

Neo- instead of post-Fordism: the transformation of labour processes in Hungary

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Abstract The paper consists of two parts, the first focusing on the institutional heritage of an innovative work organization (teamworking) that emerged in state-socialist firms in Hungary in the 1980s. The second part of the analysis concentrates on the impacts of foreign direct investment (FDI) on work organization, with special regard to the employees' role in task structuring in the post-socialist economy during the 1990s.

The experience with the so-called 'Inside Contracting Groups' (Hungarian acronym: VGМК) in the 1980s actually meant an innovative attempt to mobilize human resources by letting employees establish their autonomous working groups after their regular working time. Almost a tenth of the industrial workforce participated in this nation-wide social experiment. The technical-professional and social-cultural learning processes in these autonomous working groups have produced the following 'spill-over effect': these 'proto-entrepreneurs' within the state-socialist firms became micro- or small business owners after the collapse of the state-socialist political and economic regime. During the 1990s, the first decade of the emerging market economy in Hungary, massive FDI arrived in the country and had a strong impact on the diffusion of organizational innovations in labour processes, too (e.g. teamworking, cost centres, TQM, IT use, ISO 9000, etc.). 'Leading-edge' management practices in foreign-owned firms play the role of 'external benchmarking' for Hungarian firms, but, beside the transfer of some organizational innovations in labour processes (e.g. increasing employee participation in the quality assurance), it is hard to identify in the indigenous firms innovative practices like that of the VGМК in the 1980s.

Keywords Institutional heritage; inside contracting groups; autonomous working groups; technical-professional and social-cultural learning processes; employee participation; new-Fordism; leading-edge management practices.

Introduction: short historical overview

According to the most widely shared mainstream view, enterprise management in large state-socialist firms became *par excellence* 'Homo Administrative', whose production function was directly to control and co-ordinate labour. Lacking ownership and innovative functions – in contrast to capitalist firms – managers badly needed such 'social-organizational skills', which guaranteed them maximum financial resources via fighting with central actors in the 'mega-hierarchies' of the communist party and state (bureaucracies) in the course of the redistribution of resources (Chavance, 1995).

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The other co-ordination-related task of firms' management was to keep the social peace by tolerating lower standards of blue-collar workers at the shopfloor level. In other words, managers of state-socialist firms, under the conditions of the so-called 'shortage economy' (Kornai, 1982), essentially practised the 'production function' only and had not enough autonomy to fulfil the functions related to ownership, allocations of resources (investment) and innovation. The representatives of 'mega-hierarchies' expected them to behave like 'civil servants' whose key ambition is to fulfil planned targets and directly to control labour.

In addition, we should mention that, in the archetype state-socialist firm, available skill and manpower were not necessarily treated as a pool of resources and routines that could be used in innovative ways for better business performance. The emphasis in socialist firms was on the size of physical resources (e.g. size of plants, number of machines, number of employees, the size of social welfare facilities, etc.) and the composition of manpower was somewhere at the end of the list. At the same time, workers' motivation and the skill of management were generally underestimated among production factors. The political-ideological rationality behind this treatment of managerial labour processes was the stipulation that in a classless society – free from the basic interest conflicts of labour and capital – the various social-professional groups within the business organization (just as in society as a whole) share the same interest: to fulfil the plan targets. In this conflict-free world of state-socialist firms, a manager was treated as the 'No. 1. Administrator' of the State, who had to follow the plans' indicators with the help of the trade unions, both being under the political control of the 'mega-hierarchies' (party and government).

This view of management and business organization was first challenged by the revolution of 1956 and then by the 'core workers'' significant (informal) bargaining power in the labour process, which questioned the validity of the ideological view, briefly presented above, of an 'interest and conflict free' society (Héthy and Makó, 1973). These factors and the macro-rigidity of the state-socialist economy – under the pressure of the oil crisis – together forced the political and economic leadership of the country to combine state planning with various elements of the market and also to modernize company management.

The first part of the paper presents some lessons from the various types of liberalization-modernization efforts initiated at the company level during the 1980s (Dobák and Tari, 1996), focusing on the large-scale social-organizational experiences of teamwork in the form of 'Inside Contracting Groups' (hereinafter referred to as VGMKs, the Hungarian acronym). This company-level movement to implement autonomous group work in the former state-socialist economies from the early 1980s well illustrates the diversity of development paths and the role of this kind of teamwork in developing the participatory culture of the Hungarian workforce in the labour process. Using the experiences of various international comparative studies carried out during the 1990s, the second part of the paper informs the reader about the diffusion of the neo-Fordist organization of work based on the limited participation of workers in the work organization. However, when comparing this limited level of employee participation in the labour process (e.g. in the form of workers' involvement in quality assurance), we find that Hungarian workers have greater responsibility in quality assurance than workers in the other associated countries (e.g. Poland and Slovenia). At the same time, in the diffusion of such 'leading-edge' organizational practices as design teams, cost centres, group work, Hungarian-owned firms are lagging behind foreign-owned ones. Lessons drawn from both of these examinations call attention to the slow-down of dynamism in creating high-involvement working systems such as teamworking in Hungarian companies in comparison to both foreign-owned firms and Hungarian firms of the 1980s.

Institutional legacy of the past: inherited patterns of co-operation (experiences with VGMKs in the 1980s)

Group work became favoured in the Western business community when successful patterns had been observed in Japanese and Swedish workplace practices. It is less known that formalized group-work initiatives (with own cost accounting structure and extremely flexible use of manpower and skill, practically creating special profit centres within the firm) were institutionalized in Hungarian state-socialist firms in the 1980s. Both the company-level managers and the economic policy makers of the country expected that this 'micro-flexibility' would increase the autonomy of working groups in business organizations, improve the efficiency of the state firms and decrease the macro-rigidity of the economic system without changing the power structure.

At the beginning of the 1980s, these inside contracting groups (VGMKs), involving nearly 200,000 mainly blue-collar workers, participated in this form of autonomous working group. This meant 11.5 per cent of the full-time industrial workers, and the introduction of this form of work organization met with relatively little opposition. The VGMKs operated after regular working hours and fully replaced company managements' need for overtime work. Their members were volunteers and these groups bargained with management on the price of work contracts without the interference of either the trade union or the party organization (Stark, 1985, 1986; Makó and Simonyi, 1992; Grabher, 1995).

To better understand the motives of management in implementing this 'high-involvement' working system, it is worth briefly describing the operational environment of state-socialist firms in the so-called shortage economy.

Given the well-known difficulties of the state-socialist economy in material supply, the slackness in delivery and co-operation, the quality problems, the labour shortage and the long deadlines for the procurement of machinery, unprotected buyers tried to improve their situation and overcome their difficulties in a variety of ways. The specific solutions, among them the application of so-called 'enforced innovation' and 'enforced autonomy' in the labour process, played a significant part in maintaining the continuity of production and thus upgrading the role of workshop-specific abilities and skills, both technical as well as co-operative. The majority of firms were under-financed and, in spite of this 'enforced innovation' or 'enforced autonomy', the quality of management was underdeveloped. These shortcomings in the shortage economy forced managers to run their business as 'a just-in-case system to hoard physical resources, which is in contrast to the just-in-time system pioneered by Japanese. As a result, excess physical resources can often be found' in socialist firms (Peng and Heath, 1996: 508). The symptoms of inefficiency in the manufacturing processes in the former socialist countries are well illustrated by the so-called *Kornai ratios*. These ratios are indicators of input inventories versus output inventories: higher ratios signal a strong resource-hoarding approach adopted by the socialist management in contrast with the opposite pattern of managerial behaviour in market economies. Table 1 illustrates the systematic differences between the stronger safety-net ambition of socialist managers in contrast to the downsizing attitudes of managers in capitalist firms.

To overcome some of the anomalies of production mentioned, enterprise management introduced these inside contracting groups, or VGMKs, working after regular working time. Via this organizational tool, management got rid of almost all human problems of supervising production, particularly the psychologically and socially most 'costly' functions, like organizing work and maintaining discipline at the workplace. Managers' workloads were also reduced in quantitative terms, while the VGMKs turned out products of higher quality at less cost, and, too, planning with them was more reliable than with external co-operating partners.

Table 1 *The 'Kornai ratios' of input versus output stocks: international comparison*

<i>Manufacturing firms</i>	<i>1981-5</i>
<i>Planned economies</i>	
Bulgaria	5.07
China	-
Czechoslovakia	3.07
Hungary	6.10
Poland	4.49
Soviet Union	3.16
<i>Market economies</i>	
Canada	0.92
Japan	1.09
Sweden	0.89
United Kingdom	1.02
United States	1.02
West Germany	0.71

Source: Kornai (1992: 250), cited in Peng and Heath (1996: 508)

To build, operate and explore a set of relations different from the clearly defined over-hierarchical organizational structure of full-time employment based on maximum specialization of individual jobs, required considerable efforts from VGMK members. A large part of them acquired in turn a kind of organizational culture of how to manage human relations within the working teams. This practice enabled participants in these work settings to compare, evaluate and criticize different models of the division of labour and manpower use, namely those prevailing in full-time jobs. It was widely recognized, for instance, that clear boundaries between certain divisions of organization (e.g. production, internal material transport and handling, quality control, maintenance, programming of production, etc.) were only of administrative relevance but did not function properly in reality. VGMK members organized their activities within organizational networks, integrating both horizontal and hierarchical relations within the frameworks of their amorphous relationships of mutual dependence.

The operation of these inside contracting groups was governed by the principle of high-trust relations based on thinking in terms of the 'entire' production process, professional skill, mutual tolerance of the members' interests, values and aspirations. The source of disagreements and differences was constituted primarily by assessment, evaluation and attitudes manifesting themselves in questions of performance and income. These were usually treated in the publicity of the workshop and the plant.

The professional-technical and social-organizational skills of those participating in VGMKs – partly because they have been socialized in a different type of work organization and management culture – have developed unevenly. In setting up the inside contracting groups, participants have selected colleagues with appropriate professional competence and records of high performance relatively easily, but the ability to 'deal with human relations' has come to light with greater difficulty in the process of selection. The 'visibility' of such qualities and aptitudes was made difficult by the dominant pattern of the division of labour and by the socialization typical of full-time jobs.

The so-called articulated type of co-operation, which was in general use, made it mostly superfluous for workers to help one another and to assume responsibility for their colleagues. The applied methods of wage determination and prescriptions of performance

requirements broken down to individual jobs made it difficult to recognize one another's aspirations and needs. Performances exceeding the scope of individual jobs and collective actions were needed in critical (or crisis) situations only, and only a few workers with exceptionally strong power positions ('core workers') in the labour process had the ability to recognize these.

In the inside contracting groups the collective autonomy of group members became gradually legitimized, and the easing of direct dependence on the official managerial hierarchy revealed the participants' ability to organize and control human relations. At the same time, the failure of several VGMKs, otherwise consisting of highly qualified members, can be explained by the unequal development of the participants' social knowledge or, put in another way, organizational culture.

The varied experience offered by the emergence and operation of VGMKs reinforces the conclusions drawn from other analyses, namely, that segments of workers with high qualification and organizational-social skills have significant collective ability (or informal collective bargaining power) to affirm their interests at the workplace, exerting their influence in coalition with the lower and middle levels of management. This was also indicated by other empirical studies, which traced the fate of some work organization initiatives, technological development projects and incentive systems. The experience of VGMKs – given their spread and the large mass of people participating in them (as we mentioned earlier, nearly 200,000 employees in the mid-1980s) – is of greater significance than earlier sociological case studies assumed, because these inside contracting groups are of general relevance to understanding the nature of social change in Hungary.

Their experience demonstrates that considerable masses of workers were able to legitimize their demand for higher pay, their professional skills and practice, local knowledge and co-operative relations within the framework of VGMKs, despite the rigid hierarchical and bureaucratic organizations and central wage regulations in state-socialist firms. The same possibilities, though with different incomes, offered different segments of workers, including unskilled and semi-skilled as well as organizationally and/or socially marginalized ones (e.g. women) a new option, a scope for action, by giving them a chance to earn extra income and, last but not least, an opportunity to participate in the social-organizational learning process via the inside contracting groups.

The patterns of use of human resources and co-operation were different from those in full-time (or regular) jobs. The VGMKs built, operated and explored a set of social relations which were different from the clearly divided and defined hierarchical organizational structure of full-time employment based on maximum specialization (or on the Fordist principle of organization of work). The work performed in the VGMKs required considerable efforts and multi-skill use from their members. In turn, however, their members learned significant 'organizational skills' and a holistic approach not only to their work organization but to the operation of the plant, too.

The simultaneous participation in the over-specialized, individualized job structure in full-time employment and in 'job empowerment' in the VGMKs after regular working time enabled the members of these autonomous working groups to compare and critically evaluate this 'double pattern' or 'double standard' of work organization. In the course of contrasting these working experiences, VGMK members were able to develop richer technical-professional and social-organizational skills and knowledge.

Among them it was widely recognized that making sharp boundaries between certain phases of production (e.g. manufacturing, maintenance, programming, quality control, etc.) had reflected only administrative logic and did not serve flexibility (or smooth operation)

in the production process. *The members of these autonomous working groups organized their activities within organizational networks, integrating both horizontal and vertical relations.*

Almost a decade development of VGMKs (1982–90) gave a chance for every tenth worker to participate in a working system based on ‘high involvement’ and to develop and use extensive networks within and outside the former socialist firms. These network-type relations can be distinguished from both hierarchical and market-type ones, because transactions between the economic actors involved were based neither on the logic of hierarchy (administrative order) nor on that of discrete market exchange. At this point we share the opinion of those who reject the view that VGMKs were basically governed by market principles:

The use of internal market transactions to reduce the effects of systematic uncertainties in the socialist firm is brought into sharper relief in a recent organizational innovation in Hungary – the formation of semi-autonomous subcontracting units [i.e. VGMKs] inside the enterprise.

(Stark, 1985: 493)

We agree to the following diagnosis concerning the role of non-market-type regulation in the process of bidding of the VGMKs:

Each VGMKs leader wanted to submit for bids as many jobs as possible in his own area, because the additional resources of VGMKs facilitated the performance of his tasks and allowed him to offer extra income to his workers... In reality, bidding resulted from co-operation between managers and some VGMK representatives.

(Neumann, 1988: 69)

The top management of the former socialist firms, however, were unable or, more precisely, unmotivated to integrate the lessons from the VGMKs’ activities into their methods and organization. The one-decade history of these innovative work organizations in the Hungarian firms questioned the efficiency of the bureaucratic regulation and management structure, and clearly demonstrated the advantages of network-based regulation within the business organization. The development of ‘social-organizational’ skills along with ‘technical-professional’ ones equipped the VGMKs’ members with the necessary skills and networking knowledge to create their own businesses and to use them as new entrepreneurs in the emerging market economy after the collapse of the socialist political-economic regime. A relatively easily definable community has emerged along the lines of the professional values that were developed and tested in the VGMKs (Kuczzi and Makó, 1997).

Combined with ‘physical’ and ‘human resources’, the outcomes of this ‘dual pattern’ of work organization became important new elements of ‘organization routines’ in the development of post-socialist firms. As one of the representatives of the evolutionary approach noted in connection with the importance of ‘organizational routines’ in the growth of firms:

The efficiency of a firm is a function of its routines, which are the product of its cumulative organizational history. Diffused throughout the organization, these routines are not embodied in any individual. As such, organizational routines take on a tacit nature, thus making articulation of such routines difficult.

(Peng and Heath, 1996: 496)

The experience of VGMKs became an integral part of organization and management development in Hungary. It is worth stressing again that the simultaneous functioning of

the autonomous (or semi-autonomous) working groups and the over-centralized and specialized skill and manpower use in the state-socialist enterprises had diversified (or modernized) the methods of 'operational management'. The lessons drawn from the activities of VGMKs given below well illustrate their significant role in changing normative, regulative and even cognitive components of the socialist firms as social institutions. These complex changes have greatly contributed to improving the learning capacity and adaptability of the former socialist firms.

First, co-operation is generated not only by hierarchical (bureaucratic) mechanisms, but also by the network-type social relations, which open up channels for action on the basis of the *reciprocity principle*. This means that, within the socialist firms where hierarchical order was the dominant mechanism in governing economic activities, from the beginning of the 1980s another governance mechanism, viz. the network, was also active.

Second, initiatives for change should not come only from the representatives of the mega-hierarchy (e.g. government ministries, party) or micro-hierarchy (e.g. top management of the firm). Various groups of rank-and-file employees having different *degrees of autonomy* might also play a significant role in moulding and influencing social relations both inside and outside the firm.

Third, the *flexibility of operation* in VGMKs leads to an obvious criticism of the performance and quality of the firm's management, questioning especially the necessity of the heavy and over-centralized organization structure of management. With their records of performance, these semi-autonomous groups undermined the *raison d'être* of certain functions and structures of management (e.g. the presence of the overpopulated groups of middle managers, the unnecessarily great number of levels of management, separation and specialization of such functions as manufacturing, quality control, staffing, designing, etc.). On the other hand, they also demonstrated the important role in the shopfloor-level bargaining process of supervisors, whose roles were generally underestimated and downgraded by their supervisors.

Fourth, the presence of bargaining between representatives of VGMKs and the management *deregulated the trade unions' control of the working conditions and wages*. This deregulation has greatly contributed to the decline of trade union influence and increased the income inequalities between VGMK members and non-members at the same workplace, and, as a consequence, the process of labour market segmentation within the former socialist firms accelerated.

Finally, it is worth noting that the remarkable performance of VGMKs not only challenged the existing structures and methods of management, but also enlarged the space for a social learning process and increased the possibilities of building up trust relations at the workplaces. The new model of direct interest representation of employees and co-ordination in the labour process emerged from the world of hidden and informal bargaining, and helped large segments of the workforce to learn how to shape the existing patterns of social relations at the workplace.

The next section of the paper focuses on recent experiences in workers' participation at mass-production plants operating in the electric-electronic sector and on the diffusion of organizational innovations – including teamwork, too – in one of the economically most dynamic regions of Hungary.

Changing production paradigm in the 1990s: neo- instead of post-Fordism: results of international comparative projects

Many management scientists share the view that foreign direct investment (FDI) facilitates the transfer of modern management skills and organizations from the matured

market economies into the emerging, new market economies in the Central and Eastern European region (Child and Markóczy, 1993; Soulsby and Clark, 1996). Unfortunately there are few empirical studies on the changing patterns of labour processes in the transformation economies. It is even more difficult to find data on the changing task structure in an international perspective covering a long period. This lack of knowledge is partly due to the fact that social and political scientists have mostly ignored the micro-level economic and political changes in the transformation process. Earlier, under state socialism, there was also little attention paid to the changing pattern of production paradigms during the 1970s and the 1980s (Makó, 1985a, 1985b). In the 1990s, the core interest of social scientists in Hungary as well as in the other transformation economies was focused on such major structural changes as privatization, creation of democratic institutions, the origin and composition of the new political and economic elite, unemployment and growing social inequalities (including the minorities) and, recently, the institutional problems of EU integration. Relatively little attention was devoted to understanding the impacts of globalization in the economy, especially in relation to the changing production paradigms.

In spite of this, there were some international comparative projects that tried to map the growing priorities of 'co-operation' or 'employee participation' in the labour process during the first decade of the emerging market economy in the CEE region and particularly in Hungary.

From among international comparative research projects, we are going to use the results of REGIS, an EU-supported project studying the regional innovation system and the diffusion of group or teamwork in one of the most dynamic economic regions of Hungary. The REGIS project was conducted in eleven European regions between 1996 and 1997: Baden-Wurtemberg (Germany), SE Brabant (Netherlands), Styria (Austria), Tampere (Finland), Wales (UK), Walonia (Belgium), Basque Country (Spain), Centro (Portugal), Friuli (Italy), Székesfehérvár (Hungary) and Lower Silezia (Poland). In the EU member countries 833 firms and in the CEE regions (in Hungary and in Poland) 165 firms participated in the survey, which aimed to study various dimensions of the company and regional-level related innovation systems (Cook *et al.*, 1998: 178).

Another project, initiated by Denki Rengo, the Japanese Confederation of Electric and Electronic Workers' Unions, may help us to understand the growing necessity of co-operation among blue-collar workers. The Denki Rengo International Survey – initiated by the Japanese Denki Rengo Trade Union Confederation operating in the electric and electronic industries and co-ordinated by Prof. Akihiro Ishikawa, Chuo University – was carried out in 1985, 1995 and 2000. The project core aim was to understand changes in firm-level labour relations, in the nature of working and in the quality of life. In 1985 ten countries, in 1995 fifteen countries and in 2000–1 fourteen countries participated in the survey (see Martin *et al.*, 1998; Ishikawa *et al.*, 2000).

Strong presence of group working at Hungarian firms in a comparative perspective: the case of the REGIS project

The REGIS project survey asked managers about various forms of organizational innovations ('leading-edge' management concepts) and also which of them their company had introduced. In some cases there were very big differences between foreign-owned and Hungarian firms. The weakest differences were registered in the case of 'group work' or 'profit/cost centres', which represent the patterns of teamwork. In comparing these forms of organizational innovation used in Hungarian-owned firms

Table 2 Diffusion of organizational innovations in REGIS project firms, 1996 (%)

<i>Forms of organizational innovations</i>	<i>Hungarian-owned firms</i>	<i>Foreign-owned firms in Hungary</i>	<i>Other REGIS project regions' firms</i>
Total quality management (TQM)	18.4	37.5	46.3
Group-work	55.1	66.7	47.8
Profit or cost centres	44.9	62.5	32.7
Inter-organizational networking	34.7	37.5	20.0
Benchmarking	4.1	37.5	24.7
Flat hierarchies	22.4	50.0	39.5
Interdisciplinary design teams	18.4	33.3	22.2
Just-in-time delivery (JIT)	10.2	41.7	37.7
Outsourcing	8.2	29.2	22.2
System suppliers	10.2	20.8	n.d.
ISO 9000	34.7	62.5	52.0
Information technology (IT)	28.6	70.8	44.5
Average scores	24.1	45.8	35.4

Source: Makó and Ellingstad (2000: 352)

and in foreign-owned firms operating in Hungary to other REGIS project regions' firms, we find that their presence in the firms in Hungary is stronger (see Table 2).

This relatively high rate of 'group work' and 'profit/cost centres' in Hungarian-owned firms and in foreign-owned firms operating in Hungary compared to the other REGIS regions can be partly explained by the institutional heritage of co-operation within the state-socialist firms (see our earlier remarks on the inside contracting groups called VGMKs and in detail in Makó and Simonyi (1992)). Another explanatory factor is the small size and the heavy export orientation of the country, which entail more co-operative labour relations (e.g. strikes in the Hungarian economy are much rarer than in Poland). Under these circumstances, both employers and employees are interested in developing and maintaining co-operative relations in the labour process to ensure the necessary flexibility and high-quality production in an environment of intense global competition (Boyer, 1998). (There is another interesting relation, too: according to the experiences of the REGIS project, leading firms in the field of 'product and production process development' have a higher rate of use of the 'leading management concepts' than the firms lagging behind them in these respects.)

Increasing participation of blue-collar workers in quality control: lessons from the Denki Rengo International Survey

The aim of the Denki Rengo International Survey was to study the changing patterns of firm-level labour relation systems in an international comparative perspective.

By evaluating the changing task structure of blue-collar workers in the period between 1985 and 2000 – using the approach developed by the Belgian 'Trend Study Group' (Huys *et al.*, 1999) – the following patterns were identified. We may map the process of the so-called 'de-concentration' of labour process (i.e. the re-integration of preparatory or staff services, or part of them, such as planning, programming, maintenance, quality assurance, into the tasks of production workers) in the firms surveyed in the electric and electronic industries. For example, in such 'matured' capitalistic countries as Japan and Finland, the process of 'de-concentration' was fairly developed and the practice of neo-Fordism emerged already at the beginning of the 1990s. The former state-socialist

Table 3 *Changing task structure of blue-collar workers, 1995–2000 (%)*

Country	1995		2000	
	Production-related tasks*	Production-supporting tasks**	Production-related tasks*	Production-supporting tasks**
China	74	26.9	76	32
Czech Republic	66.2	33.4	65	55
Finland	81.4	67.7	86	84
France***	60	40	78	13
Hungary	58.9	40.7	57.0	51
Italy	63.7	47.1	65	32
Japan	59.9	112.6	53.0	116
Korea	55.3	42.9	85	45
Poland	74.6	13.7	59	41
ROC	n.d.	n.d.	38	34
Slovakia	79.2	31.2	78	31
Slovenia	68.7	23.8	70	42
Spain	87	16	97	1
USA	n.d.	n.d.	76	65
Average	70.2	48.2	68	48

Notes

* Production-related tasks = machine work or assembly.

** Production-supporting tasks = maintenance or repair + quality control + programming.

*** In the case of France, we had various problems with the sampling (see, for detail, Maurice, 2000: 159).

Methodological remark: the total of the share of tasks does not equal 100 per cent because, during interviews, we did not limit the number of tasks to be selected.

firms belonged at the other extreme among the countries surveyed. In these firms, a radical change in the direction of 'de-concentration' was registered from five to ten years later. Integration of such tasks – previously carried out by special groups – as maintenance-repair, quality control and programming – into the job of blue-collar workers became identifiable, with the exception of Slovakia. The most radical changes in 'production-supporting tasks' were experienced in Poland (27.3 per cent), the Czech Republic (21.6 per cent), Slovenia (18.1 per cent) and Hungary (10.3 per cent). (Note: the share of 'production-supporting tasks' was the highest in Hungary during the 2nd Denki Rengo Survey (1995): 40.7 per cent in comparison to the Czech (33.4 per cent), Slovakian (30.2 per cent), Slovenian (23.9 per cent) and Polish (13.7 per cent) plants.) For details see Table 3.

These changes in the task environment within post-socialist plants are the results of the strong pressure of multinationalization and the growing need for the co-operation of employees with management in the emergent market economies in the CEE region. (Note: to illustrate the impact of the restructuring process in the Hungarian economy, it is worth mentioning that 75 per cent of the country's exports are targeted to the EU countries, whereas in the 1980s two-thirds of the country's exports went to the former socialist countries.)

The characteristics of the work organization identified inform us about the emergence of the neo-Fordist production paradigm. Unfortunately, due to the methodological shortcomings of the research tools used in the Denki Rengo International Survey, we were not able to map variations in the forms or national patterns of the neo-Fordist practice of division of labour among the countries participating in the project.

Table 4 Participation of blue-collar workers in quality control activity

Country	Share of tasks of quality control carried out by blue-collar workers (%)		
	1985	1990	2000
Hungary	5.3	25.1	29.0
Poland	6.9	4.5	8.0
Slovenia	7.3	17.9	21.0

Source: Makó (2001)

To illustrate the effects of both the political-economic-system specific changes in the Hungarian economy and the generic changes produced by the international division of labour (accelerated by globalization and ICT technologies) it is worth mentioning the role of the increasing participation of workers in the labour process. For example, the participation of blue-collar workers in quality-control-related activities has substantially increased in the period between 1985 and 2000 in the post-socialist firms participating in the Denki Rengo Survey (see Table 4).

The most spectacular increase in the participation of blue-collar workers in quality control was registered in the Hungarian (from 5.3 per cent in 1985 to 29 per cent in 2000) and the Slovenian plants (from 7.3 per cent in 1985 to 21 per cent in 2000). In Poland the autonomy of blue-collar workers in quality control was weak. In the case of Hungary, the institutional legacy of the so-called 'economic associations' or 'autonomous working groups' of the 1980s (in Slovenia the 'self-management system') may partly explain the visible differences in employee participation in comparison to the Polish case.

Conclusions

In the first decade of the transformation process in the Hungarian economy (i.e. in the 1990s), few empirical studies dealt with changes in the labour processes. And even the majority of these studies was primarily interested in measuring changes in employees' attitudes and satisfaction, while relatively little attention was paid to the shifting production paradigm and its impact on job structure, group work, etc. In this respect we should mention another pattern of thought popular among social scientists in the region: they have overestimated the effects of the social-economic restructuring process related to transformation from the state-socialist to market economy and underestimated the so-called 'generic changes in the division of labour'. Furthermore, the process of privatization and the establishment of the new political and economic elites have diverted attention from the changes within the business organization. This field of activity, which sociologists have 'deserted', has become an almost exclusive field of interest for management scientists and consultants.

The examples taken from international studies (the REGIS project and the Denki Rengo International Survey) carried out in Hungary in the last decade illustrate the relative popularity of group work and active employee participation in the labour process. These developments can be explained partly by the institutional/cultural heritage of the inside contracting groups (VGMKs) of the 1980s and partly by the intensified diffusion of organizational innovations resulting from the strong presence of Hungarian subsidiaries of multinational corporations.

On evaluating the paradigmatic implications of these changes and strategies of leading edge manufacturers in the world, we may say that we are experiencing the emergence of

neo-Fordism characterized by an increasing but limited involvement of blue-collar workers in production-related 'supporting tasks'.

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