявлении инициативы в данном мероприятии, в формировании конкретных целей, в выборе средств, служащих осуществлению данных целей, то есть каковы характерные интересы, направляющие выбор.

Эмпирическое исследование проводилось при помощи различных методов: анализа данных, характеризующих развитие и положение предприятий; обработки истории мероприятий по осуществлению капиталовложений; персональных интервью с приблизительно 100 руководящими работниками предприятий, занимающими различные должности, а также анкетного опроса по существу всего руководящего персонала данных предприятий (всего 594

человек — начиная с генеральных директоров и кончая руководителями производственных участков).

Исследования выявили сильную групповую заинтересованность в развитии данного предприятия, которая на почве вынужденной привязанности руководителей к данному предприятию интегрируется в доминирующий групповой интерес.

Автор анализирует социально-экономические факторы, формирующие эту вынужденную привязанность.

Из числа факторов, относящихся к окружающей среде, определяющей она считает организационную систему промышленных предприятий, то обстоятельство, что число промышленных предприятий постоянно сокращается (в 1975 году было всего 779 предприятий), и ряд отраслей промышленности представлен одним-единственным предприятием. Из-за этого миграция в особенности высококвалифицированных и руководящих работников со специальной подготовкой весьма ограничена: они не в состоянии переменить места работы внутри страны, так как другого предприятия с подобным профилем нет. Помимо этого руководящих работников привязывает к данному предприятию еще и то, что организации являются «замкнутыми»; руководители редко назначаются «извне» — пополнение производится каждым предприятием за счет собственных кадров. К факторам окружающей среды относится и жилищная проблема. Из-за общей нехватки жилья руководящие работники не желают покидать столицу или переселяться из одной части страны в другую, опасаясь, что не смогут найти подходящую квартиру.

Из числа организационных факторов привязанность руководителей мотивируется прежде всего знанием данного предприятия, опытом, занимаемой или возможной в будущем позицией, а также уже получаемым доходом.

Среди факторов персональных и семейных автор анализирует сдерживающую роль возраста и влияния изменений на семейное условия.

Что касается воздействия вынужденной привязанности на формирование интересов, то автор выделяет конформизм как поведение, характерное для широкого круга руководящих работников, а также сильную групповую заинтересованность руководящих работников в развитии своего предприятия и определяющую их действия в процессе принятия предприятием решения о капиталовложениях, в стремлении приобрести финансовые ресурсы для развития предприятия.