

DISSERTATIONES RERUM OECONOMICARUM
UNIVERSITATIS TARTUENSIS

10

**ORGANISATIONAL CHANGES
DURING THE TRANSITION IN ESTONIA:
MAJOR INFLUENCING
BEHAVIOURAL FACTORS**

RUTH ALAS



TARTU UNIVERSITY
PRESS

The Faculty of Economics and Business Administration, the University of Tartu, Estonia

This dissertation is accepted for the defense of the degree of Doctor of Philosophy (in Economics) on November 24th 2004 by the Council of the Faculty of Economics and Business Administration, the University of Tartu.

Supervisor: Professor Maaja Vadi (Ph.D), University of Tartu, Estonia

Opponents: Professor Kari Lilja (Ph.D), Helsinki School of Economics and Business Administration, Finland.

Professor Harry Roots (Ph.D), Tallinn Pedagogical University, Estonia

The public defense of the dissertation is on December 22nd 2004 at 14.00 in room B306, Narva Rd. 4, Oeconomicum, the University of Tartu.

Autoriõigus Ruth Alas, 2004

Tartu Ülikooli Kirjastus
www.tyk.ut.ee
Tellimus nr. 591

TABLE OF CONTENTS

LIST OF AUTHOR'S RESEARCH PUBLICATIONS AND CONFERENCE PRESENTATIONS.....	7
INTRODUCTION	14
List of papers	14
The relevance of the topic	14
The aim and research tasks	15
The methods used in the research	16
The originality of the research and its practical merit	17
Acknowledgements	19
Part 1. THE THEORETICAL BASIS FOR DEALING WITH ORGANISATIONAL CHANGE	20
1.1. The structure and process of change	20
1.2. Behavioural readiness factors	21
1.3. Transformation in society in connection with change in organisations	26
Part 2. THE EMPIRICAL STUDY IN ESTONIAN ORGANISATIONS	30
2.1. The research process	30
2.2. The propositions for empirical analysis	31
2.3. Methods used in the research	32
Part 3. PUBLICATIONS	37
Study I Organizational Learning and Resistance to Change in Estonian Companies	39
Study II Changes in Estonian Organizations from Institutional Perspective	63
Study III Process Model for Organisational Change: A Study of Estonian Companies	79
Study IV The Impact of Organisational Culture on Organisational Learning in Six Estonian Hospitals	97
Study V Factors Influencing Learning in Estonian Organisations and the Implications for Management Education	117
Study VI The Impact of Organisational Culture on Attitudes Concerning Change in Post-Soviet Organisations	131
Study VII Job Related Attitudes and Ethics in Countries with Different History	153
Part 4. CONCLUSIONS	169
4.1. Discussion of the research propositions	169
4.2. The results in the institutional context	170
4.3. Implications for managers, limitations and suggestions for further research	174

4.4. The main conclusions at societal, organisational and individual level	176
REFERENCES	180
APPENDICES	186
SUMMARY IN ESTONIAN – KOKKUVÕTE	192
CURRICULUM VITAE	207

LIST OF AUTHOR'S RESEARCH PUBLICATIONS AND CONFERENCE PRESENTATIONS

I Single publications or parts of collective monographs

Alas, R., Svetlik, I. (2004); 'Estonia and Slovenia', in Brewster, C., Mayrhofer, W., Morley, M. (Eds.) *HRM in Europe: evidence of convergence?* Elsevier, pp. 353–384.

Alas, R. (2004); 'The Consequences of Influence of Communist Power on Trade Unions', in Ishikawa, A., Warhurst, C., Mako, C. (Eds.) *Employment, Unions and Organizations: An International Analysis*, 19 p. (forthcoming).

Alas, R. (2003); *Organizational changes during the transition in Estonia: major influencing factors*, Extended abstract of the PhD thesis, Tallinn.

Alas, R. (2003); *Organizational changes during the transition in Estonia: major influencing factors*, The PhD thesis, Tallinn.

Alas, R., Vadi, M. (2003); 'The Impact of Organizational Culture on Attitudes Concerning Change', in Vadi, M. (Ed.) *Organizational culture in Estonia: Manifestations and consequences*, University of Tartu, pp. 65–81.

II Articles in international publications

Alas, R. 'Job related attitudes and ethics in countries with different history', accepted to *International Journal of Cross Cultural Management*.

Alas, R. (2004); 'Process model for organisational change: A Study of Estonian companies', *Journal of Business Economics and Management*, Vol. V, No. 3. Accepted.

Alas, R. (2004); 'Factors Influencing Learning in Estonian Organizations and the Implications for Management Education', *Management of Organizations: Systematic Research*, No. 31, pp. 7–16.

Alas, R., Vadi, M. (2004); 'The Impact of Organisational Culture on Attitudes Concerning Change in Post-Soviet Organisations', *Journal for East European Management Studies*, Vol. 9, No. 1, pp. 20–39.

Alas, R. (2004); 'Changes in Estonian organizations from institutional perspective', *Journal of Business Economics and Management*, Vol. V, No. 1, pp. 15–23.

Alas, R., Vadi, M. (2003); 'The Impact of Organisational Culture on Organisational Learning in Six Estonian Hospitals', *Trames*, Vol. 7, No. 2, pp. 83–98.

Alas, R. (2003); 'Employee's attitudes in countries with different past', *Journal of Business Economics and Management*, Vol. III, No. 1, pp. 45–52.

Alas, R. (2003); 'Der Faktor Arbeit in den Transformationsgesellschaften der Baltischen Staaten am Beispiel Estlands', *Personalführung*, No. 5, pp. 34–42.

Tuulik, K., Alas, R. (2003); 'The Impact of the Values of Top Managers upon their Subordinates Values', *Journal of Business Economics and Management*, Vol. IV, No 2, pp. 105–114.

Alas, R., Sharifi, S. (2002); 'Organizational Learning and Resistance to Change in Estonian Companies', *Human Resource Development International*, Vol. 5, No. 3, pp. 313–331.

Alas, R., Zernand, M. (2002); 'Management in the Central and Eastern European transition countries: Estonia', *Journal for East European Management Studies*, Vol. 7, No. 4, pp. 401–409.

Kaarelson, T., Alas, R. (2002); 'Estonia – From Personnel Management to Human Resource Management', *Human Resource Management*, Institute of Labor and Social Studies, Vol. 1A, pp. 25–50.

III Other research articles

Alt, R., Alas, R., Catana, D., Lang, R., Steyrer, J., Tuulik, K. (2003); 'Leadership in Transformation – Between Local Embeddedness and Global Challenges', *EBS Review*, Autumn, No. 17, pp. 40–51.

Alas, R. (2003); 'Changes in Estonian organizations', *EBS Review*, Winter, No. 15, pp. 15–22.

Alas, R. (2002); 'Requisite Competencies of the E-leader', *EBS Review*, Winter, No. 13, pp. 41–45.

Alas, R. (1999); 'How Ethical are our decisions', *EBS Review*, Spring, No. 9, pp. 16–18.

IV Conference publications

Alas, R., Tuulik, K. (2004); 'The ethical values: some influencing factors', in Vadi, M. (Ed.) *Management theory and practice: Synergy in organisations*. Tartu University, Tartu, 26–28 May 2004, pp. 168–178.

Alas, R., Edwards, V. (2004); 'Work related attitudes: A comparison of Estonia and Finland', in *The third international conference International business in transition economies: International Entrepreneurship, Innovation and Competitiveness in the Transforming and Enlarging Europe*. Stockholm School of Economics in Riga, Latvia, 9–11 September 2004. (CD)

Alas, R. (2004); 'The reasons for the low popularity of Trade Unions in Estonia', in *The International Conference on HRM in a Knowledge-Based Economy*, Ljubljana, Slovenia, 2–4 June 2004. (CD)

Alas, R. (2004); 'Changes in Estonian organizations from institutional perspective', in Lepik, A. Pandis, M. (Eds.) *Interdistsiplinaarsus sotsiaal- ja kasvatus-teadustes. Sotsiaal- ja kasvatus-teaduste doktorantide II teaduskonverents*, Tallinna Pedagoogikaülikool, Tallinn, 25–26 April 2003, pp. 7–27.

Tuulik, K., Alas, R. (2004); 'The Impact of the Values of Top Managers upon their Subordinates Values', in Chakraborty, C., Jayachandran, C. (Eds.), *The 8th International Conference on Global Business & Economic Development Managing Business in a Volatile Environment: Balancing Local and Global Challenges*, Guadalajara, Mexico, 7–10 January 2004, Vol. 2, pp. 642–651.

- Alas, R.** (2004); 'Factors influencing learning in Estonian organisations', in *The Second International Conference: Sustainable Development. Culture. Education.* Tallinn Pedagogical University, Tallinn, 14–16 April 2004. (CD)
- Alas, R., Vadi, M.** (2003); 'The Impact of Organisational Culture on Organisational Learning in Six Estonian Hospitals', in *Enterprise in Transition*, Faculty of Economics, Split, 21–23 May 2003. (CD)
- Alas, R.** (2003); 'The consequences of influence of communist power on trade unions', in Morley, M. et al. (Eds.) *Exploring the Mosaic, Developing the Discipline. 7th Conference on International Human Resource Management*, University of Limerick, Ireland, 4–6 June 2003. (CD)
- Alas, R.** (2003); 'Avaliku sektori ja ärisektori organisatsioonides toimuvate muudatuste võrdlus', *Halduskultuur 2003. Teaduskonverentsi ettekanded.* Tallinna Tehnikaülikool. Humanitaar-Sotsiaalteaduste Instituut, lk. 81–91.
- Vanhala, S., Kaarelson, T., Alas, R.** (2003); 'Converging Human Resource Management: A comparison between Estonian and Finnish HR Strategies and Practices', in Morley, M. et al. (Eds.) *Exploring the Mosaic, Developing the Discipline. 7th Conference on International Human Resource Management*, University of Limerick, Ireland, 4–6 June 2003. (CD)
- Alas, R.** (2002); 'Factors influencing organizational learning in Estonian companies', in Lepik, A., Poom-Valickis K. (Eds.) *Sotsiaal- ja kasvatusteaduste doktorantide I teaduskonverents – Sotsiaal- ja kasvatusteaduste dialoog ja ühishuvid.* Tallinn, 18–19 April 2002, Tallinna Pedagoogikaülikooli kirjastus, lk. 623–644.
- Alas, R.** (2002); 'The Influence of Soviet Politics upon Employee's Attitudes and Trade Unions', in *Human Resource Management in Europe: Trends and Challenges, Second International Conference*, Athens University of Economics and Business, Athens, 17 October 2002, pp. 283–298.
- Alas, R.** (2002); 'Organisatsiooni innovatsiooni protsess', *Eesti Sotsiaalteaduste II aastakonverents*, Tartu, 23–24 November 2001. (CD)
- Alas, R.** (2002); 'Factors affecting employees willingness to participate in implementation of organizational changes', in Lang, R. (Ed.) *Personalmanagement im Transformationsprozess, V Chemnitz Ostforum*, Rainer Hampp Verlag, pp. 293–303.
- Alas, R.** (2002); 'Organisational Changes and Organizational Learning in Estonian Companies', in Sharma, S., Galetic, L. (Eds.) *An Enterprise Odyssey: Economics and Business in the New Millennium*, Zagreb, 27–29 June 2002. (CD)
- Alas, R., Vadi, M.** (2002); 'The Attitudes of Employees and Their Connections with the Organizational Culture in the Process of Change in Estonian Organizations', in *European Academy of Management IInd Annual Conference on Innovative Research in Management*, Stockholm, 9–11 May 2002, paper on web: www.sses.se/public/events/euram/.
- Alas, R.** (2001); 'Organisational Learning in Estonian Organizations', in Stavrou-Costea, E. (Ed.) *New Dimensions in Human Resource Management*, Nicosia, Cyprus, 8 November 2001, pp.153–170.

Alas, R. (2001); 'Impact of Organisational Changes at Different Levels', in *EIASM 8th Workshop on Management and Organization Cognition*, Paris, 30 May – 1 June 2001, Vol. 1, pp. 1–10.

Alas, R., Jones, D. (2001); 'Employee Participation in a Change Process: Does it depend on job satisfaction?' in *Global HRM Conference*, Barcelona, Spain, 21–22 June 2001. (CD)

Alas, R. (2000); 'Employees attitudes to organizational changes in companies with different size', in *EIASM Conference RENT XIV Research in Entrepreneurship and Small Business*, Praha, 23–24 November 2000, pp. 1–10.

Alas, R. (2000); 'Why do Employees Resist Changes in Estonian Organizations', in *Human Resource Management – an Important Factor for European Integration*. International Business School "Transbusiness-E", Varna, Bulgaria, 17–19 May 2000, pp. 52–55.

V Textbooks

Alas, R. (2004); *Juhtimise alused*. Neljas parandatud ja täiendatud trükk. Külim.

Alas, R. (2004); *Change Management*. Estonian Business School.

Alas, R. (2002); *Muudatuste juhtimine ja õppiv organisatsioon*. Külim.

Alas, R. (2001); *Personalijuhtimine*. Kolmas parandatud ja täiendatud trükk. Külim.

Alas, R. (2001); *Juhtimise alused*. Kolmas parandatud ja täiendatud trükk. Külim.

Alas, R. (2001); *Strateegiline juhtimine*. Teine parandatud ja täiendatud trükk. Külim.

Alas, R. (1999); *Organisatsiooni-, juhtimis- ja suhtlemispsühholoogia alused*. Riigikantselei.

Alas, R. (1997); *Personalijuhtimise käsiraamat*. Külim.

Alas, R. (1998); *Juhtimise alused*. Teine parandatud ja täiendatud trükk. Külim.

Alas, R. (1997); *Personalijuhtimine*. Külim.

Alas, R. (1997); *Strateegiline juhtimine*. Külim.

Alas, R. (1997); *Juhtimise alused*. Külim.

VI Conference presentations

Alas, R., Edwards, V. Work related attitudes: A comparison of Estonia and Finland. The third international conference International business in transition economies: International Entrepreneurship, Innovation and Competitiveness in the Transforming and Enlarging Europe. Stockholm School of Economics in Riga, Latvia, 9–11 September 2004.

Vanhala, S., Alas, R., Kaarelson, T. Converging Human Resource Management: A comparison between Estonian and Finnish HR strategies and practices. Creating Actionable Knowledge: Academy of Management annual meeting, New Orleans, USA, 6–11 August 2004.

Alas, R. The ethical values in Estonia according to international survey. Responsible and ethical business, Tallinn, July 1–4 2004.

Alas, R. The reasons for the low popularity of Trade Unions in Estonia. The International Conference on HRM in a Knowledge-Based Economy, Ljubljana, Slovenia, 2–4 June 2004.

Alas, R., Tuulik, K. The ethical values: some influencing factors. 2nd International conference: Management theory and practice: synergy in organisations. Tartu, 26–28 May 2004.

Alas, R. The ethical values in Estonian organisations: some influencing factors. 2nd Annual BMDA conference: Enhancing Baltic Managerial Competitiveness, Riga, Latvia, 6–7 May 2004.

Alas, R. Avaliku sektori ja ärisektori organisatsioonides toimuvate muudatuste võrdlus. VI halduskultuuri konverents Max Weber ja avalik haldus, TTÜ Humanitaar- ja sotsiaalteaduste instituut, Tallinn, 21. aprill 2004.

Alas, R. Factors influencing learning in Estonian organisations. The Second International Conference: Sustainable Development. Culture. Education. Tallinn Pedagogical University, Tallinn, 14–16 April 2004.

Alas, R. Muudatuste juhtimine Eesti näite põhjal. Rahvusvaheline konverents Turundus ja innovatsioon – konkurentsivõime alus Euroopa majandusruumis, EBS, Tallinn, 19. veebruar 2004.

Alas, R. Change Management and learning organisations – Estonian cases. 12th International Quality Conference, Tallinn, 29–30 January 2004.

Tuulik, K., Alas, R. The Impact of the Values of Top Managers upon their Subordinates Values. The 8th International Conference on Global Business & Economic Development Managing Business in a Volatile Environment: Balancing Local and Global Challenges, Guadalajara, Mexico, 7–10 January 2004.

Alas, R. Juhtimine (management) ja eestvedamine (leadership) konkurentsi-eelisenä. Eesti sotsiaalteadlaste 4. aastakonverents. Tallinn, 21–22. November 2003.

Alas, R., Hartz, R. Leadership in Transformation – Between Local Embeddedness and Global Challenges. 1st International HRM Research Conference in Estonia, People Friendly Management, Tallinn, 6 November 2003.

Alas, R. The formation of attitudes concerning change. Communicating Change, CERP Students and EUPRERA joint congress, Estonia, 9–14 September 2003.

Alas, R. The consequences of influence of communist power on trade unions. Exploring the Mosaic, Developing the Discipline. 7th Conference on International Human Resource Management, University of Limerick, Ireland, 4–6 June 2003.

Vanhala, S., Kaarelson, T., Alas, R. Converging Human Resource Management: A comparison between Estonian and Finnish HR Strategies and Practices. Exploring the Mosaic, Developing the Discipline. 7th Conference on International Human Resource Management, University of Limerick, Ireland, 4–6 June 2003.

Alas, R., Vadi, M. The Impact of Organisational Culture on Organisational Learning in Six Estonian Hospitals. Enterprise in Transition, Faculty of Economics, Split, 21–23 May 2003.

Alas, R. Problems with Implementing Changes in Estonian Organizations. Communicating Change, EBS, Tallinn, 8 May 2003.

Alas, R. Changes in Estonian organizations from institutional perspective. Interdistsiplinaarsus sotsiaal- ja kasvatusteadustes. Sotsiaal- ja kasvatusteaduste doktorantide II teaduskonverents, Tallinna Pedagoogikaülikool, Tallinn, 25–26 April 2003.

Alas, R. Estonian capitalism – fiction or reality. VIth Chemnitz East Forum 2003: The End of Transformation? Germany, Chemnitz, 20–22 March 2003.

Alas, R. A comparison of Estonian and Finnish attitudes at work. VIth Chemnitz East Forum: The End of Transformation? Germany, Chemnitz, 20–22 March 2003.

Kaarelson, T., Alas, R. Estonia and Finland: Developments in human resource management. VIth Chemnitz East Forum: The End of Transformation? Germany, Chemnitz, 20–22 March 2003.

Tuulik, K., Alas, R. Impact of values of top managers to their subordinates. VIth Chemnitz East Forum 2003: The End of Transformation? Germany, Chemnitz, 20–22 March 2003.

Alas, R. The Influence of Soviet Politics upon Employee's Attitudes and Trade Unions. Human Resource Management in Europe: Trends and Challenges, Second International Conference, Athens University of Economics and Business, Athens, 17 October 2002.

Alas, R. Teaching of Change Management based on research results in Estonian Companies, IESE IFDP alumni conference, Riga, 28 July 2002.

Alas, R. Organisational Changes and Organizational Learning in Estonian Companies. An Enterprise Odyssey: Economics and Business in the New Millennium, Zagreb, 27–29 June 2002.

Alas, R. How to build employee commitment and satisfaction. Results of international survey. 6th International Conference Human Resource Management: The War on Talent, Riga, 13 June 2002.

Alas, R., Vadi, M. The Attitudes of Employees and Their Connections with the Organizational Culture in the Process of Change in Estonian Organizations. European Academy of Management IInd Annual Conference on Innovative Research in Management, Stockholm, 9–11 May 2002.

Alas, R. Tööga seotud hoiakute soolised erinevused. Võrdõiguslikkuse Foorum: Mida muudab Eestis võrdõiguslikkus? Tallinn, 25 aprill 2002.

Alas, R. Factors influencing organizational learning in Estonian companies. Sotsiaal- ja kasvatusteaduste doktorantide I teaduskonverents – Sotsiaal- ja kasvatusteaduste dialoog ja ühishuvid. Tallinn, 18–19 April 2002.

Alas, R. Organisatsiooni innovatsiooni protsess. Eesti Sotsiaalteaduste II aastakonverents, Tartu, 23–24 November 2001.

Alas, R. Organisational Learning in Estonian Organizations. New Dimensions in Human Resource Management, Nicosia, Cyprus, 8 November 2001.

Alas, R., Jones, D. Employee Participation in a Change Process: Does it depend on job satisfaction? Global HRM Conference, Barcelona, Spain, 21–22 June 2001.

Alas, R. Impact of Organisational Changes at Different Levels. EIASM 8th Workshop on Management and Organization Cognition, Paris, 30 May – 1 June 2001.

Alas, R. Factors affecting employees' willingness to participate in implementation of organizational changes. Personalmanagement im Transformationsprozess, V Chemnitz Ostforum, 21–23 March 2001.

Alas, R. Employees attitudes to organizational changes in companies with different size. EIASM Conference RENT XIV Research in Entrepreneurship and Small Business, Praha, 23–24 November 2000.

Alas, R. Why do Employees Resist Changes in Estonian Organizations. Human Resource Management – an Important Factor for European Integration. Varna, Bulgaria, 17–19 May 2000.

INTRODUCTION

List of papers

This dissertation is based on the following original publications, which will be referred to in the text by their respective Roman numerals.

I Alas, R., Sharifi, S. (2002); Organisational Learning and Resistance to Change in Estonian Companies. *Human Resource Development International*, Issues 5, No 3, pp. 313–331.

II Alas, R. (2004); Changes in Estonian Organizations from Institutional Perspective. *Journal of Business Economics and Management*, Vol. V, No 1, pp. 15–23.

III Alas, R. (2004); Process Model for Organisational Change: A Study of Estonian Companies. *Journal of Business Economics and Management*, Vol. V, No 3. Accepted.

IV Alas, R., Vadi, M. (2003); The Impact of Organisational Culture on Organisational Learning in Six Estonian Hospitals. *Trames*, Vol. 7, No. 2, pp. 83–98.

V Alas, R. (2004); Factors Influencing Learning in Estonian Organisations and the Implications for Management Education. *Management of Organizations: Systematic Research*, No 31, pp. 7–16.

VI Alas, R., Vadi, M. (2004); The Impact of Organisational Culture on Attitudes Concerning Change in Post-Soviet Organisations. *Journal for East European Management Studies*, Vol. 9, No 1, pp. 20–39.

VII Alas, R. Job Related Attitudes and Ethics in Countries with Different History. Accepted for publication in *International Journal of Cross Cultural Management*.

The relevance of the topic

The keywords concerning today's economy include a changing environment and a divergent work force. Multiple interacting changes have led to a highly complex, confusing and unpredictable state. The focus in change process has shifted from product innovation and technological change to behavioural aspects of change and to attitudes about change (Bergquist, 1993). Organisational change has been seen as an individual-level phenomenon, because it occurs only when the majority of individuals change their behaviour or attitudes (Whelan-Berry et al., 2003).

During the last decade Estonia has transformed from being an authoritarian, centralised, totalitarian socialist state, to a democratic country with a free market economy and different attitudes and values. This type of transformation has been

described as social transience. Clark and Soulsby (1999:18) define it as a process, in which a complex set of normative and operating principles, embodied in historical structures, systems and practices becomes replaced by another unknown set, providing its members with a very ambiguous and uncertain period. Fifty years of Soviet occupation left Estonia with a divergent workforce with differing attitudes toward change in society and organisations, and people who have had work experience under different economic systems.

During economic transformation the challenge has been to internalise a new type of organisational behaviour in order to operate successfully under unfamiliar conditions. Learning, both institutional and individual, and the ensuing corporate changes are seen as a prerequisite for the success and survival of organisations. During this period of transformation actors had to learn to deal with the discontinuities of the institutional environment.

According to Edwards and Lawrence (2000), the emergent change to processes in transforming countries can only be truly understood by examining the constitutive practices of individuals and groups at the local micro levels of the economic system. Research in countries going through transformation has shown that the transfer of knowledge from market-economy practices often fails because of institutional and cultural tensions and conflict (Clark and Geppert, 2002).

The aim and research tasks

In this doctorate I have developed a research project, which gives an insight into micro-level organisational change processes. When analysing micro-level processes the macro-level influences in a transforming society are considered. The doctorate attempts to increase the understanding of behavioural factors influencing organisational change during the transition from a planned economy to a market economy.

The field of study is changes in Estonian organisations. As organisational changes are complex phenomena and due to the limited scope of the doctoral thesis, it is not possible to provide a full picture of all the approaches to change in Estonian organisations during economic transformation in society, and so the present author has focused her research on areas considered to be the most relevant to this organisational transformation. The purpose of the present study is to find major behavioural factors influencing organisational changes and connections between those factors.

The *first research task* is to discover which types of change have been implemented in Estonian companies, and what were the main problems and common characteristics involved in the process of implementing these changes (Study I, Study II and Study III).

The *second research task* is to develop measures for evaluating organisational learning and to study organisational learning in Estonian organisations during economic transformation (Study I, Study IV and Study V).

The *third research task* is to find a measure for evaluating employee attitudes toward change (Study VI). The author aims to find out how these attitudes toward change are expressed in Estonian organisations and how these attitudes influence characteristics of organisational learning (Study V).

The *fourth research task* is to find which aspects of organisational culture influence organisational change. The author aims to investigate how these aspects of organisational culture influence employee attitudes toward change and characteristics of organisational learning in groups with different socio-demographic characteristics (Study IV, Study V and Study VI).

The *fifth research task* is connected with the social and economic environment where attitudes are formed. This aims to compare employee attitudes in countries at different institutional stages – countries in economic and social transformation that have been under socialist rule are compared with established capitalist countries with stable institutions (Study VII).

The methods used in the research

The author has conducted empirical research in Estonian companies. In the research process the author worked out following instruments:

1. Interview questions for evaluating types of change and their implementation in Estonian organisations (Study I).
2. A questionnaire for evaluating organisational learning (Study I).
3. A questionnaire for evaluating employee attitudes toward change (Study VI).

In addition the following questionnaires designed by other authors were also used:

4. A questionnaire for assessing the orientation of organisational culture worked out by Maaja Vadi (Study IV, Study V, Study VI).
5. A questionnaire for assessing attitudes in different countries worked out by the Denki Ringo research group (Study VII).

In the course of this research the author conducted the following surveys:

Structured interviews were conducted with members of top management teams from 137 Estonian companies in order to gather information about the implementation of change in these organisations (Study I, Study II and Study III). The same persons completed questionnaires about organisational learning (Study I).

Research was conducted in 6 hospitals in Tallinn with a total of 321 respondents to investigate how organisational culture and employee attitudes toward change might be influencing organisational learning in Estonian organisations during a merger process in different socio-demographic groups. These hospitals were merged as part of a project designed by Swedish consultants. Such a large-scale change provides an interesting case for study. Respondents completed a questionnaire about organisational learning, a questionnaire about attitudes toward change and a questionnaire about organisational culture (Study IV, Study V).

A study of 906 employees from Estonian companies was conducted in order to explore how task orientation and relationship orientation of organisational culture influences employee attitudes to the organisational change process in the context of various socio-demographic characteristics. Respondents completed a questionnaire about attitudes toward change and a questionnaire about organisational culture (Study VI).

A survey of attitudes in electronics industry was conducted in 15 countries with 5914 respondents. Respondents from former socialist countries formed 51% of the sample. The author organised surveys in two plants in Estonia, where 536 respondents completed questionnaires (Study VII).

In order to develop subscales for measuring attitudes toward changes a principal component analysis and varimax rotation was completed. Scales of organisational learning were developed by using cluster analysis. In order to analyse the process of change in Estonian companies the author used content analyses. For comparing different groups of respondents an ANOVA test and a T-Test were completed. Linear Regression analyses, correlation analyses and cluster analyses were used to discover the structure of the connections.

The originality of the research and its practical merit

The post-communist transformation provides settings actually in the process of being demolished that are very different in their characteristics and within which discontinuities are more fundamental and change is less constrained by institutional frameworks. Scholars of organisational change have tended to have their focus restricted, because of the normal socio-economic context in which they work, by alterations to public opinion, legal conditions and similar discontinuities within the social structures (Clark and Soulsby, 1999). Therefore there are no commonly accepted theories of change worked out for these countries, and so the author has applied concepts and insights embedded in the organisational experience of Western countries as the basis for the research and has combined these theories with empirical findings collected from the country in transition. In doing so, this also provides fresh ways of thinking about organisational change as a further contribution to international business research, especially in respect to how different institutional environments influence the way people form their attitudes toward change.

Research and theory development regarding the social aspects of organisational change in transforming countries in rapidly changing environments has been undertaken by Western researchers with special focus upon managers (Breu, 2001; Child and Czegledy, 1996; Clark and Soulsby, 1999; Liuhto, 1999a; Liuhto, 1999b; Soulsby, 2001; Thomson, 2001; Weik, 2001). At the same time research in post-Soviet enterprises indicates more problems concerning attitudes to change among workers and lower level managers than top managers (Clarke et al., 1994). This

doctorate fills this gap and focuses on attitude formation among non-managerial employees in a transforming society.

Despite the enormous amount of theoretical writing about the learning organisation as a tool for implementing change more successfully, there are relatively few empirical studies about the indicators of organisational learning and especially about the impact of organisational culture on organisational learning. This doctorate offers a contribution here by empirically testing characteristics of organisational learning and the impact of task and relationship orientation of organisational culture on organisational learning.

In the Estonian context, the author has contributed to the development of instruments. Two questionnaires were devised for Estonian organisations: a tool for measuring employee attitudes toward organisational change (Study VI) and a tool for evaluating organisational learning (Study I).

This doctorate also adds to knowledge about change in Estonian organisations and analyses these changes, behavioural factors influencing these changes and connections between the factors from an institutional perspective.

The practical relevance of this research is as follows:

- Information about the determinants of employee attitudes in different countries allows investors and managers to achieve better results through higher employee motivation by offering employees what employees truly value.
- By using measures for identifying employee attitudes toward change and the general level of organisational learning, managers can gain a better understanding of the processes and problems in their organisation and can respond in a proactive manner instead of a reactive manner.
- Information about the impact of orientations within organisational culture on attitudes and organisational learning enables managers to guide the development of organisational culture in such a way that it can best contribute to the achievement of the organisation's goals.
- Information about attitudes and learning in different socio-demographic groups enables managers to choose such a variety of personnel so that it increases the competitiveness of the organisations. This information could be the basis for developing training and organisational development programs that could also be useful for other countries facing similar problems.
- By using information about the way the state influences both attitudes as well as the formation of attitudes toward change at the institutional level, managers of post-soviet organisations could improve management networks of informal communication more effectively and create competitive advantage for their organisations.
- As problems concerning groups who have had work experience from different political and economic regimes are common to several post-socialist countries, the results of the current research could be useful not only for Estonia, but also for other countries facing similar circumstances.

- The process model for implementation of changes in Estonian organizations helps managers to turn more attention to specific features of transformational society and to achieve more success.
- Implications for management education in Estonia are suggested: how to teach future managers the skills to enable them to create a learning environment in Estonian companies.

Acknowledgements

Many people and organisations have contributed to this research. Only a few of them can be mentioned here. First of all, I would like to express my gratitude to the Faculty of Economics and Business Administration, University of Tartu, for the opportunity to defend my thesis. My special thanks go to Maaja Vadi and Raul Eamets for their support. I also gratefully acknowledge Estonian Business School and my colleagues for supporting me in my studies.

I would like to thank Professor Anthony Buono from Bentley College, Boston, Massachusetts (U.S.A.), who suggested this interesting topic to me. This doctorate could never have been completed without the outstanding knowledge of my supervisor Maaja Vadi. I have also received a great amount of support from Professor Raoul Üksvärav.

I would like to express gratitude for the thoughtful comments provided by Tõnu Roolaht and Tõnis Mets. Their invaluable advice helped me improve the quality of my thesis. I would also like to thank the blind reviewers of seven articles for their feedback on the research that led to these articles and the writing. Their comments and guidelines also significantly helped shape this thesis.

The research would not have been possible without the people and institutions participating in this research and answering the questionnaires. I wholeheartedly thank all respondents for their time, openness and courage.

I would like to thank my husband Priit and my daughters Teele and Liina, who had stood by me during all these years.

Part 1. THE THEORETICAL BASIS FOR DEALING WITH ORGANISATIONAL CHANGE

1.1. The structure and process of change

Struckman and Yammarino (2003) analysed different definitions of organisational change and concluded that too many events in organisations are given the label “change”. In organisational behaviour, change is defined as “the act of varying or altering conventional ways of thinking or behaving (Wagner and Hollenbeck, 1998). Dopson and Neumann (1998) have perceived change as a necessary evil for survival in the context of uncertainty.

In this doctorate an organisation has been defined as a complex system that produces outputs in the context of an environment, an available set of resources, and a history (Nadler and Tushman, 1989). Changes in the environment demand that organisations modify themselves from time to time. Change has become a norm for organisations, as well as for the human beings that work within them, who have consequently become the focal point for understanding and implementing change. In this dissertation the term change will refer to *planned* responses to pressures and forces from the environment or inside an organisation varying in scope.

Nutt (2003) sees the structure and process of organisational change as complementary and invites us to consider both when conducting research into organisational change. Structural research is descriptive, pointing out the features of organisational change such as strategy, leadership and others. Research into the process presents how organisations take action.

In structural research most theorists divide change into two types according to scope: change taking place within the given system, and change aiming to modify the system itself. The author argues that in order to describe changes which have taken place in Estonian companies during the last decades more than two types of change are necessary. Ackerman (1986) has described three types of organisational change: (1) developmental change, (2) transitional change, and (3) transformational change. Burke and Litwin (1992) have developed a model for making a distinction between transactional and transformational change. Transactional change could be compared with transitional in Ackerman’s terminology. A review of the literature about the types of changes is given in Study II.

Descriptive research that only assesses the structure may fail to see underlying causes, while analysing the dynamics of the process appears to provide powerful prescriptive insights (Nutt, 2003). According to Pettigrew and Whipp (1991) change management can be viewed as an analytical, educational (learning) and political process. To understand the process of organizational change, management scholars have borrowed many concepts from such disciplines as child development, evolutionary biology and others. Van de Ven and Poole (1995) proposed four distinct views of the organisational change process: evolutionary,

dialectic, life cycle and teleological. From among these four types of process models, one has gained more attention from scholars of organisational studies—goal-driven teleological change. In this case the driving force is the desired stage and the process consists of stating the aim, planning and implementing the change. We can say that this is a strategically planned change.

As former socialist countries need to implement change quickly, they cannot wait for evolutionary developments. Based on this expectation, the author has chosen some aspects from these cited theories that suit the former socialist countries. From Van de Ven and Poole (1995) as for Western countries teleology is the most suitable. This forms the basis for a deeper review of the literature—the author now turns her attention principally to theories concerning the process of change.

Jick (1993) has generalized that both the popular press and academic literature tend to consider organizational change as a step-by-step process leading to success. One of most popular process models is Kotter's (1998) 8 step model. Study VI gives a more detailed review of existent models of the process of change and a comparison of these based on Lewin's (1989) basic model. The comparison indicates that the theorists focused most of their attention on Lewin's first step: preparing for change. However, there cannot be hard and fast rules. The crucial questions are: how to establish the need for change, how to motivate employees, and how to mobilize commitment to change.

Although the type of change and the process of change are both important building blocks in any model for dealing with change, there is also a third crucial factor – the success of the change effort is also connected to a readiness to change in the particular organisation. The readiness factors act like a bridge between identifying what needs to happen and the activity of implementing the change (Struckman and Yammarino, 2003). Every organisation has forces for change and forces for stability (Leana and Barry, 2000). Porras and Robertson (1987) have criticised organisational change theory for using too many manipulative variables. In this doctorate the author focuses on behavioural readiness factors. Having more information about these factors could help managers better prepare their organisation for handling change.

1.2. Behavioural readiness factors

To achieve a competitive advantage in the 21st century, organisations should move from having a reactive to a proactive attitude. Cangelosi and Dill (1965) already addressed learning in and by organisations in 1965. It was said almost fifteen years ago that the rate at which organisations learn might become the only sustainable source of competitive advantage (Stata, 1989). An increasing number of publications celebrate the model of a learning organisation as the new 'single best way' to economic success (Nonaka, 1990). The concept of a learning organisation, which gained popularity among practitioners through Senge's book about the art

and practice of the learning organisation, “The Fifth Discipline” in 1990, has been developed to increase an organisation’s ability to adapt to change.

The literature on the learning organisation is fragmented and scientists have different approaches to defining learning organisations. Senge (1997), Garvin (1993), and Pedler, Bourgoyne, and Boydell (1991) put emphasis on creating conditions for learning. Argyris and Schön (1978) find that a learning organisation is a product of development, which appears in an organisation’s later developmental stages. According to Senge (1997) learning organisations are organisations where people continually expand their capacity to create the results they truly desire, where new expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together. Despite these differences, theorists agree on one point — a learning organisation is created when the results of learning are institutionalised in its organisational culture. A learning organisation is good at creating new solutions and good at sharing knowledge with other members who may need it (Sugarman, 2001). It is antithesis of the traditional bureaucratic organisation (Driver, 2002).

Organisational learning has been generally defined as a vital process by which organisations adapt to change in their social, political, or economic settings (Rosenstiel and Koch, 2001). Tsang (1997) defines organisational learning in more detail as the learning which occurs in an organisation that produces real or potential change after a shift in the relationship between thought, organisational action and environmental response. Emphasis on the connection between organisational learning and the environment in both definitions indicates that certain types of change in an environment may require a particular type of learning.

For different types of change there are different levels of learning required. Single- and double-loop organisational learning (Argyris and Schön, 1978) reflects the ability to bring about developmental and transitional change. Transformational change calls for a paradigm shift in thinking about products or services and requires the highest type of learning – deuterio-learning. Deuterio-learning is directed at the learning process itself and helps organisations to improve in order to perform single-loop and double-loop learning (Cummings and Worley, 1997, Study I).

One critical issue in the literature dealing with the learning organisation is the relationship between *individual and organisational learning* (Study VII). According to Senge (1997) organisations learn only through learning individuals. Without individual learning organisational learning does not occur. But individual learning does not guarantee organisational learning. Individual learning has been viewed by different theorists as a rational, information-based system or as a socially constructed process. Organisational learning emphasises the socially constructed process, which proceeds through sharing interpretations of events and through reflection on these interpretations (Mahler, 1997). Organisational learning is unique to an institution (Probst and Büchel, 1997). Differences occur as a result of differences in the companies history, culture, size, and age (DiBella and Nevis, 1998).

According to survey results from East-German enterprises experiencing economic transformation, Geppert (2002: 16–23) argues that institutional settings and forms of organisational learning are inter-dependent. He has discovered some differences between the basic arguments concerning a learning organisation given by Senge (1997) and Argyris and Schön (1978): during economic transformation any openness to novel tasks was driven by a decline in established institutional arrangements and openness to new tasks was related more to ignoring the established organisational knowledge base rather than improving it. A ‘creative forgetfulness’ in respect to the traditional models of organising and the openness to novel tasks was not a question of improving reflexive learning models but of simply practising learning.

To summarise the relationship between change and learning, the context of social and economic transformation is a trigger that initiates organisational learning. As actors are strongly embedded in their past experiences and traditional ways of thinking, any openness to organisational learning is underdeveloped (Geppert, 2002: 21). The role of institutions in the learning process could be considered mostly as a learning barrier, as the organisation’s success in the past is seen as a learning barrier in the future.

The central concept of research into organisational learning is the concept of ‘organisational culture’, because it highlights the context within which learning occurs, and it provides the framework for understanding how the outcomes of past learning become ingrained in organisational norms and routines (Antal et al., 2001). So, in order to understand the relationship between institutionalisation and organisational learning the social construction of cultural systems appear to be central. Also, it has been stated, that creating lasting organisational change is inextricably linked with culture change (Manring, 2003).

According to social scientists, behaviour is a function of the meaning of a given situation. Participants in social events bring to them prior meanings and stereotypes, which can be understood only in a historical and cultural context (Sahlins, 1985). Organisational climate and culture scholars have been concerned with how the sense-making process, the filtration, processing and attachment of meaning in organisations, occurs (Schneider, 2000). Sense-making is an emergent process (Weick, 2001) and is to some extent institutionalised. Shared cognition has been argued to play an important role in understanding organisational issues (Cannon-Bowers and Salas, 2001). The study of organisational climate preceded that of organisational culture. Climate research is a result of a confluence of field theory and the quantitative study of attitudes within organisations. Field theory, connected with Lewin (1951), was an attempt to analyse any particular social process in a larger context. The term climate was used to describe attitudes and feelings.

Employee attitudes are considered an indicator of the future success of an organisation (Hurst, 1995). It has been postulated that attitudes motivate behaviour and exert selective influence at various stages of information processing (Eagly and Chaiken, 1993:1). According to Meyer et al. (1989), employees with strong

affective commitment are willing to exert great effort on behalf of the organisation. Organisational commitment is positively related to one most widely researched attitude – job satisfaction (Wanous, 1992). Despite the amount of interest in this area findings are still contradictory (Meyer and Allen, 1997:43–45) and vary across different social, political and economic environments in different countries (Judge et al., 2001). Also, the changing nature of work can affect the facets contributing to general job satisfaction making it worthwhile investigating job satisfaction again and simultaneously in different countries.

In the context of organisational change, attitudes toward change – the benefits of change and the competence of managers to implement change – become important. As for deciding about the benefits of change, employees will seek information and so information is also a crucial element.

As attitude strength depends on extent – these attitudes are related to each person’s own deeply held philosophical and political values and are of concern to the person’s social group (Boninger et al., 1995) – it is reasonable to examine the influence of culture upon attitudes.

The history of research into **organisational culture** is the history of how a field dominated by scholars steeped in psychology and sociology has learned from cultural anthropology (Ashkanasy et al., 2000b). Discourse about organisational culture has come to be about the way an organisational context shapes the meanings and actions of organisational members.

In the context of this survey the author sees organisational culture from a functional perspective as an adaptation mechanism, which helps an organisation to adapt and survive in a changing environment (Study VI). This is consistent with the definition of organisational culture given by Schein (1992) that organisational culture is the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and integral integration. Trice and Beyer (1993) have also connected culture with the environment, seeing organisational culture as a collective response to uncertainty and chaos. Harrison (1995) connects organisational culture with levels of consciousness in organisations according to a hierarchical model of need satisfaction (Maslow, 1954) and distinguishes between survival, defence, security, self-expression and transcendence cultures.

Several theorists have pointed out *task-orientation* and *relationship-orientation* of organisational culture: Kilmann and Saxton (1983) and Cooke and Lafferty (1986) focus on people versus task; Goffee and Jones (2000, 2001) separate sociability, which is similar to relationship-orientation and solidarity, and similar to task-orientation; Harrison (1995) distinguishes between power culture, role culture, achievement culture and support culture. Roots (2002) in his monograph about typologies of organisational culture points out, that from these four types two – achievement culture and support culture – are more relevant for today than the others. The former is similar to task-oriented and the latter to relationship oriented organisational cultures. See comments about the characteristics of these cultures from Study VI.

In the context of organisational change, task-orientation could influence people's attitudes by establishing clear goals and developing values, which could help the achievement of these goals at all levels of the organisation. But achieving employee participation in the beginning is not enough; ensuring that the change process does not reverse and building more effective relationships between peers are also necessary (Landau, 1998). Relationship-orientation could influence people's attitudes toward change through informal structures and communication (Salancik and Pfeffer, 1978).

To conclude, when analysing readiness to change from a behavioural viewpoint, three factors should be taken into consideration – organisational learning, employee attitudes towards change and organisational culture. Figure 1 presents a summary of the building blocks of theoretical framework. The question here is concerned with how different institutional environments have influenced these factors.

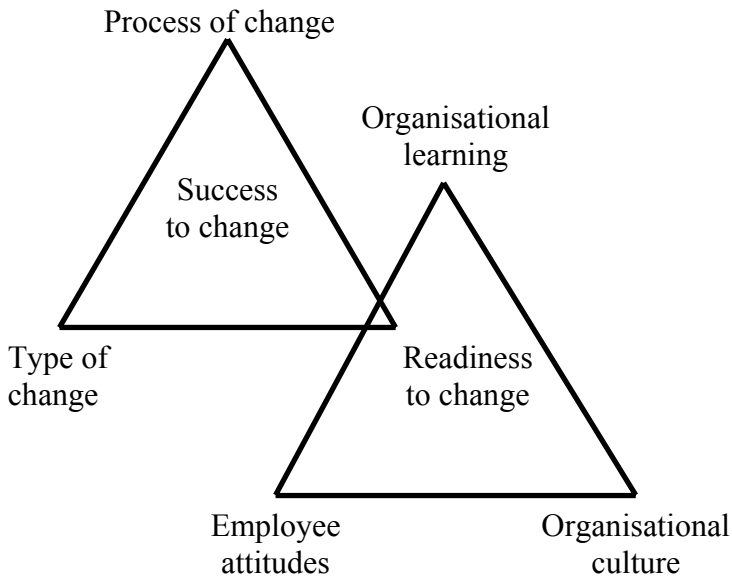


Figure 1. The building blocks of theoretical framework.

1.3. Transformation in society in connection with change in organisations

The post-communist transformation provides settings, which are in the process of being demolished, that are very different in their characteristics and within which discontinuities are more fundamental and change is less constrained by institutional frameworks. In this doctoral paper transformation has been seen as a social process of fundamental political, economic and cultural change to structures and values at all levels of society. Therefore the author applies institutionalism in order to understand the behaviour of organisations (Study II).

According to the institutionalist perspective, organisations are socially embedded in a particular society (Geppert, 2003). Organisations can be described using the open-system approach, in which the organisation may be seen as answering the challenges of a new environment.

Institutions could be seen from both the structural and social perspective. From a structural viewpoint institutions exist as institutionalised forms of 'external social constraints'. From the social perspective institutions can be understood as operating to enforce behavioural definition, which may take the form of either 'cultural accounts' or 'cultural rules'. This means that institutions are accounts of how the social world works and embody normative principles and social values (Meyer et al., 1994:24).

Socio-economic transformation, at both macro and micro levels, could be understood as institutional change, from both the structural and social perspective, embracing both structures and social values. *Deinstitutionalisation* and *reinstitutionalisation* take place (Study II). During these process the patterns and activities are redefined on the basis of values which, differ from values previously taken for granted. New social practices occur very slowly, because the values and their underlying logic take time to become reproduced unquestioningly in routine conduct (Clark and Soulsby, 1999: 40).

From this institutional view, social transformation may be interpreted as the period between the effective demise of one institutional system and the point at which another institutional system has been established and accepted on new cognitive and normative grounds. Such circumstances create acute social and psychological problems for the social actors and this period has been called *social transience* (Clark and Soulsby, 1999:40).

The author argues that there are connections between the institutionalisation stage at the societal level and types of change in organisations (Study V). In Table 1 the author combines institutional stages at the societal level with classifications of the types of change developed by Ackerman (1986). During the stable stage of institutionalisation developmental changes mostly take place. In order to evoke transitional changes additional institutional forms could be added to established institutions. Deinstitutionalisation in society, which starts a period of social transience, calls for transformational changes in organisations. At the same time

reinstitutionalisation starts. If reinstitutionalisation is completed then transitional changes start to dominate over transformational (Study II).

Table 1. Connections between institutionalisation at the societal level and types of change in organisations.

Societal level institutionalisation	Organisational changes
Stable institutions	Developmental change
Creation of additional institutions	Transitional change
Social transience (Deinstitutionalisation and reinstitutionalisation)	Transformational change

Sahlins (1985) argues that one cannot really understand certain social phenomena without understanding both the historical events and the cultural meanings attributed to these events by the relevant actors. In order to provide socio-economic explanations, which are rooted in the historical and contemporary circumstances of societal and organisational transformation, a short description of important stages in Estonian history starting from the first period of independence are given in Table 2 (see Study II).

During the first period of independence Western values in terms of a work ethic, individualism and free enterprise were adopted in institutions in the field of economy and education (Barnowe et al., 1992: 180). The Soviet occupation in 1940 was followed by a restructuring of institutions according to the principles of the occupant country (Taagepera, 1993: 65). Due to the fact that during the Soviet period the state was responsible for guaranteeing work for everyone enterprises were internally overstaffed and passive, work places were over-secured and attitudes to work were far from ideal (Liuhto, 1999b: 16). More information about the enterprise culture can be found in Study VI.

After the death of Stalin, during the Khrushchev era, more autonomy was given to Soviet Republics, and in the 1960s and 70s the economic situation started to improve (Üksväärav, 2001). Reforms began around 1980 with long-term re-assignment of parts of state or collective farms to groups organised independently of the central command (Misiunas and Taagepera, 1989). In the service sector an analogous development known as contractual task acceptance was also taking place (Misiunas and Taagepera, 1989: 78). In the 1980s, the soviet information blockade started to crumble and more people from Soviet Estonia were given the opportunity to visit other countries. At the same time economic growth in the Soviet Union had stopped and there was a deficit of consumer goods. Comparisons between life outside and inside the Soviet Union resulted in a re-assessment of values (Saarniit, 1995). This could be interpreted as an institutional change from the social perspective. Saarniit (1995) explains this by citing the decrease in economic growth at the end of 1970s and the increasing deficit and corruption, which culminated in economic differentiation. At the same time the mass media developed, there were increasing amounts of imported goods on the market and it

was possible to watch Finnish television. Saarniit (1995) concludes that the information blockade had weakened, the scope for comparison with other countries had become broader and people started to re-evaluate.

Table 2. Institutionalisation in Estonian history since 1919.

Period	Event	Institutionalisation
1919-1940	Creation of an independent state	Creation of institutions followed by a period of stable institutions
1940-1950	Soviet occupation	Deinstitutionalisation and reinstitutionalisation
1950-1980	Under Soviet rule	Period of stable institutions
1980-1987	More autonomy for enterprises	Creation of additional institutions
1987-1991	IME, movement toward independence	Creation of new additional institutions
1991	Re-establishment of independent state	Deinstitutionalisation
1991-1995	Transformation from planned economy to market economy	Social transience
1995-	More stabilised economic situation, market economy	Reinstitutionalisation, More stable institutions

In the second half of the 1980s enterprises were gradually given more autonomy in the Soviet Union. It became legal to develop small state enterprises, and even international joint ventures, which operated outside the central planning and could be owned by private citizens (Venesaar and Vitsur, 1995). It was the first opportunity for the creation of economic incentives. In 1987 Estonia was at the forefront of reforms in the Soviet Union. In the spring of 1988 over 600 co-operatives were formed in Estonia representing the highest concentration of such enterprises in the Soviet Union (Palm, 1989). In 1990 an important change occurred in the strategic aim of the reforms in Estonia: economic autonomy was replaced by independent statehood and the restoration of a market economy (Taaler, 1995). According to opinions held by managers, stability started to increase by 1995 (Liuhto, 1999a).

To generalise, the changes in post-soviet organisations have been deeper than those typical of a market economy because the new economic order is based on different attitudes and values and attempts to shift the organisational culture toward new values or beliefs, and this has been considered one of greatest challenges (Bluedon, 2000). From the societal view it is important to point out that during the transformation process the responsibilities of companies were redefined – companies focused solely on economic priorities and renounced their corporate responsibility for providing social services to workers. It makes it difficult for

people to accept such a change from being in a secure to being in an uncertain situation. Anxiety and fear caused by this change may hamper organisational learning (Schein, 1993).

Drucker has argued that what is needed is a revolution in managerial culture in Central-Europe – undoing 40 years of the wrong values, incentives and policies (cited by Barnowe et al., 1992: 179). This is also true for Estonia.

To summarise, changes at the societal level during economic transformation has resulted in the collapse of structures, systems, rules and principles that had made human behaviour and social life understandable for over fifty years, and has left a vacuum of meaning. This deinstitutionalisation has caused changes in both organisations as well as in the attitudes held by members of the population.

Part 2. THE EMPIRICAL STUDY IN ESTONIAN ORGANISATIONS

2.1. The research process

My approach takes as its central focus the interplay between macro systems and micro behaviour, and is derived from methodology, which places emphasis on the concrete attitudes of actors, but locates it in a wider social, institutional and historical context.

The research process started in 1996 with gathering literature concerning theoretical views on organisational change and factors influencing these changes on the macro- and micro-level. The collection of writings has continued until the last stages of the research. Based on the research of literature empirical surveys were planned. Figure 2 relates the research tasks with the theoretical framework.

The *first research task* was to discover which types of change have been implemented in Estonian companies. The author prepared a survey concerning change in Estonian organisations by using the interview method. At the beginning of 2001, interviews with top managers or members of management teams in 137 organisations were conducted. The author analysed the results of these interviews in Studies I, II and III. Study I focused mainly on the success of attempts at implementing change and the correlations between change and learning. Study II focused on types of change and Study III on the implementation process.

As the successful implementation of change depends on the ability to learn, the need to assess organisational learning arose (*second research task*). The author devised a questionnaire for measuring indicators of organisational learning in Estonian organisations. Study I includes a full description of the development of these instruments. The survey, with 321 respondents, was conducted at the beginning of 2002 in order to evaluate organisational learning in hospitals in Tallinn that were undergoing the process of merging (Studies IV and V).

Learning is influenced by employee attitudes toward change. In order to satisfy the *third research task* and based on this review of the literature, the author established those attitudes that are most crucial during the implementation of organisational change. A more detailed overview of these attitudes can be found in Study IV. As there was no scale developed specifically for measuring these attitudes, the author developed a measure based on previous scholarly work (See Study VI). During the period from 2000 until 2002 the author conducted surveys in different organisations for assessing employee attitudes toward change. More than 900 respondents completed questionnaires about attitudes toward change. In Study VI, the author analyses how these attitudes toward change are expressed in Estonian organisations. How these attitudes influence the characteristics of organisational learning is shown in Study V.

Both the learning and the attitudes are affected by organisational culture. According to the *fourth research task* the author needed a measure for assessing the impact of organisational culture upon the organisational change process. The

author found that the orientations of organisational culture – task and relationship orientation – were crucial for the implementation of change (See Study VI). During the survey of attitudes, respondents also completed questionnaires about organisational culture. The impact of task and relationship orientation in organisational culture upon organisational learning is analysed in Study V, and their impact on employee attitudes toward change, in Study VI. In the same articles the influence of organisational culture in groups with different socio-demographic characteristics has been shown.

The *fifth research task* was connected with the social and economic environment, which influences attitude formation. In order to compare attitudes in countries with different institutional backgrounds, the author joined the Denki Ringo international research group in Japan, and using their methodology organised surveys of attitudes in two plants in the Estonian electronics industry in 2001 (see Study VII). After sending the Estonian data to Japan, the author obtained access to data from the other 14 countries involved, from which seven had experienced (soviet style) socialism in their history.

2.2. The propositions for empirical analysis

According to Lau and Woodman (1995), organisational members have different ideas about and reactions to organisational cultures. If this is so, one could expect that different members would also have different perceptions and interpretations of change related to the organisation's culture (Martin, 1992; Silvester et al., 1999). Based on existing literature on the subject, the author has developed a number of propositions. The first three propositions are about the influence of organisational culture upon organisational learning in groups with different socio-demographic characteristics. The theoretical reasoning for these three propositions can be found from Study IV. The fourth proposition is about the impact of organisational culture upon attitudes based on the theoretical background to Study VI. Figure 2 relates the propositions, research tasks and the Studies with the theoretical framework. The propositions are as follows:

P1: Task orientation and relationship orientation of organisational culture both predict organisational learning.

P2: Relationship orientation of organisational culture is a better predictor of collective learning for employees with longer tenure at the same organisation than for people with shorter tenure.

P3: The organisational learning of managers is better predicted by task orientation of organisational culture than by relationship orientation of organisational culture.

P4: Relationship-orientation of organisational culture influences the attitudes toward change in people with a Soviet work experience more than those same attitudes in younger people without this experience.

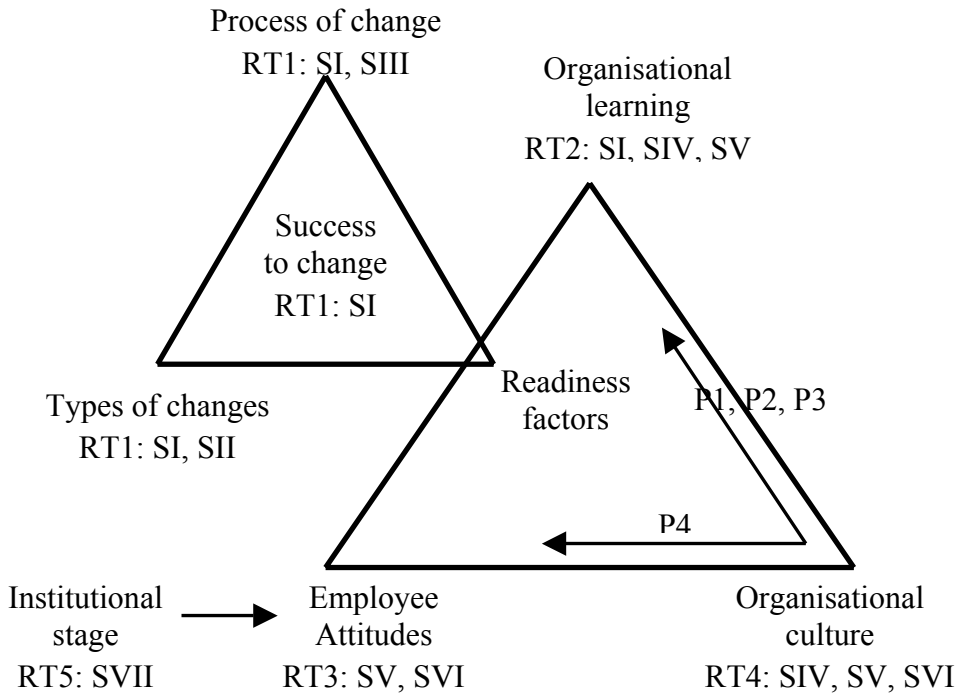


Figure 2. Propositions (P), Research Tasks (RT) and Studies (S) in connection with the theoretical framework.

2.3. Methods used in the research

In the research process several instruments were used. The author worked out interview questions for evaluating types of change and their implementation in Estonian organisations (Appendix 1). Although the questions are open-ended, in order to obtain information about the types of change a table is added. The interview also included a questionnaire for evaluating organisational learning (question 9). In order to analyse the process of change in Estonian companies the author used content analysis.

The Questionnaire for Measuring Organisational Learning (QOL) was developed by the author on the basis of a measure developed by Lähtenmäki, Mattila, and Toivonen (1999). Lähtenmäki and colleagues developed a question-

naire of 110 items in order to measure the extent of organisational learning. By using factor analysis and reliability tests, 21 indicators of learning were received. The author grouped these 21 indicators of organizational learning by using a cluster analysis in two clusters. The first cluster could be called the cluster of individual learning and the second, collective learning. Both scales consist of eight statements and ranged from 1 to 10 points. The items used in the scales are presented in Appendix 1 of Study IV, page 114.

Questionnaire for Measuring Employee Attitudes in the Process of Organisational Change (QEA) was developed on the basis of items taken from widely used satisfaction and commitment scales. The 27 items concerned a wide range of different topics related to employee attitudes such as – (a) attitudes toward the organisation (e.g. “How much are your future plans connected with this organisation?”), (b) general attitudes toward the work itself (e.g. “How satisfied are you with your present work in this organisation?”), (c) attitudes toward managers (e.g. “Do you trust the management and think that their decisions are the best for the organisation?”), (d) the benefits of the current change (e.g. “In your opinion, how necessary are the changes in the organisation?”), (e) information about the current change (e.g. “Do you have enough information about the reasons, content and objectives of the changes?”). The survey used the Likert scale so the respondents could show their attitudes by choosing answers that range from *strongly disagree* (1) to *strongly agree* (5). A principal component analysis and factor analyses with varimax rotation was completed for the 27 items. In order to develop subscales for measuring attitudes, items were selected with a factor load in this particular factor above [0.30] and the same load in other factors below [0.30] (Table 1 in Study VI, page 141). The four factors received describe together 63.2% of initial variability. The internal consistency, or Cronbach’s Alpha coefficient, is between .74 and .84 for all scales.

The author also needed a *questionnaire for measuring organisational culture*. Although the concept of organisational culture has been prominent in organisational and management literature since the 1970s, scholars still disagree on the best way to measure it (Ashkanasy et al., 2000a: 131). It has been generally agreed that quantitative surveys represent an efficient and standardised ways of tapping the less abstract levels of organisational culture (Ashkanasy et al., 2000a: 132). According to Schein’s (1992) typology, these are artefacts and values. Self-completed surveys allow respondents to record their own perceptions of reality. Because behaviour and attitudes are determined not by objective reality but by the actors’ perception of reality, it is clearly appropriate to focus on perceptions rather than on reality (Ashkanasy et al., 2000a: 133).

Many researchers rely on quantitative methods to assess an organisation’s culture (Lau et al., 2003). Although there have been several instruments developed for measuring orientations of organisational culture, these instrument measure more indicators than just scales comparable to task and relationship orientation. The author found that the scale that came closest to her needs was that developed by Goffee and Jones (2000, 2001), where they separate sociability as being similar

to relationship-orientation and solidarity as being similar to task-orientation. But there is no data about the development process and reliability of this questionnaire. Also, the complete measure consists of three different questionnaires, which is too much when put together with the other questionnaires used in the current survey and may cause resistance from potential respondents.

At the same time Maaja Vadi had developed a reliable questionnaire for measuring two scales of organisational culture in Estonian organisations (Vadi, 2000). In a later publication she called these scales task and relationship orientation (Vadi et al., 2002). This was a strong point for choosing this questionnaire for assessing organisational culture in the current doctoral research. The items used in the scales are presented in Appendix 2 of Study IV, page 114.

To assess attitudes in different countries the author found a questionnaire designed by the Denki Ringo research group suitable. A standardised questionnaire with 39 items was used in every country. Questions were about the respondents' expectations of society and trade unions, about feelings toward organisations and some other areas. Job satisfaction was measured in two different ways. In the first part of questionnaire there were 15 facets of job satisfaction to evaluate on a five-point scale and later among questions about age and marital status there was a single question about general satisfaction with working life. The parts of this questionnaire, which are analysed in Study VII can be found in Appendix 2.

In the Denki Ringo research group a research partner from each country was requested to select two plants: one producing telecommunications equipment and the other electrical goods for household use. Seven of the countries researched had been under socialist rule during their history. Estonia was the only country that had been a part of the former Soviet Union. In addition the research covered Eastern European socialist countries Poland, Czech Republic, Slovakia and Hungary, Slovenia (from former Yugoslavia) and China. People's attitudes in these countries are compared to attitudes in traditional capitalist countries like – the USA, Japan, Finland, France, Italy, Spain, South Korea and Hong-Kong. Respondents from former socialist countries formed 51% of the sample. The author organised and conducted the survey for two plants in Estonia with 536 respondents.

The correlation analysis and linear regression analysis were used in order to find statistically relevant relationships. When using a regression analysis, there are two options for assessing normality, linearity and homoscedasticity. The first is to use routine pre-analysis screening procedures; the second is to produce and analyse the residuals using one of the regression programs (Tabachnick and Fidell, 1996). The author assessed the normality of the independent variables before running the linear regression analysis by using histograms. Both variables of organisational learning display a normal distribution. Attitude variables also display a normal distribution with concentration on the middle values.

The possible problem of multicollinearity was eliminated by the use of factor analysis with varimax rotation to produce independent variables for the analysis (employee attitude scales and scales of organisational culture) and by using the Stepwise method in linear regression analysis.

The author also examined scatterplots between the predicted values of dependent variables (DV) and residuals (errors of prediction) for testing assumptions of normality, linearity and homoscedasticity. In the case of linear regression analysis it is usually assumed that the residuals (difference between obtained and predicted DV scores) are normally distributed about the predicted DV scores, that residuals have a straight line relationship with predicted DV scores, and the variance of the residuals about predicted DV scores is the same for all predicted scores (Tabachnick and Fidell, 1996). In the case of author's data these assumptions were met. The residuals showed normality, linearity and homoscedasticity (see Appendix 3).

Three studies have a co-author – S. Sharifi in Study I and Maaja Vadi in Studies IV and VI. Both have written letters about the author's contribution. S. Sharifi wrote in her letter (29 May 2002): "The paper was originally drafted by Ruth Alas. Ruth originally developed the theoretical framework and analysed the data that she had collected for her research. My main role in the process had included the editing and further refinement of theoretical framework." Maaja Vadi wrote (30.03.2003): "Ruth Alas has successfully acted as the first author. Ruth put research problem, created two research methods and first versions of the articles. The second author created together with first author the general plan for articles, created one research method for measuring organizational culture. She was also the first opponent for all working versions of both articles".

Part 3. PUBLICATIONS

Study I

Alas, R., Sharifi, S. (2002)
Organizational Learning and Resistance
to Change in Estonian Companies.
Human Resource Development International,
5(3), 313–331.

Organizational Learning and Resistance to Change in Estonian Companies

Abstract

In order to examine the relationship between organizational change and organizational learning the authors conducted interviews with managers in 137 Estonian companies concerning changes implemented and learning outcomes. According to this survey the relationship between organizational change and learning is seen differently in a country in transition.

Introduction

Learning, both institutional and individual, and the ensuing corporate changes are seen as the prerequisite for success and survival of organizations irrespective of their size and sector. The challenge for most organizations is to recognise and react to perceived environmental changes or enact such changes and responses. Such capacities for dealing with change are embedded in the knowledge base of an organization which represents its founding conditions and experiences, in other words its repertoire of recipes (Spender 1990). Corporate changes reflect, therefore, an organization's knowledge of itself – what it is, what it can do and what its desired ends are and its contexts (de Geus 1996). The relationship between organizational 'change' and 'learning' is central to this paper. Change is the outcome of learning in one sense and learning is a medium for change and its outcome in another sense. Various conceptualizations of learning and models of change developed in the West over the past decades have adopted these notions.

Estonia has passed through its transition from being a part of the former Soviet Union with a centrally planned economy, to being a politically independent country with a free market economy.

There is a major difference between these systems. In the socialist system the most important aim was to provide jobs for all, it did not matter what this person actually did or whether his/her output was needed at all. The governing systems had not regarded efficiency as the main purpose. However, efficiency in its Weberian sense has always been the primary objective of organizations in both private and public sectors in most Western capitalist democracies.

To change people's minds in relation to this particular objective was the most important thing to learn during the transition from a socialist regime to a capitalist one.

In recent years the desire and thus the end for most Estonian companies has been to be able to operate successfully in such 'free market' conditions. To achieve such an end the companies have also realised that there is the need for 'transformational change', i.e. changes to their established approaches and thinking.

Writings on *the management of change* have frequently indicated that the first step to achieving lasting organizational change is to deal with the resistance to

change; that is, to identify resistance as an obstacle to be overcome, and select a change strategy that will minimize or eliminate resistance. Such propositions however, underplay the political dimensions, which shape organizations and their people's decisions and conduct. Models of change often imply a 'top-down' approach to initiation and implementation of change. Changes are prescribed and imposed often with limited scope for consultation and resulting at grassroots level in a lack of ownership of the issues, problems and aspects in need of change.

As people are pushed to learn new skills and new behaviour during transformational change, resistance to change is associated with the resistance to learning.

However, the ability to adapt to change is enhanced through learning, both at individual and organizational levels (Garvin 1993; Senge 1997). There has been a growing emphasis on viewing an organization as a total learning system and identifying its 'core competencies' which reveal its 'collective learning' capacities (Prahalad and Hamel 1990).

The concept of a *learning organization* was introduced to Estonian practitioners towards the end of 1998 in a prestigious management conference "From practitioner to practitioner". The CEO of the biggest Estonian company "Estonian Energy" Gunnar Okk presented the concept of a learning organization. He defined a learning organization as one which "is innovative, adapting quickly to new circumstances, oriented towards creating value and consisting of members who are learning continuously" (Okk 1998:16). Okk also presented the *learning organization* as a tool which helps implement changes faster and more successfully. He added that in a learning organization: a) every member knows the main goals of the organization; b) decision making is delegated to the maximum; and c) there is a flat organizational structure which is easy to change.

Concrete recipes regarding how to create a learning organization were not given. At the same time a strong need to implement organizational changes speedily, in order to stay in competition was emphasised. Estonian managers have carefully watched Western organizations and what *they* have done to achieve success. In Western Europe and the United States organizational change has been an object of systematic research for the last six decades. At the same time transformational changes are mostly taking place in countries within a process of transition, where systematic research in this area is rare. There are no commonly accepted theories of change that have been worked out for these countries. We have therefore drawn on theories embedded in the organizational experiences of Western countries as the bases of this research, and have combined these theories with empirical findings collected from Estonia, which we argue is a country in transition. The aim of this study has therefore been to find out to what extent Estonian managers connect organizational changes and organizational learning and how organizational learning has developed in Estonian organizations in recent times. One of the main questions raised in this study is : how organizational change and learning are considered and dealt with in countries in transition and whether their approaches differ from prescribed models and practices originating in

Western democracies. This paper commences with a brief overview of the theories of organizational change and learning. This will be followed by the research methodology, findings and analysis.

Organizational Change

Ackerman (1984) describes three types of organizational change, each varying in scope and depth: (1) developmental change, (2) transitional change, and (3) transformational change. In terms of organizational learning, these changes may be described as single loop, double loop and deuterio learning a'la Argyris and Schone (1978).

We argue that Ackerman's typology to a large extent describes the changes which have taken place in Estonian companies during the last decade. Developmental change is similar to "*perestroika*", transformational changes in these organizations started after gaining political independence at the beginning of 1990s.

The model created by Burke and Litwin (1992) helps to make a distinction between transformational and transactional factors. Transformational factors deal with areas that require different employee behavior as the consequence of external and internal environmental pressures. Transactional factors deal with psychological and organizational variables that predict and control the motivational and performance outcomes of the climate of the work group. We, however, argue that the former factors define and shape the latter ones. Equally the latter can reinforce or dilute the former. Therefore the factors may be distinct but are interrelated.

The process of change

Traditionally organizational change has been seen as a step-by-step process both in theory and practice. In the majority of cases, models of change can be reduced to the basic model for an organizational change process developed by Kurt Lewin (1989) and consisting of three steps - unfreezing, moving, refreezing. Most models developed by theorists have focused mainly on issues raised in the unfreezing phase. These issues include – how to establish the need for change, how to motivate employees and how to mobilise commitment to change.

One of most detailed process models is Kotter's 8 step model. Kotter's (1998) first four steps are for *unfreezing*, the next three steps could be seen as *moving and* the final step is institutionalising the new approaches, that is *refreezing*. However, there cannot be hard and fast rules. Organizations evolve, adapt and may become inert in their responses to environmental changes (Casey 1993). Whether there are deliberate or emergent strategies for change there are organisational elements which may hinder or facilitate change. These become central to the process of change and its institutionalisation.

Resistance to change

Woodwards' (1954) empirical study of British manufacturing firms indicated that no matter how carefully and slowly the idea of change was introduced, the

immediate reaction from lower supervisors and operators was to resist it. It was like a conditioned reflex.

According to Senge (1997), people do not resist change they resist being changed. Self-interest, mistrust or preference for a status quo may be concrete manifestations of more subtle cognition: people are simply questioning what the change will mean for them. According to Strebel (1998) employees and organizations have reciprocal obligations and mutual commitments, called personal contracts. These un-revised personal contracts could block the change (also Armenakis and Bedeian 1999, Dess and Picken 2000). Moreover, familiar ways of doing things provide 'cognitive comfort'; a way of dealing with uncertainty of change or avoiding it. People unwittingly collude and opt for what is tested and known (Weick 2001).

Strategies for Overcoming Resistance to Change

Most studies of organizational change have shown that employees resist social change more than technical change, (though they are not separate in practice) and the change programs which ignore psychological resistance to change are likely to fail, irrespective of the way the new desired attitudes are presented (Schein 1986). Furthermore, it is suggested that resistance to change should be treated as a normal part of adaptation to change, by creating a climate in which people will take risks (Jick 1993) and by facilitating their participation in the decision making processes. Kotter and Schlesinger (1979) present six strategies for facilitating change and overcoming resistance. We note here that these strategies may be in part complementary or mutually exclusive. The choices are embedded in the organizations' mind set. Jaffe, Scott and Tobe (1994) see investment in the learning process, innovation and skills as factors for supporting change. Senge (1997) suggests not pushing harder to overcome resistance, but discerning the source of the resistance. That is, we need to focus directly on the implicit norms and power relationships within which the norms are embedded. Senge is also strongly associated with the concept of the *learning organization*, which is considered as a tool for increasing an organisation's ability to adapt to change.

Organizational Learning and the Learning Organization

According to Probst and Büchel (1997), organizational learning is the process by which the organisation's knowledge and value base changes, leading to an improved problem-solving ability and capacity for action. The processes and outcomes of individual learning are prerequisites for organizational learning and form an important basis for it. Organizational learning is both quantitatively and qualitatively distinct from the sum of all individual learning.

As most individuals learn in different ways, learning differs in different organizations. These differences occur as a result of differences in the organisation's history, culture, size, and age (DiBella and Nevis 1998).

Levels/Types of Learning

Most theorists distinguish between two levels of learning: lower-level and higher-level learning (Fiol and Lyles 1985), single-loop and double-loop learning (Argyris and Schön 1978), Model I and Model II learning (Argyris and Schon 1996). If single-loop learning means only correcting the behaviour, without altering the nature of the activities, then double-loop learning tests the assumptions and changes the governing values. Model I is limited to single-loop learning where the existing theories-in-use are reinforced and model II applies to double-loop learning where the theories-in-use are changed.

Senge (1999) distinguishes between adaptive learning and generative learning, comparable to single-loop and double-loop learning. A shift from adaptive learning to generative learning is needed in order to unlearn the old and make room for the new.

Deutero-learning involves learning how to learn and is directed at the learning process itself. It helps organizations to improve the performance of single-loop and double-loop learning (Morgan 1997).

The ability to connect types of learning, like single- and double-loop, with types of changes, reflects the ability to create developmental and transitional changes. Transformational change calls for a paradigm shift in thinking about products or services and requires the higher and more complex type of learning – deutero-learning. Here transactional changes may ensue or happen in parallel with transformational changes.

Barriers to learning

There are barriers to learning as there is resistance to change. These barriers exist due to the fundamental, conflicting ways in which individuals have been trained to think and act and include organizational barriers to discovering and using solutions to organizational problems (DiBella and Nevis 1998). According to Salaman and Butler (1999), resistance to learning may stem from the culture and structure of the organization. The past organizational experiences of the members of the organisation enable or hinder the 'learning process' equally. However, this is not easy to establish as it relates to what we may understand and interpret learning to be. If learning implies 'change in behaviour and mind set', resistance may be *the outcome of* as well as *the barrier to* learning.

Argyris (1990) identified skilled incompetence, organizational defensive routines, and 'fancy footwork' as mechanisms and ways by which organizations and their people stick to the familiar and avoid uncertain and perceived threats. Here organizational memory and thus internal stock of routines constitute the barriers to unlearning, which is *per se* a form of or the outcome of learning (also Hedberg 1981). Nyström and Starbuck (1984) connect organizational learning with the unlearning of past methods and Senge (1997) stresses the unlearning of the old before the learning of the new. Research in East German companies indicated that the term 'unlearning' was understood as forgetting and ignoring (Geppert, 2000: 170). For Estonian organizations unlearning meant that people had to unlearn the

old ways of doing things first by breaking defensive routines and then by changing their theories-in-use. As the East German context is quite similar to the Estonian one, we assume that people in Estonian companies were expected to abandon their old ways of doing things.

The Learning Organization

According to Senge (1997) learning organizations are organizations where people continually expand their capacity to create the results they truly desire, where new expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together. It is argued (Cummings and Worley 1997) that a learning organization is created, when the results of learning are institutionalised.

Despite of the lack of a commonly accepted definition, there is a growing consensus among researchers and practitioners about the specific features of a learning organization that is sharing, storage and transformation of information. However, authors also mention environmental scanning, experimentation and system problem solving along with empowerment, participation, strong culture and team learning.

It is a commonly held belief that these characteristics help to overcome resistance to change and facilitate learning. The creation of enabling structures and ‘a climate of learning’ and the development of systematic [and systemic] thinking and problem solving may help to eliminate organizational causes of resistance. Increased information sharing, experimentation and risk taking, associated with empowerment and participation of employees in decision making processes can help against the individual causes of resistance.

The interrelationship of organisational change and learning

Both implementation of organizational change and facilitation of organizational learning have frequently been portrayed as step-by-step processes. Although there are numerous typologies of organizational learning and features of learning organizations few models or frameworks take account of the interrelationship between organizational change and learning processes. It is also difficult to see the existing theories of the learning organization and organizational learning as a coherent collective.

In order to carry out some empirical research in Estonian companies, the present authors sought a cumulative model which connected the learning and change processes and was supported by some quantitative and qualitative measures. Such a model was developed by Lähteenmäki, Mattila, and Toivonen (1999), derived from different theories and from measures used in previous studies. Their model (later the Finnish model) brings together the idea of different learning levels and the step-by-step change process. Steps which form the learning cycle include: (1) building the ability to adapt to the new culture and thus developing the ability to learn; (2) the setting of missions and strategies collaboratively which helps the staff commit

themselves to the mission and (3) creating a future together to bring about the desired changes (Lähteenmäki et al. 1999: 34).

Lähteenmäki and colleagues developed a questionnaire of 110 items in order to measure the extent of organizational learning. By using factor analysis and reliability tests 21 indicators of learning were received. The indicators linked to Step 1 reflect the emotional learning of individuals, and indicators linked to Step 3 reflect systematic learning by the organization. Indicators linked to Step 2 reflect the adoption of the new mental models and the level of commitment to new working practices (Lähteenmäki et al. 1999: 37). The shortcoming of this measure is the lack of empirical evidence for the sequence and connections between steps in the change process. Although their 21 indicators are obtained using factor analysis and reliability tests, statistical analysis is not used to divide these indicators into three groups, which represent steps in their model.

For countries in transition, which have experienced the most radical changes, unlearning the old ways seems to be under-emphasised in the Finnish model. It may not be so important during developmental or transactional changes, but it is critical during transformational changes.

In this paper we have assumed that steps within the process of change are different in different types of change; the way processes of change and learning are connected could also be different. The greater need for the discarding and abandoning of old habits and thinking could be the reason for this difference. The indicators from the Finnish model could be used in empirical research, but for analysing the steps in the change process a model based on empirical research, for example Kotter's (1998) model, could be better.

An Empirical Study of Estonian Companies

Methodology

The main aim of this study was to examine the relationship between organizational change and organizational learning processes in certain Estonian organizations. At the end of 2000 survey was conducted in 137 Estonian companies. The companies involved represented various industries and sectors (Appendix 4). Characteristics of the sample according to age and size of the companies are shown in Table 1.

Structured interviews were conducted to enquire about change and learning in their organizations. In each organization one member of the executive board or board of directors was interviewed. In 33% of companies the top manager of company answered the questions. Among members of the executive board or deputy directors 15.5% were sales and marketing, 12.2% specialised in human resources and 6% in finances. The others were in import-export, information technology, quality control, logistics, product development and other areas. 31.1% of deputy directors or board members did not specify their area.

Although most questions were open-ended, in some cases closed-ended questions were used, for example, in order to find out which factors had changed in organisations and to evaluate the level of organisational learning.

In order to evaluate the types of organisational change, Burke-Litwin's model was used and to evaluate the learning abilities of the organizations, the indicators [and measures] developed via the Läähtenmäki, Mattila, and Toivonen (1999) model were used. We did not, however, use their questionnaire using 110 items, as it would have been time consuming and may have adversely affected the willingness of the respondents to participate in the study. We asked the respondents to evaluate these indicators on a 10-point scale. We grouped these indicators using the SPSS programme.

In order to distinguish steps in the change process, Kotter's (1998) eight-step model, was taken as the basis. Strategies for overcoming resistance to change were analysed on the basis of Kotter and Schlesinger's (1979) model, which contains six strategies.

The ANOVA was used to find statistically significant differences. Correlation and cluster analyses were carried out in order to show statistically relevant connections.

Some Findings

Types of changes

The results indicate that radical changes, including changes in the system itself, had taken place in 90 % of these companies, and at least one transformational factor had been changed.

It should be noted here that Estonian companies are relatively young. The companies which were established before the 1990s had implemented many more changes than those companies established more recently (Table 1). The economic crisis in Asia in 1997 had a negative impact on the fast-growing infant Estonian economy. Many companies went bankrupt. The companies established after this crisis have learnt that they need to live in a constant process of change. Most of them have made more changes in their culture, leadership styles, organizational structure and task requirements than older companies. However, strategy has less frequently been changed. This may be an indication of some contingency plans and the existence of some slack resources. On the other hand this may imply single loop rather than double loop learning in these companies. Most changes have taken place in companies with more than 100 employees.

The process of change

The main focus of Estonian managers seemed to be on initiating changes, that is, raising awareness regarding the necessity for change and creating a vision. Much less attention was paid to assessing the process of change and making modifications and consolidating improvements. Although the attention was focused on initiating change it was not always possible to interpret the change process described by the manager according to the steps in Kotter's model. Positive correlations regarding the steps was found in companies which implemented 'transformational' change and was absent in those which concentrated on 'transactional' change processes (see Table 2).

Table 1. Changes in Estonian organisations based on the Burke-Litwin model.

	All sample	Sector - Production Service	Established -90	91-94	95-97	98-	Number of employees -25	26-50	51-100	101-1000	1001 -	
%	100	22	78	25	49	20	6	28	19	13	32	8
Transformational factors												
Strategy	75	90	71	87	72	74	64	78	68	79	74	73
Mission	49	53	48	64	41	40	36	38	44	58	51	73
Culture	61	58	55	56	55	49	82	54	47	63	58	60
Leadership	58	58	58	58	58	51	82	52	50	63	61	73
Transactional factors												
Structure	77	83	75	80	78	66	90	72	74	83	77	93
Task requirements	73	73	73	84	65	69	100	72	68	75	68	80
Individual skills	65	75	62	58	67	51	64	60	65	75	60	73
Systems	64	80	60	71	64	54	64	58	65	58	63	80
Management practices	46	45	46	53	44	40	36	28	47	58	49	73

There was also a problem in interpreting some steps from Kotter's model. The term empowerment for instance was not used by Estonian managers and it was also hard to find something about consolidating improvements. At the same time respondents mentioned involvement and training of their employees and the creation of a suitable climate for the implementation of their vision. So, these replaced Kotter's steps.

Results were also analysed according to size of the company. First, nine groups were formed. As the majority of companies in Estonia have less than 100 employees, we started to group companies after every ten employees – first group 1 to 10, second 11 to 20 and so on. The last groups were 51 to 100, 101 to 500, 501 to 1000 and over 1000. Analysis indicated that the groups in the middle, starting from 11 employees and ending with 100 had similar results. So, three different groups seemed to follow the steps in the process of implementation of organisational changes. The symbol '*' marks the steps, which were implemented by more than 25% of companies in the group and could be considered as important for these companies.

Table 2. Change process according to size of the company.

Number of employees	% in the sample	Sense of urgency	Forming a coalition	Creating a vision	Communicating the vision	Creating a suitable climate	Employee involvement and training	Creating short-term wins	Institutionalisation
1-10	9	57*	47*	100*	43*	29*	29*	14	14
11-100	51	63*	13	58*	29*	8	61*	19	18
101-	40	47*	32*	75*	38*	28*	50*	13	25*
Total	100	56*	24	69*	34*	18	53*	16	21

Resistance to change

The respondents were asked about the most difficult issues during the implementation of changes and about resistance to change. Resistance had appeared at all levels of their organizations and was mainly attributed to inertia in the thinking of employees. It appeared that the biggest difficulty was to unlearn their old ways of doing things especially in older companies. The difficulty of unlearning also appeared when merging with different cultures and trying to develop teamwork. Employees did not seem to appreciate the significance of the changes to the company. Insufficient information and differences in the understanding of several issues were also pointed out. As the free market economy was a new concept for Estonian people, it was difficult to find staff qualified to introduce and implement the necessary changes.

Strategies for overcoming resistance to change

Our research in the selected companies indicated that communication and education of employees were the most frequently used strategies in overcoming resistance to change. Employee participation was more actively used in younger companies and in companies, which had created a vision about their desired future. Managers' support for employees was a more popular strategy than coercion and manipulation.

The managers were also asked about what they had learnt from these changes and what they would do differently in the future. Those respondents who had especially registered lower levels of success in implementing change and developing organizational learning, would pay more attention to establishing goals, planning and preparing for changes in the future. In order to reduce fear among employees managers would explain to their employees the essence of the changes in greater detail and give more operational information. Managers had learnt that the involvement of employees at every level of the organization, right from the early stages of change was central to the process of change. In future they would practice more teamwork and would consider the human factor more seriously. 4% would even do a preliminary survey among the employees about their attitudes towards the planned changes.

Features of learning organizations

We asked the managers in these companies how they evaluated their organization as a learning organization and why. The average result on the 10-point scale was 7.68 (sd=1.67).

The main activities and features Estonian managers saw as related to a learning organization were environment scanning, openness, self-development for all members of the organization and also the creation of a learning climate and learning from past experiences and best practices. Such other important features as information systems for sharing, storing and transforming information; creativity and learning together were less frequently considered.

Organizational learning and successful implementation of change

The managers were also asked to evaluate the indicators characterising organizational learning, based on the Finnish model, on a 10-point scale and the success of the implemented changes in their companies on a 5-point scale. The indicators and correlations are shown in Appendix 1.

The indicators of organizational learning were also analysed by means of a cluster analysis. The first cluster could be called the cluster of *individual active-ness*. They indicated that two conditions had to be present before people could decide about their active participation in decision-making. On the one hand, employees needed to be aware of and committed to the business objectives and the process of change, and on the other to accept a new operational culture. Yet, all this was not enough. They had to be encouraged to take initiatives and be active in relation to their own work. An open-minded and positive attitude towards risk-taking should be developed for this purpose. The former condition was rated higher than the latter. This cluster highlighted individual learning.

The second cluster consists of indicators related to building collaborative abilities and organizational learning. Interconnected collaborative abilities (open communication and willingness to develop) and the ability to use teamwork enable managers to create fluent work processes. We may not however, underestimate the possibility and potential for trial and error learning as well as learning from mistakes. Here the managerial support for personal development and training plays an important role.

Drawing on the Finnish model, the first cluster in this survey mostly deals with stage 2, the *collaborative setting of missions and strategies* and the second cluster deals with stage 3, *creating a future together*. In the current research the indicators in the first stage of the Finnish model are found in two clusters. In the first cluster individuals learn to be active. They develop an open-minded and positive attitude towards risk-taking, in order to start to unlearn old knowledge. In the second cluster the staff collectively learn to increase openness in communication. People are willing to develop themselves and learn from their mistakes. Such organizational variables like strategy, information systems, lean management and a business orientated operational culture were not so tightly correlated with the other

indicators. The evaluation of the success of changes was positively correlated with both clusters.

The one-way ANOVA reveals that the respondents' estimations on success of changes vary with regard to a company's age ($F(3;118)=5.76, p=.001$) and size ($F(4;119)=4.00, p=.004$). The managers of companies established before 1995 evaluated the changes as having been less successful and their existence as a learning organization less developed than the managers of younger companies (Appendix 2). It indicates that there might be some form of inertia and comfort gained from familiar ways and thus a reluctance to unlearn. Such features of organizational learning as – encouraging active-ness at work, an open-minded and positive attitude towards risk-taking, active participation in decision making, willingness to take initiatives and learning from mistakes – are statistically less significant in companies established before 1995.

Considering the size of the company, the smallest and the largest companies have assessed changes as more successful and organizational learning more developed than companies with 26–100 employees (Appendix 3). The companies with more than 1000 employees evaluated the changes as having been the most successful and emphasised training the most ($m=7.78, sd=1.72$). At the same time companies with between 26–50 employees had paid less attention to training ($m=5.70, sd=2.83$) than all the other groups.

Managers in the public sector evaluated the implementation of changes as having been less successful than did managers in the private sector (Appendix 4). In the private sector, production companies evaluated clusters of learning as having been less successful than in the other industries, while their evaluations of the success of the implementation of changes were highest. This may be due to there being more inertia to overcome in production companies and more strategic changes than in the service sector. Also the creation of vision, which is usually accompanied by employee involvement according to this survey, was more often mentioned in production companies.

Organizational learning depends on the scope of changes: individual activity and collaboration were both evaluated higher in companies having experienced transformational changes than in companies having implemented only transitional changes (Appendix 5). Indicators influencing individual activity were particularly higher after transformational changes.

Discussion and concluding remarks

The findings of our survey in selected Estonian companies indicated, that in 90% of the companies in the sample, transformational change had taken place. This type of change requires the highest level of learning. People from the stagnated Soviet Union had to abandon their past established, standardised approaches to organization and work, but they were not used to radical change and the inertia in the thinking of people in organizations became one of the biggest obstacles during the implementation of changes. Furthermore people did not have a clear vision about their future in a rapidly changing and evolving society and this reinforced

their fear of the unknown. Our findings showed that the managers of companies established before 1995 did not evaluate the implementation of changes as having been as successful as did the managers of younger companies. This we have interpreted as being due to the difficulty of unlearning and getting rid of defensive routines.

The economic situation changed and stable and relatively high growth in the Estonian economy was achieved between 1995–1997. During this period people became more optimistic because the level of their welfare had also rapidly increased. The uncertainty of the future seemed more manageable. The current survey showed the highest rating of organizational learning indicators and of successful implementation of change in companies established in these years.

During the implementation of organizational change, Estonian managers focused mainly on the unfreezing phase as highlighted in most Western models of change. According to the findings of this research the actual model of change in Estonian companies consisted of four steps: (1) the determination of the need for change, (2) the creation of a vision, (3) the communication of the vision to employees, and (4) managers involving employees in the implementation of change. In this final step they inform, educate and support employees and try to reduce their defensiveness and inertia. The employees ignore and forget old skills and mental models and acquire new skills and behaviours. Development of individual active-ness and collaboration hence takes place. The biggest shortcoming was that changes were mostly unfinished and the institutionalisation of changes in the organizational culture, emphasised by Western theories, was only mentioned by less than 25% of Estonian managers.

Correlation analysis indicated that a critical step in the change process was the creation of a vision, which was usually accompanied by the implementation of other steps in the change process, including the creation of a coalition and institutional changes. Those organizations, which had created a vision, had also increased employee involvement and team building. This supports Klimecki & Lassleben's (1998) view, that strategic learning is more likely to occur, if there is a shared vision, which 'pulls' organizational learning activities.

Research indicated that the steps in the change process differ according to the scope of the organizational changes. During more radical changes, steps are more clearly planned and implemented than when changes are less radical. Our survey indicated that the creation of a coalition and a suitable climate for the implementation of vision influenced clusters of organizational learning in a positive way. That is, individual active-ness and collaboration are connected with the scope of changes and are more developed in companies where transformational changes, that is changes in strategy and culture, have taken place.

Correlation analysis indicated that those companies, who changed strategy and mission, also managed through creating a vision and increasing employee involvement to develop a new culture ($p < .05$). When the aim was only to change organizational culture, these steps in the change process were mentioned less frequently and the correlation was negligible. This supports Schein's (1999) view

of organizational culture as a deep-rooted phenomenon, which cannot be changed easily. However, indicators of organizational learning were positively correlated with attempts to change culture and not with changes in strategy and mission. These indicators encouraged active-ness at work, the awareness of business objectives, the ability to use teamwork and the removal of distress amongst the staff.

According to this survey the evaluations of clusters of individual active-ness were lower than that of collaboration [collective-ness]. In addition the low individual active-ness in companies established before 1995 in a sense points to a Soviet suppression of individual initiatives.

The evaluation of both successful implementation of change and organizational learning were positively correlated with both individual active-ness and collaboration. Encouraging learning and individual initiative as the key to translating strategy into action successfully (Lei et al. 1999) is an equally commonly held belief in Western management literature. However, there were some exceptions in the current survey. Although both individual active-ness and collaboration were almost rated the lowest in the manufacturing sector, they evaluated their implementation of changes as having been the most successful. This supports Geppert's (2000) argument about the difficulty to develop both efficiency and creativity simultaneously.

Consistent with earlier works, we found, that involvement increased the employees' willingness to develop initiatives. Yet, the literature does not support the findings that if managers only explained to the employees the importance of change for the organization, this strategy alone decreased the employees' willingness to develop initiatives. It may indicate the difficulty to unlearn and that government priority is not to provide people with jobs any longer and that individual initiative is encouraged instead. But it clearly indicates that resistance to change and learning is underestimated and underplayed by managers and they have not discerned the source of the resistance, as Senge (1997) suggested. As employees did not understand the need for change, they were not ready for training and education and therefore the strategy used to overcome resistance to change worked adversely.

To summarise, research in a transition economy has shown that as in a free market economy, values of organizational learning are related to the scope of changes and are more developed in companies where changes in strategy and culture have taken place. Managers underestimated resistance to change and learning and did not really understand the causes of the resistance. The consequence is, that most of these companies did not complete the change process and changes were not institutionalised in their culture. The companies which were established before 1995, and consequently had more to unlearn, have been more successful in developing organizational learning than companies with a shorter record of activity. Indeed there is a need for further questioning and analysis of the process of change in these companies. Change is and needs to be seen as a continuous process. Organizations evolve and accumulate experiences. It is what

they do with their experiences that defines and shapes the boundaries of their survival.

References

- Ackerman, L. S. (1984) 'Development, Transition or Transformation: The Question of Change in Organizations', *Organizational Development Practitioner*, December, pp. 1–8.
- Argyris, C. (1990) *Overcoming Organizational Defences: Facilitating Organizational Learning*, Boston: Allyn & Bacon.
- Argyris, C., Schön, D. (1978) *Organizational Learning: A Theory-in-Action Perspective*, Reading, Massachusetts: Addison-Wesley.
- Argyris, C., Schön, D. (1996) *Organizational Learning: Theory, Method, and Practice*, Reading, Massachusetts: Addison-Wesley.
- Armenakis, A. A., Bedeian, A., G. (1999) 'Organizational Change: A Review of Theory and Research in the 1990s', *Journal of Management*, 25, pp. 293–315.
- Burke, W., Litwin, G. (1992) 'A Casual Model of Organizational Performance and Change', *Journal of Management*, 18, pp. 523–545.
- Casey D. (1993) *Managing Learning in Organizations*. Buckingham: Open University Press.
- Cummings T. G., Worley, C. G. (1997) *Organization Development and Change*, 6th edn, South-Western College Publishing.
- De Geus A. (1996) 'Planning as learning', in Starkey K. (Ed.) *How Organizations Learn*. London: Thomson Business Press.
- Dess, G. G., Picken, J. C. (2000) 'Changing Roles: Leadership in the 21st Century', *Organizational Dynamics*, 28(3), pp. 18–34.
- DiBella, A. J., Nevis, E. C. (1998) *How Organizations Learn. An Integrated Strategy for Building Learning Capability*, Jossey-Bass Publishers.
- Fiol, C. M., Lyles, M. A. (1985) 'Organizational Learning', *Academy of Management Review*, 10(4), pp. 803–813.
- Garvin, D. A. (1993) 'Building a Learning Organization', *Harvard Business Review* July-August, pp. 78–91.
- Geppert, M. (2000) *Beyond the Learning Organisation: Paths of organisational learning in the East German context*, Gower.
- Hedberg, B. (1981) 'How Organizations Learn and Unlearn', in Nystrom, P. C., and Starbuck, W. H. (Eds.) *Handbook of Organizational Design*, London, pp. 8–27.

Jaffe, D. T., Scott, C. D., Tobe, G. R. (1994) *Rekindling Commitment: How to Revitalize Yourself, Your Work, and Your Organization*, San Francisco: Jossey-Bass Publishers.

Jick, T. D. (1993) *Managing Change. Cases and Concepts*, Irwin.

Klimecki, R., Lassleben, H. (1998) 'Modes of Organizational Learning: Indications From an Empirical Study', *Management Learning* 29(4), pp. 405–430.

Kotter, J. P., Schlesinger, L. A. (1979) 'Choosing Strategies for Change', *Harvard Business Review* March-April, pp. 106–114.

Kotter, J. P. (1998) 'Leading Change: Why Transformation Efforts Fail', in *Harvard Business Review on Change*, pp. 1–21.

Lei, D., Slocum, J. W., Pitts, R. A. (1999) 'Designing Organizations for Competitive Advantage: The Power of Unlearning and Learning', *Organizational Dynamics*, 27(3), pp. 24–38.

Lewin, K. (1989) 'Changing as Three Steps: Unfreezing, Moving, and Freezing of Group Standards', in French, W. L., Bell, C. H. Jr., Zawacki, R. A. (Eds.) *Organizational Development. Theory, Practice, and Research*, 3rd edn, Irwin, p. 87.

Lähteenmäki, S., Mattila, M., Toivonen, J. (1999) 'Being Critical on Organizational learning Research – Towards Developing a Measure' in Lähteenmäki, S., Holden, L., Roberts, I. (Eds.): *HRM and the Learning Organization*, Series A-2:1999, Publications of the Turku School of Economics and Business Administration, pp. 17–49.

Morgan, G. (1997) *Images of Organization*. London: Sage.

Nyström, P. C., Starbuck, W. H. (1984) 'To Avoid Organizational Crises, Unlearn', *Organizational Dynamics*, Spring, pp. 53–65.

Okk, G. (1998) 'Õppiva organisatsiooni teke', *Praktikult praktikule: Pärnu juhtimiskonverentsi ettekanded*, Tallinn: Juhtimiskonverentsid, pp. 16–21.

Pedler, M., Burgoyne, J., Boydell (1991) *The Learning Company: A Strategy of Sustainable Development*, London: McGraw-Hill.

Prahalad, C. K., Hamel, G. (1990) 'The Core Competence of the Corporation', *Harvard Business Review*, 68, pp. 79–91.

Probst, G., Bücher, B. (1997) *Organizational Learning. The Competitive Advantage of the Future*, Prentice Hall.

Salaman, G., Butler, J. (1999) 'Why Managers Won't Learn', in Mabey, C., Iles, P. (Eds.) *Managing Learning*, International Thompson Business Press, pp. 34–42.

Schein, E. H. (1986) 'Management Development as a Process of Influence', in Richards, M. D. (Ed.) *Readings in Management*, South-Western Publishing Co, pp. 602–618.

Senge, P. M. (1997) *The Fifth Discipline. The Art and Practice of the Learning Organization*, Century Business.

Senge, P. M. (1999) 'The Leader's New Work: Building Learning Organization', in Mabey, C., Iles, P. (Eds.) *Managing Learning*, International Thompson Business Press, pp. 5–21.

Spender, J-C. (1990) *Industry Recipes: the nature and sources of managerial judgement*. Oxford: Blackwell.

Strebel, P. (1998) 'Why Do Employees Resist Change?', in *Harvard Business Review on Change. A Harvard Business Review Paperback*, pp. 139–158.

Weick K.E. (2001) *Making Sense of the Organization*. Oxford: Blackwell.

Woodward, J. (1954) *Industrial Organization: Theory and Practice*, London: Oxford University Press.

Appendices

Appendix 1. Indicators of organisational learning in Estonian organizations.

Cluster and indicator	Mean	Std. Der.	Correlation with evaluation about success of changes
The cluster of individual activeness:	6,25	1,42	.239**
The awareness of business objectives	6,81	1,93	.120
Commitment to objectives	6,64	1,76	.097
The acceptance of a new operational culture	6,09	1,75	.310**
Commitment to the change process	6,47	1,79	.166
Willingness to make initiatives	5,94	2,01	.225*
Encouraging activeness at work	6,03	1,68	.284**
An open-minded and positive attitude towards risk-taking	6,22	2,00	.318**
Active participation in decision making	5,81	2,20	.214*
The cluster of building collaborativeness:	6,94	1,26	.197*
A collaborative ability	7,11	1,57	.161
The ability to use teamwork	6,73	1,69	.272**
Fluent work processes	6,83	1,61	.262**
Open communication	7,05	1,85	.207*
Willingness to develop oneself	7,43	1,59	.194*
Learning from mistakes	6,62	1,71	.305**
Managerial support for personal development	7,15	1,88	.226*
Emphasis on training	6,62	2,18	.131
The rest of indicators:			
Efficient strategic planning	6,23	1,99	.249**
The removal of distress amongst the personnel	5,90	1,82	.171
Open information flow	6,50	1,98	.228**
A business oriented operational culture	6,96	1,96	.303**
The acceptance of and satisfaction with lean management	6,29	2,02	.258**

** correlation is significant at the 0.01 level.

* correlations are significant at the 0.05 level.

Appendix 2. Evaluations on success of changes and organizational learning according to companies length of operations.

Year of establishment		Evaluation on Success of changes	Evaluation on Learning organization	Individual activeness	Collaborativeness
- 1990	Mean	3,76	8,14	6,07	6,84
	N	29	28	30	29
	Std. Dev.	,58	1,27	1,25	1,07
1991-1994	Mean	3,87	7,42	6,08	6,8
	N	52	52	56	55
	Std. Dev.	,66	1,92	1,38	1,28
1995-1997	Mean	4,20	8,05	6,96	7,51
	N	25	22	25	25
	Std. Dev.	,71	1,56	1,62	1,44
1998 -	Mean	4,06	7,73	6,71	7,00
	N	16	15	14	16
	Std. Dev.	,57	1,83	1,20	1,05
Total	Mean	3,93	7,75	6,33	6,97
	N	122	117	125	125
	Std. Dev.	,65	1,72	1,42	1,26

Appendix 3. Evaluations on success of changes and organizational learning according to size of companies.

Number of employees		Evaluation on Success of changes	Evaluation on Learning organization	Individual activeness	Collaborativeness
1-10	Mean	4,00	8,62	7,45	7,69
	N	16	13	15	15
	Std. Dev.	,52	1,04	1,12	,80
11-25	Mean	4,12	7,92	6,68	7,33
	N	26	26	26	27
	Std. Dev.	,65	1,47	1,32	1,05
26-100	Mean	3,71	7,24	5,70	6,65
	N	38	38	38	39
	Std. Dev.	,65	2,06	1,17	1,26
101-1000	Mean	3,95	7,67	6,23	6,66
	N	38	36	40	39
	Std. Dev.	,61	1,96	1,59	1,49
1000-	Mean	4,29	7,63	5,96	6,85
	N	7	8	9	9
	Std. Dev.	,76	,74	1,54	1,22
Total	Mean	3,94	7,69	6,29	6,93
	N	125	121	128	129
	Std. Dev.	,64	1,78	1,45	1,29

Appendix 4. Evaluations on success of changes and organizational learning according to industry.

Industry		Evaluation on Success of changes	Evaluation on Learning organization	Individual activeness	Collaborativeness
Production	Mean	4,20	7,33	5,59	6,32
	N	25	24	26	27
	Std. Dev.	,58	1,83	1,55	1,49
Trade	Mean	3,86	7,21	6,45	6,97
	N	44	39	44	44
	Std. Dev.	,67	1,92	1,49	1,24
Consultation and training	Mean	4,14	8,62	6,69	7,52
	N	21	21	21	21
	Std. Dev.	,57	1,47	1,45	1,07
Banking	Mean	3,50	7,71	7,17	7,25
	N	6	7	6	7
	Std. Dev.	,55	1,89	,62	1,46
Telecommunication	Mean	4,33	7,67	6,33	7,08
	N	3	3	3	3
	Std. Dev.	,58	2,08	,81	,38
Entertainment	Mean	3,71	7,67	6,21	6,93
	N	14	12	14	13
	Std. Dev.	,61	1,92	1,30	,96
Public sector	Mean	3,64	8,06	6,13	6,94
	N	14	16	16	15
	Std. Dev.	,63	1,18	1,25	1,31
Total	Mean	3,93	7,67	6,28	6,93
	N	127	122	130	130
	Std. Dev.	,64	1,78	1,44	1,29

Appendix 5. Evaluations on success of changes and organizational learning according to scope of changes.

Type of changes		Evaluation on Success of changes	Evaluation on Learning organization	Individual activeness	Collaborativeness
Transactional changes	Mean	3,89	6,67	5,16	5,92
	N	9	9	8	9
	Std. Dev.	,78	2,12	1,35	1,48
Transformational changes	Mean	3,93	7,76	6,33	7,00
	N	119	114	123	122
	Std. Dev.	,63	1,74	1,44	1,24
Total	Mean	3,93	7,68	6,26	6,93
	N	128	123	131	131
	Std. Dev.	,64	1,78	1,46	1,28

Study II

Alas, R. (2004)
Changes in Estonian Organizations from Institutional Perspective.
Journal of Business Economics and Management,
Vol. V, No 1, pp. 15–23.

Changes in Estonian Organizations from Institutional Perspective

Abstract

During last decade Estonia has passed through its transition from the authoritarian, centralized, totalitarianism of state socialism, to the democratic country with a free market economy, with different attitudes and values. Estonian companies have been in continuous change process and remarkable part of these changes are deepest by scope – transformational changes. Author proposes that the social phenomena such as organizational change can only be understood in relations to the wider contextual influences that surround them. Changes in Estonian companies could be explained by using institutional and historical context. Research in Estonian companies indicates, that during stable institutions developmental or transitional changes take place in organizations, during societal transience transformational changes occur in organizations.

1. Introduction

During last decade Estonia has passed through its transition from the authoritarian, centralized, totalitarianism of state socialism, to the democratic country with a free market economy, with different attitudes and values. This type of transition has been described as social transience, in which a complex set of normative and operating principles, embodied in historical structures, systems and practices, becomes replaced by another unknown set, which makes this period for actors very ambiguous and uncertain (Clark and Soulsby 1999:18).

Author proposes that the social phenomena such as organizational change can only be understood in relations to the wider contextual influences that surround them. The post-communist transition provides settings, very different in its characteristic, in which discontinuities are more fundamental and change is less constrained by institutional frameworks, which are in process of demolition. During economic transition the challenge has been to internalize a new type of organizational behavior in order to operate successfully under unfamiliar conditions.

Institutionalists have stressed importance of institutional environment to understanding the behaviour of organizations. Author argues, that there are connections between the stage of institutionalization in society level and types of changes in organizations. Sahlins (1985) argues, that one cannot really understand certain social phenomena without understanding both the historical events and the cultural meanings attributed by the actors to these events.

In this paper a brief overview of institutionalism and of theories of change would be given. In order to give socio-economic explanations, which are rooted in the historical and current circumstances of societal and organizational transition, short description about main stages in Estonian history, would be given. This

theoretical framework will be followed by an analysis of research results in Estonian organisations.

2. Transition in society in connections with institutionalism

According to the institutionalists perspective the functioning of organizations can be described with the open-system approach, in which the organization may be seen as answering the challenges of a new environment. Institutions find expression in society through social constructions: formal institutions at the macro level in a market economy include private property and the free market; formal institutions at the micro level are organisations. Individual organisations are under the technical and normative influence of institutionalised environments.

Institutions could be seen from both the structural and social perspective. From a structural viewpoint institutions exist as institutionalised forms of ‘external social constraints’. From the social perspective institutions can be understood as operating to enforce behavioural definition, which may take the form of either ‘cultural accounts’ or ‘cultural rules’. This means that institutions are accounts of how the social world works and embody normative principles and social values (Meyer et al. 1994:24).

Socio-economic transformation, at both macro and micro levels, could be understood as institutional change, from both the structural and social perspective, embracing both structures and social values. The elements of an institution may lose credibility and need redefining – the processes of *deinstitutionalisation* and *reinstitutionalisation* take place. During *deinstitutionalisation* the contingent nature of cultural accounts and rules are revealed, interrogated, contested, opposed, effectively challenged and ultimately overturned. The process may be gradual or sudden and may affect formal institutions and institutional practices at different rates. *Deinstitutionalisation* takes away the certainty associated with institutionalised rules, attacks the meaningfulness of the social world and thereby reduces the level of social support and motivation.

From this institutional view, social transition may be interpreted as the period between the effective demise of one institutional system and the point at which another institutional system has been established and accepted on new cognitive and normative grounds. Such circumstances create acute social and psychological problem for social actors and this period has been called *social transience* (Clark and Soulsby 1999:40).

Changes in the environment necessitate that organisations modify themselves as well.

3. Types of organisational changes

Organisation is a complex system that produces outputs in the context of an environment, an available set of resources, and a history (Nadler and Tushman 1989).

An effective organisation meets the expectations of multiple stakeholders including shareholders, employees, suppliers, customers, and the society in which

it is located. It also demands the loyalty and commitment of these stakeholders to the long-term survival of the organisation and of the social network in which it is embedded (Kochan and Useem 1992).

There are several classifications of types of change in the literature on this topic. These types have been compared according to initiation and scope. Most theorists divide change into two groups according to scope: change taking place within the given system, and change aiming to change the system itself.

The most popular terms for this classification are first ***order change*** and ***second order change***. First order change provides a method for managing stability. It helps one to manage current strategy more effectively and efficiently (Bartunek 1993). This type of change proceeds via a sequential step-by-step assessment, guided by a specific objective, making systematic and rational evaluations of an organisation and its environment. A first order change cannot produce transformation because it lacks the creativity to discover new strategic ideas (Hurst 1986).

Second order change calls for innovation in order to lead the change. It searches for agreement about what the end result should be and then considers how the organisation could be changed to meet these new expectations. Second order change is difficult to carry out because information gathering in an organisation will tend to reify the rules, culture, strategy and core processes that make up its current paradigm (Nutt and Backoff 1997).

Transformation calls for a second order change process (Watzawick et al. 1974). First order change stresses growth and single loop learning. Second order change stresses development and double loop learning. In the second order change process change agents should gather information without value judgements. This enables new ideas to emerge (Pribram 1983).

A distinction has been made between ***incremental change*** and ***radical change***. Also, the terms ***linear change*** and ***breakthrough change*** are used with the same meanings. Incremental or linear change occurs within a given system which itself remains unchanged. Radical or breakthrough change changes the system itself. Radical change requires new ways of thinking that alter taken-for-granted and often hidden organisational rules, which limit how people think about change (Nutt and Backoff 1997).

Weick and Quinn (1999) use the phrases ***episodic change*** and ***continuous change***. Episodic change groups together infrequent, discontinuous, and intentional organisational change. This type of change operates as an occasional interruption or divergence from the equilibrium. It is driven externally and emphasises short-run adaptations. It tends to occur in distinct periods during which shifts are precipitated by changes to technology or changes in key personnel. The change agent focuses on inertia and seeks points of central leverage.

The phrase continuous change is used for ongoing, evolving and cumulative organisational change. In this concept change is seen as a pattern of endless modifications to work processes and social practice. It is driven by organisational instability. Numerous small accommodations cumulate and amplify. This kind of change is a redirection of what is already under way. Change is cyclical, process

orientated, has no targeted end-state, and seeks equilibrium. The change agent is a sense maker, who redirects change. Continuous change emphasises long-run adaptability

If we compare *evolutionary change* and *revolutionary change*, evolutionary change is the functional development and growth of an object or system with its core structure remaining essentially intact. It involves incremental modification of the object. Revolutionary change challenges the individual's understanding of objects or systems. This type of change challenges the existing structure and rebuilds a new one (Dirks et al. 1996).

Greiner (1975) extended the analogy of individual development to the problems of organisation development and found five development phases through which growing companies tend to pass. The term evolution describes prolonged periods of growth where no major upheaval occurs in organisation practices and the term revolution describes those periods of substantial turmoil in an organisation's life.

Evolutionary change is gradual and modifies instead of replacing key practices (Nutt and Backoff 1997). During revolutionary change leaders abandon past practices and seek new ones because many old practices are no longer relevant for the new paradigm (ibid). As a company progresses through developmental phases, each evolutionary period creates its own revolution. Rapid change enables the organisation to reach a period of smooth growth and function sooner, thus providing it with a competitive advantage over firms changing more slowly (Cummings and Worley 1997). Long term studies of organisational evolution underscore the revolutionary nature of transformational change (Tushman et al. 1986).

Van de Ven and Poole (1995) describe change in organisations using the terms *prescribed change* and *constructive change*. The prescribed mode of change creates change within an existing framework thereby producing variations on a theme. It can be compared to first-order change. A constructive mode of change generates unpredictable novel forms that have no continuity with the past. This is similar to second-order change.

Nadler and Tushman (1989) divide change according to two criteria: the scope of change and the positioning of change in relation to key external events. According to scope, change can be divided into *incremental change* and *strategic change*. This division describes the changing of the subsystems of the organisation versus the changing of the entire system. Strategic change addresses the whole company and helps an organisation develop a completely new configuration. Incremental change focuses upon some components of the organisation with the goal of maintaining or regaining congruence.

According to the positioning of change in relation to key external events, change can be divided into *reactive changes* and *anticipatory changes* (Nadler and Tushman 1989). Reactive change is the response to an external event or series of events. Anticipatory change is initiated in anticipation of events that may occur. When these two dimensions are combined four types of change are discovered:

- *Tuning* is incremental change made in anticipation of future events
- *Adaptation* is incremental change made in response to external events
- *Reorientation* is strategic change made in anticipation of future events
- *Re-creation* is strategic change necessitated by external events

The most difficult change to manage is strategic organisational change.

The author argues that in order to describe the changes that have taken place in Estonian companies over the last decades we need more than two types. Ackerman (1986) describes three types of organisational change: (1) developmental change, (2) transitional change, and (3) transformational change. Developmental change improves what already exists through the improvement of skills, methods, or conditions. Transitional change replaces current ways of doing things with something new over a controlled period of time. Transformational change means the emergence of a new state, unknown until it takes shape, out of the remains of the chaotic death of the old state. Burke and Litwin (1992) have developed a model for making a distinction between two types of deeper change. They argue that transformational change occurs as a response to the external environment and directly affects the organisational mission and strategy, the leadership and the culture. Transitional change deals with psychological and organisational variables that predict and control the motivational and performance consequences of the work group climate (Burke and Litwin 1992).

Another typology dividing change into three types puts forward *Alpha, Beta, and Gamma change*. Alpha change is behavioural change, beta change refers to scale calibration, and gamma change is about concept redefinition (Armenakis 1988). Alpha change involves a certain variation in the degree of some existential state, given a constantly calibrated measuring instrument that taps a constant conceptual domain. Beta change involves a variation in the degree of some existential state, complicated by the recalibration of some portion of the intervals of the measurement continuum associated with a relatively constant conceptual domain. Gamma change involves a basic redefinition or reconceptualisation of a certain domain; a radical restructuring of perceived reality that generates differences in state.

Beta change occurs when the standard of measurement used by a subject to assess a stimulus changes from one testing period to another (Armenakis 1988). Gamma change involves discontinuous shifts in mental or organisational frameworks (Golembiewski et al. 1975). According to gamma change a subject's understanding of the criterion being measured changes from one testing period to the next. If behavioural change must be considered, then gamma and beta change cannot account for the change on a measurement scale (Armenakis 1988).

As it can be seen from these descriptions these two typologies are easily comparable.

In order to compare the different typologies the author has presented types of changes according to different theorists in Table 1.

Table 1. A comparison of change grouped according to scope.

	Growth	Development	Transformation
Ackerman (1986)	Developmental change	Transactional change	Transformational change
Armenakis (1988)	Alpha change	Beta change	Gamma change
Watzlawick et al (1974)	First-order change		Second-order change
Watzlawick et al (1974)	Linear change		Breakthrough change
Watzlawick et al (1974)	Incremental change		Radical change
Greiner (1975)	Evolutionary change		Revolutionary change
Weick and Quinn (1999)	Episodic change	Continuous change	
Van de Ven and Poole (1995)	Prescribed		Constructive
Nadler and Tushman (1989)	Reactive change	Anticipatory change	
Nadler and Tushman (1989)	Incremental change		Strategic change

The author argues that there are connections between the institutionalisation stage at the societal level and types of change in organisations. In Table 2 the author combines institutional stages at the societal level with classifications of the types of change developed by Ackerman (1986) described at the beginning of section two.

During the stable stage of institutionalisation developmental changes mostly take place. In order to evoke transitional changes additional institutional forms could be added to established institutions. Deinstitutionalisation in society, which starts a period of social transience, calls for transformational changes in organisations. At the same time reinstitutionalisation starts. If reinstitutionalisation is completed then transitional changes start to dominate over transformational.

Table 2. Connections between institutionalisation at the societal level and types of change in organisations.

Societal level institutionalisation	Organisational changes
Stable institutions	Developmental change
Creation of additional institutions	Transitional change
Social transience (Deinstitutionalisation and reinstitutionalisation)	Transformational change

To summarize, changes on society level during economical transition resulted in collapse of structures, systems, rules and principles that had made human behaviour and social life understandable for over fifty years and left a vacuum of meaning. This deinstitutionalization caused changes in organizations and in people's attitudes.

4. Estonian history from institutional perspective

In order to provide socio-economic explanations, which are rooted in the historical and contemporary circumstances of societal and organisational transformation, a short description of important stages in Estonian history starting from the first period of independence will be given.

In Table 3 Estonian history has been viewed from an institutional perspective.

During the first period of independence Western values in terms of a work ethic, individualism and free enterprise were adopted in institutions in the field of economy and education (Barnowe et al. 1992: 180).

The Soviet occupation in 1940 was followed either by the liquidation of all the civilised institutions characteristic of the Western world, or a restructuring of them according to the principles of the occupant country with the aim of using them in the process of extending communism (Taagepera 1993: 65).

In a *command economy* the institutional structure of the Estonian economy, within the logic of the communist world, was characterised by highly centralised, autocratic elements such as strong price regulation, central control of domestic and foreign trade and enterprise targets that were poorly related to actual demand.

Table 3. Institutionalisation in Estonian history since 1919.

Period	Event	Institutionalisation
1919-1940	Creation of an independent state	Creation of institutions followed by a period of stable institutions
1940-1950	Soviet occupation	Deinstitutionalisation and reinstitutionalisation
1950-1980	Under Soviet rule	Period of stable institutions
1980-1987	More autonomy for enterprises	Creation of additional institutions
1987-1991	IME, movement toward independence	Creation of new additional institutions
1991	Re-establishment of independent state	Deinstitutionalisation
1991-1995	Transformation from planned economy to market economy	Social transience
1995-	More stabilised economic situation, market economy	Reinstitutionalisation, More stable institutions

Political, economic and other forms of institutional power derive from the same source and operate unidirectionally enabling strong control and a concentration of information. Due to the fact that during the Soviet period the state was responsible for guaranteeing work for everyone enterprises were internally overstaffed and passive, work places were over-secured and attitudes to work were far from ideal (Liuhto 1999b: 16). More information about the enterprise culture can be found in Study III.

Reforms began around 1980 with long-term re-assignment of parts of state or collective farms to groups organised independently of the central command (Misiunas and Taagepera 1989). In the service sector an analogous development known as contractual task acceptance was also taking place (Misiunas and Taagepera 1989: 78).

In the second half of the 1980s enterprises were gradually given more autonomy in the Soviet Union. It became legal to develop small state enterprises, and even international joint ventures, which operated outside the central planning and could be owned by private citizens (Venesaar and Vitsur 1995). It was the first opportunity for the creation of economic incentives.

Radical reforms in Estonia started in 1987–88 when a group of theoreticians and practitioners debated the idea of economic autonomy for Estonia (Taaler 1995). In 1990 an important change occurred in the strategic aim of the reforms in Estonia: economic autonomy was replaced by independent statehood and the restoration of a market economy (Taaler 1995). According to opinions held by managers, stability started to increase by 1995 (Liuhto 1999a).

In 1987 Estonia was at the forefront of reforms in the Soviet Union. In the spring of 1988 over 600 co-operatives were formed in Estonia representing the highest concentration of such enterprises in the Soviet Union (Palm 1989).

The striving for economic autonomy, which had begun in 1987, gathered force in 1988 and developed into mass political movements for the restoration of independent statehood in each of the Baltic states (Misiunas and Taagepera 1983: 311).

During the last decade Estonia has passed through the change from a hierarchical, centralised, system of state-ownership and command planning, to a decentralised, market-driven economy founded on private property and based on different values. This transformation could be described as social transience, in which a complex set of normative and operating principles, embodied in historical structures, systems and practices, becomes replaced by another unknown set making this period for actors very ambiguous and uncertain. Fifty years of Soviet occupation left Estonia with a divergent workforce with differing attitudes toward change both in society and organisations. There are people who have had work experience in vastly different economic systems.

To generalise, the changes in post-soviet organisations have been deeper than those typical of a market economy because the new economic order is based on different attitudes and values and attempts to shift the organisational culture toward new values or beliefs, and this has been considered one of greatest challenges

(Bluedon 2000). It has been much easier to transfer technology and change structures than to change culturally embedded practices in transforming countries (Clark and Geppert 2002).

From the societal view it is important to point out that during the transformation process the responsibilities of companies were redefined – companies focused solely on economic priorities and renounced their corporate responsibility for providing social services to workers. It makes it difficult for people to accept such a change from being in a secure to being in an uncertain situation. Anxiety and fear caused by this change may hamper organisational learning (Schein 1993).

Drucker has argued that what is needed is a revolution in managerial culture in Central-Europe – undoing 40 years of the wrong values, incentives and policies (cited by Barnowe et al 1992: 179). This is also true for Estonia.

5. Changes in Estonian Organisations

My approach takes as its central focus the interplay between macro systems and micro behaviour, and it derives from the methodology which places the emphasis on the concrete attitudes of actors, but locates it in the wider social, institutional and historical context.

The author conducted research in 137 Estonian companies in the beginning of 2001. The companies represented different industries and were of different sizes (Alas and Sharifi 2002: 319). In the research process interviews were conducted with top managers or with members of executive boards about change in their organisations.

The analyses of change taking place in Estonian companies is based on Burke-Litwin's model of organisational performance and change, which helps to make a distinction between transformational and transactional factors. Transformational factors deal with areas that require different employee behavior as the consequence of external and internal environmental pressures, transactional factors deal with psychological and organizational variables that predict and control the motivational and performance outcomes of the climate of the work group (Burke and Litwin 1992). The results of the current survey indicate that transformational factors had changed in 90% of the companies studied. From this figure we can conclude that changes in Estonian companies were mostly transformational. Following analyses is based on data from Table 4.

There were more changes in the production sector when compared with the service sector. Ninety percent of production firms had changed strategy compared with 71% in the service sector. Organisational structure has also been changed more often in the production sector (83%: 75%). Changes to individual skills were necessary in 75% of production companies accompanied by system changes in 80% of companies in the production sector.

Table 4. Changes in Estonian organisations based on the Burke-Litwin model.

	All sample	Sector - Production	Service	Established -90	91-94	95-97	98-	Number of employees -25	26-50	51-100	101-1000	1001 -
%	100	22	78	25	49	20	6	28	19	13	32	8
Transformational factors												
Strategy	75	90	71	87	72	74	64	78	68	79	74	73
Mission	49	53	48	64	41	40	36	38	44	58	51	73
Culture	61	58	55	56	55	49	82	54	47	63	58	60
Leadership	58	58	58	58	58	51	82	52	50	63	61	73
Transactional factors												
Structure	77	83	75	80	78	66	90	72	74	83	77	93
Task requirements	73	73	73	84	65	69	100	72	68	75	68	80
Individual skills	65	75	62	58	67	51	64	60	65	75	60	73
Systems	64	80	60	71	64	54	64	58	65	58	63	80
Management practices	46	45	46	53	44	40	36	28	47	58	49	73

There were more changes in the production sector when compared with the service sector. Ninety percent of production firms had changed strategy compared with 71% in the service sector. Organisational structure has also been changed more often in the production sector (83%: 75%). Changes to individual skills were necessary in 75% of production companies accompanied by system changes in 80% of companies in the production sector.

The fact that companies in Estonia are quite young should also be taken into consideration. As expected, there had been more changes in companies established before the 90's than in younger companies. In 87% of companies, established before the period of transition in society had begun, strategy had changed. Company structure had been changed in 80% and task requirements in 85%. Organisational culture, which is considered to be very difficult to change, had changed in 56% of these companies.

The exceptional results in companies established after 1997 was a surprise. These companies had changed their strategy less than the older companies, but 64% still achieved outstanding results in such a short time. Also, fewer of these companies had changed their mission, only 36%. But to accomplish this mission and to achieve their strategic goals, the organisational culture and leadership were changed, as well as the organisational structure and task requirements. This also necessitated changes in individual skills. As Estonia had experienced an economic crisis, connected with the crisis in Asia and starting at the end of 1997, it could have been that the owners of companies established after these dramatic periods

had learned how important it is to be in continuous change in order to remain competitive.

Companies established between 1991–1994 and 1995–1997, especially in regard to changes in strategy and mission showed relatively similar results. Older enterprises had more often changed structure and individual skills, and organisational culture and management style.

If we analyse companies according to number of employees, more changes have taken place in the biggest companies. Of these companies, 93% changed structure and 80% changed task requirements and systems. Strategy, mission and management style was changed in 73% of companies.

6. Discussion and conclusions

According to authors’ opinion organizational change can only be understood in relations to the wider contextual influences that surround them. The context for current research was change from hierarchical, centralized, state-ownership systems of command planning, to decentralized, market-driven and founded on private property relations.

To focus on changes in organizations, the author argues, that during Soviet time in companies only some improvement could take place. When Gorbatshev started Perestroika, real changes started to happen, but these changes had to be accomplished in the frames of existing system. Only Estonian separation from Soviet Union started changes changing system itself to new unknown state.

In Table 5 changes in Estonian organizational are presented in institutional context.

Comparison of changes in different industries showed more changes in the production sector when compared with the service sector. This is due to weakness of service sector in Soviet Union, where service departments of big production companies represented service industry. Only around 1980 part of services were allowed to organize into self-organized contractual groups (Misiunas and Taagepera 1989).

Table 5. Changes in Estonian organizations in institutional framework.

Period	Institutionalisation	Types of organizational changes
1950-1980	Period of stable institutions	Developmental changes
1980-1987	Creation of additional institutions	Developmental changes
1987-1991	Creation of new additional institutions	Transitional changes
1991	Deinstitutionalization	Transformational changes
1991-1995	Social transience	Transformational changes
1995-	Reinstitutionalization, More stable institutions	Transformational changes, transitional changes

The same is the problem with small enterprises: there were only big companies in Soviet Union. Only in the second half of the 1980's it became legal to develop small state enterprises (Venesaar and Vitsur 1995). Accordingly there was less need for changes in smaller companies than in bigger ones.

Although after 1995 situation started to stabilize (Liuhto 1999a), crises in Asia, which had also impact on Estonian and Russian economy, caused new wave of transformational changes.

Results of current survey are consistent with results of an other survey conducted in three former Soviet Republics including Estonia, which indicated that over 40 per cent of the companies studied and which have experienced strategic management change, had encountered not only one but several strategic changes during the years 1989–1997 (Liuhto 1999b).

To conclude, Estonian companies have been in continuous change process and remarkable part of these changes are deepest by scope – transformational changes. This could be explained by using institutional and historical context. During stable institutions developmental or transitional changes take place in organizations, during societal transience transformational changes occur in organizations.

References

- Ackerman, L. S. (1986) 'Development, Transition or Transformation: The Question of Change in Organizations', *Organizational Development Practitioner*, December, pp. 1–8.
- Alas, R., Sharifi, S. (2002) 'Organizational Learning and Resistance to Change in Estonian Companies', *Human Resource Development International*, Issues 5(3): 313–331.
- Armenakis, A. A. (1988) 'A Review of Research on the Change Typology', in Woodman, R. W., Pasmore, W. A. (Eds.) *Research in Organizational Change and Development*, Vol. 2: 163–194.
- Barnowe, J. T., King, G., Berniker, E. (1992) 'Personal Values and Economic Transition in the Baltic States,' *Journal of Baltic Studies*, 23(2): 179–190.
- Bartunek, J. M. (1993) 'The Multiple Cognitions and Conflicts Associated with Second Order Organizational Change', in Murnighan, J. K. (Ed.) *Social Psychology in Organizations: Advances in Theory and Research*, Prentice Hall, pp. 322–349.
- Bluedon, A. C. (2000) 'Time and Organizational Culture', in Ashkanasy, N. M., Wilderom, P. M., Peterson, M. F. (Eds.) *Handbook of Organizational Culture & Climate*, pp. 117–128.
- Burke, W., Litwin, G. (1992) 'A Casual Model of Organizational Performance and Change', *Journal of Management*, 18: 523–545.

- Clark, E. Geppert, M. (2002) 'Management Learning and Knowledge Transfer in Transforming Societies: Approaches, Issues and Future Directions', *Human Resource Development International*, 5(3): 263–277.
- Clark, E., Soulsby, A. (1999) *Organizational Change in Post-Communist Europe: Management and transformation in the Czech Republic*, Routledge.
- Cummings T. G., Worley, C. G. (1997) *Organization Development and Change*, 6th ed., South-Western College Publishing.
- Dirks, K. T., Cummings, L. L., Pierce, J. L. (1996) 'Psychological Ownership in Organizations: Conditions under which individuals promote or resist change', in Woodman, R. W., Pasmore, W. A. (Eds.) *Research in Organizational Change and Development*, Vol. 9: 1–23.
- Golembiewski, R. T., Billingsley, K., Yeager, S. (1975) 'Measuring Change and Persistence in Human Affairs: Types of Changes Generated by OD Designs', *Journal of Applied Behavioral Science*, 12: 133–57.
- Greiner, L. E. (1975) 'Evolution and Revolution as Organizations Grow', in *Harvard Business Review On Management*. Harper & Row Publishers, pp. 636–649.
- Hurst, D. K. (1986) 'Why Strategic Management is Bankrupt'. *Organizational Dynamics*, Spring: 5–27.
- Jick, T. D. (1993) *Managing Change. Cases and Concepts*. Irwin.
- Kochan, T. A., Useem, M. (1992) *Transforming Organizations*. Oxford University Press.
- Liuhto, K. (1999a) 'The Impact of Environmental Stability on Strategic Planning – An Estonian Study', *International Journal of Management*, 16(1).
- Liuhto, K. (1999b) *The Organisational and Managerial Transformation in Turbulent Business Environments – Managers' views on the transition of their enterprise in some of the European former Soviet Republics in the 1990's*, Publications of the Turku School of Economics and Business Administration. Series A-9.
- Meyer, J., Boli, J., Thomas, G. (1994) 'Ontology and rationalization in the Western Cultural Account', in Scott, W. R. et al. (Eds.) *Institutional Environments and Organizations: Structural Complexity and Individualism*, London: Sage, 9–27.
- Misiunas, R. J., Taagepera, R. (1983). *The Baltic States: Years of Dependence, 1940–1980*. London: Hurst; and Berkeley: University of California Press.
- Misiunas, R. J., Taagepera, R. (1989). 'The Baltic States: Years of Dependence, 1980–1986,' *Journal of Baltic Studies*, 20(1): 65–88.

- Nadler, D. A., Tushman, M. L. (1989) 'Organizational Frame Bending: Principles for Managing Reorientation', *The Academy of Management, Executive Magazine*, 3(3): 194–204.
- Nutt, P. C., Backoff, R. W. (1997) 'Crafting Vision', *Journal of Management Inquiry*, 6(4): 308–329.
- Pribram, K. I. (1983). 'The Brain, Cognitive Commodities, and the Enfolded Order', in: Boulding, K., Senesch, L. (Eds.) *The Optimum Utilization of Knowledge*. Westview Press.
- Sahlins, M. (1985) *Islands of History*, Chicago: University of Chicago Press.
- Schein, E. H. (1993) 'How can Organizations learn faster? The Challenge of Entering the Green Room', *Sloan Management Review*, 34(2): 85–92.
- Taagepera, R. (1993) *Estonia – Return to Independence*. Westview Press.
- Taaler, J. (1995) 'Economic Reforms: The Main Stages, Programmes and Evaluations', in Lugus, O., Hachey, G. A. (Eds.) *Transforming the Estonian Economy*, Tallinn, pp. 1–15.
- Tushman, M., Newman, W., Romanelli, E. (1986) 'Managing the Unsteady Pace of Organizational Evolution'. *California Management Review*, pp. 29–44.
- Van de Ven, A. H., Poole, M. S. (1995) 'Explaining Development and Change in Organizations', *Academy of Management Journal Review*, 20: 510–540.
- Venesaar, U., Vitsur, E. (1995) 'Development of Entrepreneurship', in Lugus, O., Hachey, G. A. (Eds.) *Transforming the Estonian Economy*, Tallinn, pp. 187–207.
- Watzlawick, P., Weakland, J. H., Fisch, R. (1974) *Change: Principles of Problem Formulation and Resolution*. New York: Norton.
- Weick, K., Quinn, R. (1999) 'Organizational Change and Development', *Annual Review of Psychology*, 50: 361–386.

Study III

Alas, R. (2004)
Process Model for Organisational Change: A Study of Estonian Companies.
Journal of Business Economics and Management,
Vol. V, No 3. Accepted.

Process Model for Organisational Change: A Study of Estonian Companies

Abstract

Both the popular press and academic literature tend to consider organizational change as a step-by-step process leading to success. This paper examines the suitability of the theory that guides the implementation of change at company level for organisations in countries in transition. The author's survey, conducted in 137 Estonian companies, shows that the main focus of Estonian managers has been on initiating change and much less attention paid to assessing the process of change and making modifications and consolidating improvements. Although attention has been focused on initiating change, nobody has mentioned having identified any resistance to change. Based on the survey results the author proposes a change model for Estonian organisations.

1. Introduction

In Western Europe and the United States, organisational change has been an object of systematic research for the last six decades. Interest in evaluating organizational change dates from the early 1960s (Armenakis 1988). The universal challenge that change proposes is to learn how organizations and employees can change faster than the changing business conditions in order to become more competitive (Beatty and Ulrich 1993).

On the whole, transformational changes are currently taking place in countries in transition, where systematic research in this area is rare and there are no commonly accepted theories about change worked out for these countries.

Estonia has already passed through two big waves of change. The first was at the end of the eighties and beginning of the nineties, when socialism was replaced by capitalism. The market was empty and it was quite easy to start a company and be successful. In the second half of nineties the market became saturated. A lot of small enterprises went bankrupt and others started to merge. The economic crisis in Asia also had a negative impact on our fast-growing infant economy. Now Estonia faces a new challenge: that of being successful in reframing the institutions needed for member states of the European Union. In its current stage of development, Estonia is still struggling with basic levels of welfare, where survival needs dominate (Alas 2003). In order to reach the level of developed countries, there is still a lot to be done. The whole economy, including all organisations, has to cope with the constant implementation of change. Successful overall transition from the former socialist economy requires performance improvement at the enterprise level (Liuhto 1999). Even more, Liuhto's (ibid) research results in Estonian organisations suggest that environmental stability should be integrated into the discussion and elaborated into environmental determinants and managerial voluntarism.

Jick (1993) has generalized that both the popular press and academic literature tend to consider organizational change as a step-by-step process leading to success. The research question that arises is the suitability of existing theories that guide the implementation of change at the company level for organisations in Eastern Europe, which are forced to implement change more quickly in an environment similar to chaos.

In this paper, a brief overview of Western theories about the process of change will be followed by an analysis of research results in Estonian organisations. Based on the survey results the author will propose a change model for Estonian organisations.

2. Theories about change

Change management can be viewed as an analytical, educational (learning) and political process (Pettigrew and Whipp 1991). To understand how organizations change, management scholars have borrowed many concepts from such disciplines as child development, evolutionary biology and others. Van de Ven and Poole (1995) proposed four distinct views of the organisational change process: evolutionary, dialectic, life cycle and teleological. From among these four types of process models, one has gained more attention from scholars of organisational studies—goal-driven teleological change. In this case the driving force is the desired stage and the process consists of stating the aim, planning and implementing the change. We can say that this is a strategically planned change.

Bennis (1966) highlights a difference between theories of change and theories of changing. Theories of change are suitable only for observers of social change, not for participants in, or practitioners of. They don't talk about matters of directing or implementing change.

Armenakis and Bedeian (1999) divide research on organizational change into the following types:

- Content research attempts to define factors that influence the change process such as strategy, structure and systems. Content research relates these factors to organizational effectiveness.
- Contextual research addresses forces or conditions existing in an organizations external and internal environment.
- Process research focuses on actions undertaken during the enactment of an intended change.
- Criterion research deals with outcomes commonly assessed in an organizational change effort.

Porras and Robertson (1987) identified two types of organizational development theories: change process theory and implementation theory. Change process theories attempt to explain the dynamics through which organizations or groups or individuals change. Implementation theory is more oriented toward practice and focuses on intervention activities needed to carry out effective planned change.

As former socialist countries need to implement change quickly, they cannot wait for evolutionary developments. Based on this expectation, the author has

chosen some aspects from these cited theories that suit the former socialist countries. From Van de Ven and Poole (1995) as for Western countries teleology is the most suitable. From the study by Armenakis and Bedeian (1999), features of contextual and process research should be combined. From Porras and Robertson (1987) implementation theory is more suitable, because of the need for intervention and a more active approach to change. This forms the basis for a deeper review of the literature—the author now turns her attention principally to theories concerning the process of change.

3. Models of the change process

The basic model was developed by Kurt Lewin. Lewin's (1989) model consisted of three steps: unfreezing, moving, and refreezing. Lewin's model is often quoted, but sometimes without the warning that freezing at the new level should be a deliberate planned objective. Merely reaching a new level is no guarantee of its permanency, even in the short term (Foster 1989).

Mohrman and Cummings's (1989) self-design change strategy is described, as with Lewin's model, in three stages:

1. Laying the foundation. This includes acquiring knowledge, valuing and diagnosing. Valuing means determining the corporate values that will be needed to implement the corporate strategy. Diagnosing shows what needs to be changed to enact the corporate strategy and values.
2. Designing. The parameters of a new organization are specified. The specifics are left to be tailored to the lower levels of organization.
3. Implementing and assessing. This includes an ongoing cycle: changing structures and behaviours, assessing the process and making modifications. The implementation and assessment activities may lead back to first step.

Tichy and Devanna (1986) have also used three steps:

1. Recognizing the need for change.
2. Creating vision.
3. Institutionalizing the change.

There are also five and six steps models. Cummings and Worley (1993) developed a model that identifies the next activities needed to facilitate change at the individual, group and organizational level:

1. Motivating change, which includes creating a readiness for change and overcoming any resistance to change.
2. Creating a vision.
3. Developing political support: assessing the change agent's power, identifying and influencing key stakeholders.
4. Managing the transition: activity planning, commitment planning and management structures.
5. Sustaining momentum. This means providing resources for change, building a support system for the change agents, developing new competences and skills and reinforcing new behaviour.

Judson (1991) describes five phases as following:

1. Analysing and planning the change
2. Communicating the change
3. Gaining acceptance of new behaviours
4. Changing from the status quo to a desired state
5. Consolidating and institutionalizing the new state.

By Goss, Pascale, and Athos (1998) reinvention is not changing what is, but creating what isn't. The steps taken are as follows:

1. Assembling a critical mass of key stakeholders.
2. Doing an organizational audit.
3. Creating urgency and discussing the un-discussable, because any threat that everyone perceives and no one discusses hurts the company much more than a threat that is clearly revealed.
4. Harnessing contention. To cope with variety externally, the system must encourage and incorporate variety internally. Although conflict has human and organizational costs, it is essential fuel for self-questioning and revitalization.
5. Engineering organizational breakdowns. When an organization sets out to reinvent itself, breakdowns should happen by design rather than by accident.

Using survey evidence from patterns of success, Greiner (1975) divided the change process into six phases, each of them broken down into their particular stimulus and reaction, which appear to be critical for moving the power structure from one phase to another. These phases are as follows:

1. Pressure on top management
2. Intervention at the top
3. Diagnosis of problem
4. Invention of new solutions
5. Experimentation with new solutions
6. Reinforcement of positive results.

According to Beer, Eisenstat and Spector (1990) there are six important steps for effective change:

1. Mobilize commitment to change through joint diagnosis of business problems
2. Develop a shared vision of how to organize and manage for competitiveness
3. Foster consensus for the new vision, competence to enact it, and cohesion to move it along
4. Spread revitalization to all departments without pushing it from the top
5. Institutionalize revitalization through formal policies, systems, and structures
6. Monitor and adjust strategies in response to problems in the revitalization process.

The most popular change process model was developed by Kotter (1998), who sees eight phases in the change process:

1. Establishing a sense of urgency by relating external environmental realities to real and potential crises and opportunities facing an organization.
2. Forming a powerful coalition of individuals who can rally others to support the effort. Encouraging the group to work together as a team.

3. Creating a vision to help direct the change effort and developing strategies for achieving that vision.
4. Communicating the vision through numerous communication channels.
5. Empowering others to act on the vision by changing structures, systems, and procedures that seriously undermine the vision in ways that will facilitate implementation.
6. Planning and creating short-term wins and building momentum for continued change.
7. Consolidating improvements and producing still more change. Changing such structures, systems, procedures, and policies that aren't consistent with the vision.
8. Institutionalizing the new approaches by articulating connections between the change effort and organizational success. Developing the means to ensure leadership development and succession.

Galpin (1996) views the change process as a wheel with nine wedges. These wedges are as follows:

1. Establishing the need for change.
2. Developing and disseminating a vision of a planned change.
3. Diagnosing and analyzing the current situation.
4. Generating recommendations.
5. Detailing the recommendations.
6. Pilot testing the recommendations.
7. Preparing the recommendations for rollout.
8. Rolling out the recommendations.
9. Measuring, reinforcing, and refining the change.

The author compared these theories about the process of change from different theorists and found that all these theories could be compared with Lewin's (1989) three-step model (Table 1).

4. Resistance to change and overcoming resistance

According to Lawrence (1975) most of the resistance that occurs is unnecessary. However, this argument ignores the idea that organizations are political systems and 'any change' equally has an impact on the power relationships within the organization.

Although organisations have to adapt to their environment, they tend to feel comfortable operating within the structure, policies and procedures, which have been formulated to deal with the range of present situations. Organisations, like individuals, can become saturated and thereby, be either unwilling or unable to integrate new and deeper changes, even if these are acknowledged as necessary (Jick 1993).

Table 1. A comparison of models for the organisational change process.

Lewin (1989)	Unfreezing	Moving	Re-freezing
Mohrman's and Cummings's (1989)	Laying the foundation/ Designing	Implementing and assessing	
Tichy and Devanna (1986)	Recognizing need for change/ Creating vision		Institutionalizing change
Cummings and Worley (1993)	Motivating change/ Creating a vision/ Developing political support	Managing the transition	Sustaining momentum
Judson (1991)	Analysing and planning the change/ Communicating the change/ Gaining acceptance of new behaviours	Changing from the status quo to a desired state	Consolidating and institutionalising the new state
Goss, Pascale, Athos (1998)	Assembling a critical mass of key stakeholders/ Doing an organisational audit/ Creating urgency	Harnessing contention	Engineering organisational breakdowns
Greiner (1975)	Pressure on top management/ Intervention at the top/ Diagnosis of problems	Invention of new solutions/ Experimentation with new solutions	Reinforcement of positive results
Beer, Eisenstat and Spector (1990)	Mobilise commitment/ Develop a shared vision/ Foster consensus	Spread revitalisation	Institutionalise revitalisation/ Monitor and adjust strategies
Kotter (1998)	Establishing a sense of urgency/ Forming a powerful coalition/ Creating a vision/ Communicating the vision	Empowering/ Short-term wins/ Consolidating improvements	Institutionalising the new approaches
Galpin (1996)	Establishing the need for change/ Developing a vision/ Diagnosing and analysing the current situation/ Generating recommendations	Detailing the recommendations/ Pilot testing the recommendations/ Preparing the recommendations for rollout/ Rolling out the recommendations	Measuring, reinforcing, and refining the change

High formalisation, centralisation, and stratification built into an organisational structure are often seen as barriers to change (Evers et al. 1976; Hage and Aiken 1970; Quinn 1988; Burns and Stalker 1961). Several studies have indicated that

successful change efforts were achieved through the informal rather than the formal organisation (Beer et al. 1990; Woodward 1980).

Katz and Kahn (1978) highlight the narrow focus of change: the interdependencies among organisational elements, such as people, structures, tasks and the information system must be taken into account. DeWit and Meyer (1998) mention cultures, that reflect only stability and support rigid thinking through group inertia and closed mindsets, as the cause of resistance. It may be noted here that an organisation's systems of governance are embedded in its ways of thinking, which in turn are reinforced by its systems and processes.

As most studies have shown that employees resist social change more than technical change, the change programs which ignore psychological resistance to change are likely to fail, irrespective of the way the new desired attitudes are presented (Schein 1986).

Jick (1993) suggests managers need to rethink resistance to change as a normal part of adaptation, which protects a person's self-integrity. Providing security and rewards is essential to creating a climate in which people will take risks.

Coch and French (1948) were the pioneers in demonstrating that employee participation is the effective approach/strategy for social change. Ever since their work, participatory approaches to change have been the most popular. Kotter and Schlesinger (1979) present six strategies for facilitating change and overcoming resistance: employee participation and involvement, education and communication, facilitation and support, negotiation and agreement, manipulation and co-optation and finally explicit and implicit coercion.

In order to find out how theories worked out in western countries fit countries in transition, the author conducted an empirical study in Estonian organisations.

5. Empirical study in Estonian Organizations

5.1. Methodology

The research reported in this paper is based on a survey of 137 Estonian companies. The companies were selected from various industries, ranging from retail and wholesale, banks and insurance companies, to those in energy and transportation industries. Ninety percent of the companies studied have experienced transformational change (Alas and Sharifi 2002).

In the research process, interviews about the changes in their organizations were conducted with top managers or with the members of the executive board. In each organization one member of the executive board or board of directors was interviewed. In 33% of companies the top manager of the company answered the questions. Among members of the executive board or deputy directors 15.5% were in sales and marketing, 12.2% specialised in human resources and 6% in finances. The others were in import-export, information technology, quality control, logistics, product development and other areas. A remaining 31.1% of deputy directors or board members did not specify their area. Questions about the process of implementing change were open-ended.

5.2. The process of change

The steps in the process of change proposed by previous researchers were analysed on the basis of the steps in the most popular model of change process, Kotter's [20] model. Results indicated that 59% of the respondents mentioned his first step: creating an awareness of the necessity for change. The majority, 76% of managers, also mentioned the third step: creating vision and strategy. The next most popular group of steps among managers was connected with mobilising commitment, achieving employee support for changes and training employees. Twenty-four percent of respondents formed a coalition, which is Kotter's second step, and 36% communicated their vision to the employees (Kotter's fourth step). Forty-five percent of all the respondents implemented the sixth step by involving and training their employees. Only 6% mentioned the fifth step—the creation of a suitable climate for the implementation of their vision. The least popular activities were connected with the last two steps—only 10% of the respondents mentioned planning and creating short-term gains and 21% had institutionalized changes in the organizational culture.

This shows that the main focus of Estonian managers was on initiating changes with much less attention paid to assessing the process of change and making modifications and consolidating improvements. Although their attention was focused on initiating changes, nobody mentioned having identified any form of resistance.

These results were also analysed according to the size of the company. First, nine groups were formed. As the majority of companies in Estonia have less than 100 employees, companies were initially grouped on the basis of tens of employees: the first group from 1 to 10 (9% of companies in the sample), the second from 11 to 20, the third from 21 to 30 and so on. The other groups were from 51 to 100, from 101 to 500, from 501 to 1000 and over 1000. Analysis indicated that the groups in the middle, starting from 11 employees and ending with 100 (51% of companies in the sample) had similar results. Companies with more than 100 employees (40% of companies in the sample) had also mostly undergone the same steps (Table 2). As the results show, three distinct groups seemed to follow particular steps in the process of implementing organisational changes. The steps marked in bold were implemented by more than 25% of the companies in each group and could thus be considered as important for these companies.

We can see more positive results with regard to the change process in the smallest and largest companies, where almost all the steps, excluding *creating short-term gains*, were implemented. The smallest companies did not institutionalise changes, but because of the small number of employees it may well be unnecessary to write rules down—the active verbal communication among all members available in companies of this size could replace the need for written documents. We can see the greatest number of problems in medium sized companies (from 11 to 100 employees).

Table 2. Implementation of the change process in Estonian companies.

Step in change process	Number of employees	1-10	11-100	101-	Total
Sense of urgency	57	63	47	56	
Forming a coalition	47	13	32	24	
Creating a vision	100	58	75	69	
Communicating the vision	43	29	38	34	
Creating a suitable climate	29	8	28	18	
Employee involvement and training	29	61	50	53	
Creating short-term gains	14	19	13	16	
Institutionalising the new approaches	14	18	25	21	

Note: Steps marked in bold, which were implemented by more than 25% of the companies in each respective group.

5.3. Resistance and overcoming resistance to change

Causes of resistance and difficulties in implementing of change in studies of Estonian companies are shown in Table 3.

Table 3. Resistance to change and strategies for overcoming resistance in Estonian organizations.

Resistance to change	% of answers	The most difficult issues	% of answers	Strategies for overcoming resistance	% of answers
Inertia in the thinking	36%	To unlearn what they had done before	32%	Education and communication	85%
Fear of the unknown	23%	To make employees understand how necessary the changes are	24%	Employee participation and involvement	24%
Unwillingness to do additional work	15%	To find qualified personnel	14%	Facilitation and support	21%
Planned redundancies	10%	Merging different cultures	12%	Negotiation	15%
Reaction to overly quick and unclear changes	9%	Difference in understanding	6%	Manipulation and co-optation	6%
Information blockades	4%			Explicit and implicit coercion	2%

The respondents said that resistance to change had appeared on all the levels of their organization. According to 36% of the respondents, resistance to change mostly originated from inertia in the thinking of employees, 23% of the respondents found that fear of new and unknown situations caused resistance, 9% of them saw employee resistance as a reaction to overly quick and unclear changes and 4% of the respondents mentioned obstacles in information sharing—information blockades.

The respondents were also asked about the most difficult issues during the implementation of change. It appeared that the biggest difficulty according to 32% of the respondents was in unlearning what they had done before, while 24% of them found that employees did not realise how necessary the changes were for the company. Fourteen percent of the respondents found it difficult to find qualified personnel for the implementation of changes, 12% mentioned difficulties when merging with different cultures and 6% pointed out insufficient information and a difference in understanding several issues, probably making it difficult to sustain trust between managers and employees.

Kotters and Schlesinger's (1979) six strategies for overcoming resistance were taken as the basis for analysis in this point. Research in Estonian companies indicated, that communication and the education of employees were the most often used strategies in overcoming resistance to change as 85% of the managers questioned used these strategies. In addition 24% of the managers mentioned participation and involvement, 21% used facilitation and support and 15% negotiated with their employees. The least used strategies were coercion in 6% of the cases and manipulation, only used by 2% of the respondents.

The managers were also asked about what they would do differently in the future. Twenty-two percent of the respondents would plan and prepare changes more carefully and 14% would pay more attention to establishing goals; another 22% would explain the essence of the changes to their employees in greater detail and give more information in a more practical way; 16% of the managers questioned learned the importance of the involvement of employees on every level of the organization from the early stages of the changes; 14% would practice more teamwork and 5% would consider the human factor more seriously; 4% would do a preliminary survey among the employees about their attitudes towards the planned changes.

6. Conclusions and a model for implementing change in Estonian companies

The survey results indicated that the biggest difficulty during the implementation of change was inertia in the thinking of employees. Employees did not realise how necessary the changes were for the company and it was difficult to them to unlearn what they had done before. There was also fear of the unknown. This may stem from the existence of different ideologies in the Soviet Union and the European Union. Transformation has included all aspects of society, including the political, economic and social system. In the beginning, people did not even know how their new society should look. In totalitarian societies people's choices were constrained

because of the use of coercive forms of political and economic control (Eagly and Chaiken 1993). In contrast, a free market economy with a democratic political system presented people with many choices. This difference at the societal level has also carried through into organisations. Üksvärav (2001) found that well developed hierarchies, where people expect answers to problems to be decided by someone higher up, and even managers were inclined to rely on aid and direction from higher authority, was one of the outstanding features of the Soviet era in Estonia. Also, the time that Estonia has had to move from a totalitarian regime to a democratic system has been too short to develop a sufficient level of welfare as the basis for employee self-reliance.

Estonian managers underestimated the resistance to change and the strength of people's attitudes, inherited from the previous socialist system. Especially large problems faced managers of companies with between 10 and 100 employees. These managers had started with small entrepreneurial companies with less than 10 people, where everyday communication was possible with all employees and there was no need for a clear division of labour or special management techniques. This indicates that in Estonia managers still lack competence. This finding supports the view that the syndrome of 'management Sovieticus' (Liuhto 1999, Nurmi and Üksvärav 1994) has damaged Estonian management culture more than it is possible to heal in one decade. The current study indicates that managers have learned from the changes they implemented, how important it is to involve employees from every level of the organisation already in the early stages of the change.

Based on the survey results the author proposes a change model for Estonian organisations consisting of *four steps*. The author of this study divided Lewin's (1989) first step into two parts and added emphasis to the need for unlearning past practices and changing attitudes. The new steps in the change model for Estonian companies are: (1) Determining the need for change and unlearning followed by creating a vision; and (2) Determining the obstacles to change and unlearning, followed by gaining the participation of organisational members. These steps are followed by (3) the implementation of unlearning and the implementation of change; and (4) consolidating improvements and institutionalising the change. The change model for Estonian companies is presented in Figure 1.

During the *first step*, managers scan the environment and compare the actions and processes in the company with similar activities in leading companies in the same field. This may then lead to recognising the need for organisational change. A vision of the future state of the company should then be created on the basis of these observations and the current resources of the company. At the same time, managers should analyse their assets concerning know-how and then they may recognise the need for new know-how, attitudes and behaviours in the organisation in order to accomplish this new vision. Managers also need to create a vision of the people with the new expertise, attitudes, and behaviours. They should then ascertain how large the gap is between the existing attitudes of employees and the desired attitudes and behaviours. This will help to determine need for unlearning.

During the *second step*, to determine the force of resistance as an obstacle to change and learning, the manager should conduct force-field analysis. The manager should also be aware of any forces that do not allow the unlearning to take place. In this stage a strategy should be worked out for removing all identified obstacles. As employee participation has been considered as the most popular strategy for overcoming any resistance to change, strategies are developed for gaining employee commitment to the change. One possibility for increasing employee involvement is to encourage employee activity, their willingness to take initiative and their participation in decision-making. Managers should make sure that the employees have really understood the organisation's business objectives and that everything possible is being done to achieve employee commitment to these objectives. This is only possible if employees can see a connection between the company's objectives and their own objectives. The use of a collaborative setting of missions and strategies could help. The creation of the conditions and motivation for unlearning and learning by creating open minded and positive attitudes toward risk-taking is useful.

The *third step*, implementing change, is similar to Lewin's second stage. The author has added implementing unlearning. Plans made during the earlier stages are carried out. Changes to the structure, operations and processes are implemented. Employees unlearn old skills and learn new skills and behaviours. Learning by making mistakes takes place. The ability to use collaborative skills and teamwork is very important at this stage. There is a growth of open communication and the willingness among employees to develop themselves. The manager's role here is to support the personal development of employees.

The *fourth step* is for evaluating the results of the change effort and for consolidating positive results. Successful changes in behaviours and processes are written down as rules and procedures, and changes are institutionalised. Institutionalising learning means storing all the knowledge obtained in the organisation. The information system should enable the storage of knowledge so that after people leave, their knowledge remains within the organisation. It should also make information available to all the people making decisions or conducting analyses. At the same time it should be stated in procedures as well, that these changes are not final—the organisation remains flexible and open to new changes and unlearning and learning have become core activities of the company.

During all four steps of the organisational change process the company's management has a central role. A participatory style of leadership and choosing management practices, which help to create a learning environment, form a great part in the success of the change process.

In conclusion, the survey results indicate that to implement organisational changes more successfully, managers of Estonian companies should turn more of their attention to unlearning habits and thinking patterns that people obtained during the Soviet era in Soviet organisations. This unlearning process and the replacement of these patterns with others more suitable for dynamic organisations

in an extremely rapidly changing global environment, is the central issue in the process of change in Estonian post-socialist companies.

References

- Alas, R. (2003) 'Employee's attitudes in countries with different past', *Journal of Business Economics and Management*, Vol. III, No 1: 45–52.
- Alas, R., Sharifi, S. (2002) 'Organisational Learning and Resistance to Change in Estonian Companies', *Human Resource Development International*, Issues 5, No 3, pp. 313–331.
- Armenakis, A. A. (1988) 'A Review of Research on the Change Typology', in Woodman, R. W., Pasmore, W. A. (Eds.) *Research in Organizational Change and Development*, Vol. 2, pp. 163–194.
- Armenakis, A. A., Bedeian, A., G. (1999) 'Organizational Change: A Review of Theory and Research in the 1990s', *Journal of Management*, 25, pp. 293–315.
- Beatty, R. W., Ulrich, D. O. (1993) 'Re-energizing The Mature Organization', in Jick, T. D. *Managing Change. Cases and Concepts*, Irwin, pp. 60–74.
- Beer, M., Eisenstat, R., Spector, B. (1996) 'Why Change Programs Don't Produce Change', *Harvard Business Review*, November-December, pp.158–166.
- Bennis, W. G. (1966) *Changing Organizations. Essays on the Development and Evolution of Human Organization*. McGraw-Hill.
- Burns, T., Stalker, G. M. (1961) *The Management of Innovation*. London: Tavistock Publications.
- Coch, L., French, J. P. (1948) 'Overcoming Resistance to Change. *Human Relation*, 1, pp. 512–523.
- Connor, P. E., Lake, L. K. (1988) *Managing Organizational Change*. Praeger.
- Cummings T. G., Worley, C. G. (1997) *Organization Development and Change*, 6th ed. South-Western College Publishing.
- DeWit, B., Meyer, R. (1998) *Strategy: Process, Content, Context. An International Perspective*. Second edition. London: International Thomson Business Press.
- Eagly, A. H., Chaiken, S. (1993) *The Psychology of Attitudes*, Harcourt College Publishers.
- Evers, F. T., Bohlen, J. M., Warren, R. D. (1976) 'The Relationship of Selected Size and Structure Indicators in Economic Organizations', *Administrative Science Quarterly*, 21, pp. 326–342.
- Foster, M. (1989) 'The Historical Perspective', in McLennan, R. *Managing Organizational Change*, Prentice Hall, pp. 34–38.

Galpin, T. (1996) *The Human Side of Change: A Practical Guide to Organization Redesign*. San Francisco: Jossey-Bass.

Goss, T., Pascale, R., Athos, A. (1998) 'The Reinvention Roller Coaster: Risking the Present for a Powerful Future', *A Harvard Business Review Paperback*, pp. 83–112.

Greiner, L. E. (1975) 'Evolution and Revolution as Organizations Grow', in *Harvard Business Review On Management*. Harper & Row Publishers, pp. 636–649.

Hage, J., Aiken, H. 1970. *Social Change in Complex Organizations*. New York: Random House.

Jick, T. D. (1993) *Managing Change. Cases and Concepts*. Irwin.

Judson, A. (1991) *Changing Behavior in Organizations: Minimizing Resistance to Change*. Cambridge, MA: Basil Blackwell.

Katz, D., Kahn, R. L. (1978) *The Social Psychology of Organizations*. Second edition. New York: Wiley.

Kotter, J. P., Schlesinger, L. A. (1979) 'Choosing Strategies for Change', *Harvard Business Review*, March-April, pp. 106–114.

Kotter, J. P. (1998) 'Leading Change: Why Transformation Efforts Fail', *Harvard Business Review on Change*. A Harvard Business Review Paperback, pp. 1–21.

Lawrence, P. R. (1975) 'How to Deal with Resistance to Change', *Harvard Business Review On Management*. Harper & Row Publishers, pp. 390–408.

Lewin, K. (1989) 'Changing as Three Steps: Unfreezing, Moving, and Freezing of Group Standards', in French, W. L., Bell, C. H. Jr., Zawacki, R. A. (Eds.) *Organizational Development. Theory, Practice, and Research*. Third edition. Irwin, p. 87.

Liuhto, K. (1999) *The Organisational and Managerial Transformation in Turbulent Business Environments – Managers' views on the transition of their enterprise in some of the European former Soviet republics in the 1990's*. Publications of the Turku School of Economics and Business Administration, Series A-9.

Mohrman, S.A., Cummings, T. G. (1989) *Self-Designing Organization: Learning How to Create High Performance*. Addison-Wesley Publication Company Inc.

Nurmi, R., Üksvärav, R. (1994) 'Estonia and Finland: Culture and Management, a Conceptual Presentation', *Publications of the Turku School of Economics and Business Administration*. Series A-9.

Pettigrew, A. M., Whipp, R. (1991) *Managing Change for Competitive Success*. Oxford and Chambridge, MA: Blackwell.

Porras, J. I., Robertson, P. J. (1987) 'Organizational Development Theory. A Typology and Evaluation', in Woodman, R. W., Pasmore, W. A. (Eds.) *Research in Organizational Change and Development*, 1, pp. 1–57.

Quinn, R. E. (1988) *Beyond Rational Management: Mastering the Paradoxes and Competing Demands of High Performance*. San Francisco: Jossey-Bass.

Schein, E. H. (1986) 'Management Development as a Process of Influence', in Richards, M. D. (ed.) *Readings in Management*. South-Western Publishing Co, pp. 602–618.

Tichy, N., Devanna, M. (1986) *The Transformational Leader*. New York: John Wiley & Sons.

Van de Ven, A. H., Poole, M. S. (1995) 'Explaining Development and Change in Organizations', *Academy of Management Review*, 20(3), pp. 510–540.

Woodward, J. (1980) *Industrial Organization: Theory and Practice*. Second edition. Oxford University Press.

Üksvärav, R. (2001) 'Management Culture in Estonia: Past and Present Features', in Suominen, A. (Ed.) *Searching for the Boundaries of Business Culture*, Publications of the Turku School of Economics and Business Administration. Series C-1, pp. 103–120.

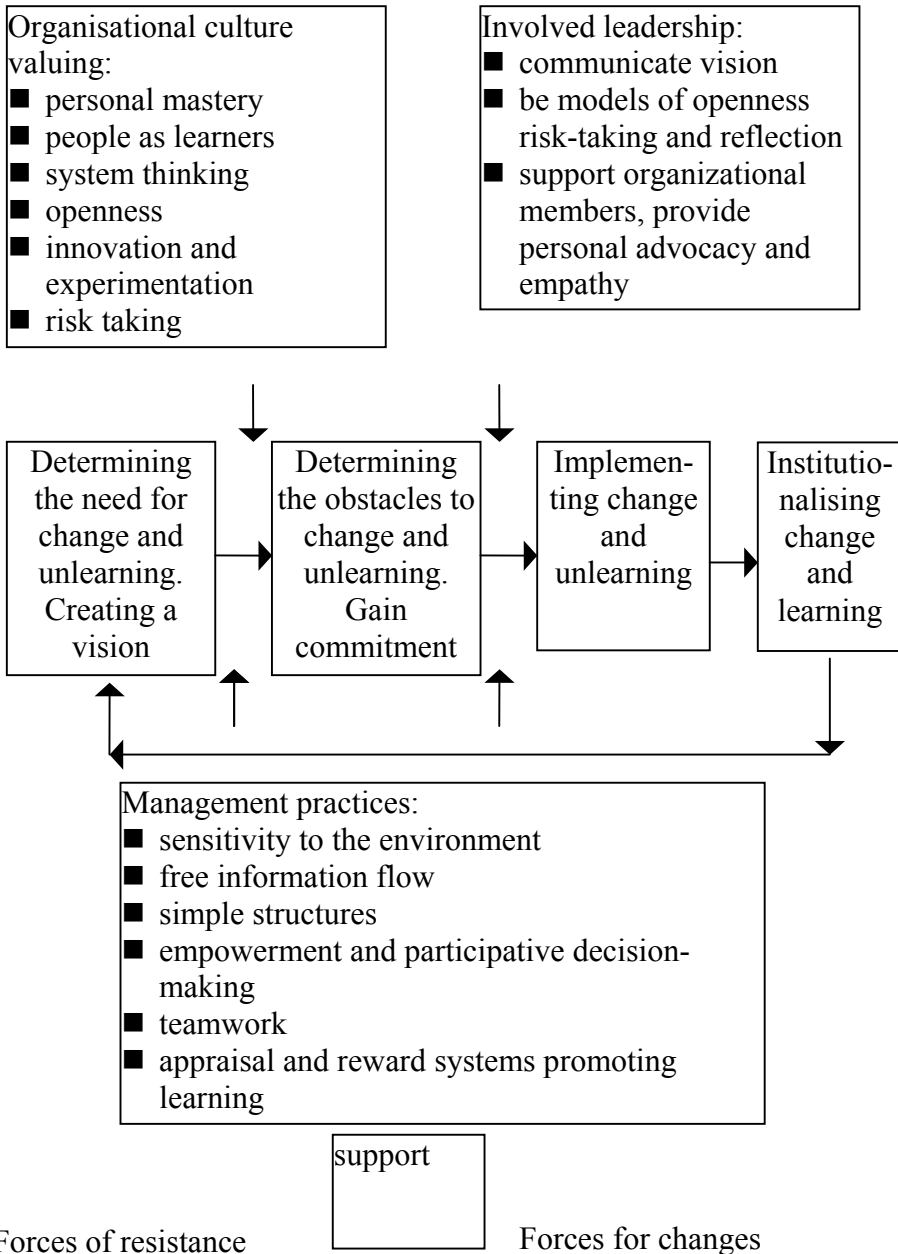


Figure 1. Model of organisational change and learning in Estonian companies.

Study IV

Alas, R., Vadi, M. (2003)
The Impact of Organizational Culture
on Organizational Learning in Six Estonian Hospitals.
Frames, Vol. 7, No. 2, pp. 83–98.

The Impact of Organizational Culture on Organizational Learning in Six Estonian Hospitals

Abstract

In 2002 six hospitals in Tallinn were merged as part of a project designed by Swedish consultants. Such a large-scale change provides an interesting case for studying how organizational culture intervenes in organizational learning. The impact of task and relationship orientations of organizational culture on the preference for individual and collective learning was investigated in groups having different socio demographic characteristics. It was demonstrated that older people are better learners in terms of organizational learning than younger. Organizational learning among people with tenure of five years or less in a particular organization is influenced by task orientation of organizational culture only. Relationship orientation starts to influence organizational learning after five years in an organization.

Introduction

In the 21st century an organization's ability to learn has become a critical factor for its success. In order to increase overall ability to learn and implement changes faster in Estonia, employers prefer to employ younger people. Consequently it is not easy for people over 45 years of age to get a job. At the same time, due to the low birth rate the work force is ageing. This preference for younger people in the Estonian labour market is also connected to the fact that for many people their work experience has mostly been in soviet organizations. As Estonia only started the transition from being a part of the former Soviet Union with a centrally planned economy to a politically independent country with a free market economy a decade ago, the majority of Estonian people obtained their first work experience in organizations managed according to the rules of a centrally planned economy. The criteria for success in these soviet organizations differed fundamentally from the criteria for success in organizations in a free market economy.

The learning process involved in overcoming the differences between the values and basic assumptions inherent in a centrally planned economy and those in a market economy is time consuming, and often leads to fundamental changes in organizational culture, leadership style and strategy. To increase an organization's ability to adapt to such fundamental change, experts (Garvin 1993; Senge 1997) have developed the concept of the learning organization. Although there are several definitions of the learning organization, theorists and practitioners have agreed on one thing: certain organizational traits are required for developing a higher level of learning. To put it another way: some cultures have a more positive effect on organizational learning than others. According to theorists, efforts to bring about change in post-modern organizations typically focus on the domains of process and attitude; and attitudes are embedded primarily in culture (Bergquist 1993:237). So,

in order to change the organization, cultural components should be more fully understood and addressed.

Most East- and Central-European countries probably face the same problems – a socialist heritage and an ageing work force – a problem also faced by many European countries. At the same time few studies have investigated connections between organizational culture and organizational learning among various organizational members. This has led the authors of this paper to explore data concerned with the impact of organizational culture on organizational learning in Estonia. In this paper a brief overview concerning organizational learning and organizational culture will be followed by analyses of results from empirical research in six hospitals in Tallinn going through a process of amalgamation.

Organizational learning and organizational change

Organizational learning has been generally defined as a vital process by which organizations adapt to change in their social, political, or economic settings (Rosenstiel and Koch 2001). Tsang (1997) defines organizational learning in more detail as learning which occurs in an organization and produces real or potential change after a shift in the relationship between thought, organizational action and environmental response. Emphasis on the connection between organizational learning and the environment in both definitions indicates that certain types of change in an environment may require a particular type of learning.

Levels of learning and types of change. Theorists distinguish between single-loop learning, double-loop learning and deuterio-learning. If single-loop learning only refers to correcting behaviour without altering the nature of the activities, then double-loop learning tests assumptions and changes the governing values (Argyris and Schön 1978). The third level, deuterio-learning involves learning how to learn and is directed at the learning process itself (Cummings and Worley 1997).

Different types of changes require different levels of learning. Ackerman (1984) distinguishes between developmental, transitional and transformational changes varying in scope. Developmental change improves what already exists through the improvement of skills, methods, or conditions and requires single-loop learning. Transformational change on the other hand calls for a paradigm shift in thinking about products or services and requires higher levels of learning – double-loop learning and deuterio-learning.

Also definitions of organizational learning refer to different levels of learning. Huber (1991) defines organizational learning as processing information to increase the range of potential behaviours. Probst and Büchel (1997) on the other hand define organizational learning as the change to an organization's knowledge and value base, which leads to an improved capacity for action. This definition indicates clearly double-loop learning and even deuterio-learning. In addition, this definition also raises the question of the agents in the organizational learning process.

Individual learning and organizational learning. Although theorists agree, that the outcomes of individual learning are in turn the prerequisites for organizational

learning, organizational learning has been considered both quantitatively and qualitatively distinct from the sum of the learning process of individuals and unique to an institution (Cummings and Worley 1997; Probst and Büchel 1997). Argyris (1999:157) states this relationship as follows: ‘organizations learn through individuals acting as agents for them. The individual’s learning activities, in turn, are facilitated or inhibited by an ecological system of factors that may be called an organizational learning system’.

Tsang (1997) presents a comparative review of prescriptive and descriptive perspectives on organizational learning. Learning is seen as a ‘live’ metaphor as it conducts the notion from the familiar domain of individual learning to the unfamiliar domain of the organization. Most definitions imply change in either cognitive, actual or in potential behaviour. The problem, Tsang argues, is with recognition of actual behavioural change and questions whether learning always leads to better performance.

In order to adapt the individuals’ learning cycle for an organization the author of individual’s learning cycle Kolb (1979) suggests the development of teams that incorporate the specific skills required in each phase. As most individuals learn in different ways, learning differs also between organizations. These differences occur as a result of differences in organizational history, culture, size, and age (DiBella and Nevis 1998). Since organizations, like individuals, tend to favour previously successful behaviour, even when a change in conditions calls for different behaviour (Maier et al. 2001), there are barriers for learning.

Learning is also restricted by competitive feelings and attitudes. In most organizations, the level of competition is unhealthy and inimical to both individual and corporate learning. Experimentation and risk taking which are essential to high-order learning are avoided for fear of falling behind the others (Harrison 1995). But organizational culture should allow the making of mistakes during the learning process, because only through the learning process can the learner understand associations and principles (Strike and Posner 1985). Since previous experiences of success are embedded in organizational culture, it could also prevent learning (Salaman and Butler 1999).

To illustrate how people can prevent the learning processes Argyris and Schön (1978) use Model I and Model II learning. Model I learning is limited to single-loop learning and is counterproductive for double-loop learning. It emphasises attempts to protect one’s self and others from experiencing the embarrassment of threat. For this purpose individuals try to control the situation and suppress these feelings. Defensive routines are developed by crafting messages that contain inconsistencies and by making this inconsistency undiscussable. If people become skilful users of defensive routines, they often give others advice that reinforces defensive routines, so that it becomes a part of the organizational culture. To overcome these barriers to learning Argyris and Schön (1978) suggest Model II learning, which applies double-loop learning by reducing defensiveness and increasing openness to information and feedback and collaboration. The need for valid information is especially emphasized, because if changes in the environment

are noticed after a considerable delay, it is often too late to respond to them, leaving the organization in an exceptionally vulnerable position (Bergquist 1993). Postmodernists have also suggested that commitment to learning should be written into mission statements – inquiry and reflective action based on a continuing search for new meaning and experiences within the organizational context and discussing and teaching what was learned from the inquiry and reflection – Bergquist (1993).

Organizational culture and learning

There is a mutual relationship between culture and learning. On the one hand learning depends on beliefs and norms, which have been considered as a core of organizational culture (OC), providing the context for meaning (Mahler 1997) or the collective programming of the mind (Hofstede 1984). On the other hand, culture has been seen as the shared common learning output (Schein 1992).

The cultural perspective on organizational learning helps to bridge the gap between individual and collective learning (Huber 1991). Cultural change is intimately tied to individual change: without individuals being willing to engage in new behaviors, without an alteration of the fundamental goals and values of individuals, change remains superficial and short-term in duration (Cameron and Quinn 1999).

In connection with learning the authors view organizational culture from a functional perspective as an adaptation mechanism, which helps an organization to adapt and survive in a changing environment. Cameron and Quinn (1999) stated, that to sustain success firms have less to do with market forces than with company values. Schein (1992) sees organizational culture as a deep-rooted phenomenon, which cannot be changed easily – a pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and integral integration. To cope with the external environment, a culture should be task oriented and in order to achieve internal integration, relationship orientation should be developed. In a stable environment it is safe to be completely task oriented, but in a turbulent environment with high interdependence, relationships need to be valued in order to achieve the level of trust and communication that will make joint problem solving and solution implementation possible (Schein 1992:371).

A similar orientation of organizational culture by content is described by Harrison (1995) – task culture emphasizes the superiority of the goals of an organization over the member's personal goals – relationship or person orientation is based on warm and harmonic interpersonal relationships. Cameron and Quinn's (1999) adhocracy is similar to task orientation and clan culture in that it is about managing interpersonal relationships. They emphasize the importance of an externally focused adhocracy with major goals to foster adaptability, flexibility and creativity in turbulent conditions. The basic assumptions of an internally focused clan culture are that the environment can best be managed through teamwork and employee development.

It could be concluded, that these two orientations – task-orientation and relation-orientation are the vital aspects of organizational culture having impact on organizational learning. Thus we hypothesize, that *task orientation and relationship orientation of organizational culture both predict organizational learning* (Hypothesis 1).

Developing organizational learning requires the ability to work together as a team (Senge 1997). Learning does not take place solely in the minds of individuals but rather stems from the participation of individuals in social activities (Gherardi and Nicolini 2001). For shared learning to occur there must be a history of shared experience, which in turn implies some stability of membership in the group (Schein 1992:10).

Within social groups that persist long enough to form cultures, members also develop a sense of common identity. Cultural groups become reference groups for their members. People look to other members for emotional support and confirmation of the meanings they ascribe to events. People's dependence on each other for emotional support and for making sense of their worlds also increases their commitment to their cultural groups (Trice and Beyer 1993) and helps to create the psychological safety needed for overcoming the barriers to learning (Schein 1999). It is also easier to feel safe among people you have already known for a long time. Therefore, we argue on behalf of longer tenure in the context of organizational learning in a rapidly changing environment. We hypothesize, that *relationship orientation of organizational culture is a better predictor of collective learning for employees with longer tenure at the same organization than for people with shorter tenure* (Hypothesis 2).

Organizational culture is not a monolithic phenomenon. Subcultures often exist within organizations. Schein (1996) differentiates between three different types of cultures in one organization – executive culture, engineer culture and operator culture. Executives and engineers are focused more on task and speciality than on people. Their reference groups are outside of organizations. As managers in hospitals are educated as doctors or nurses, the authors assume that they belong to the 'engineer' subculture and their reference groups are the other members of doctors' and nurses' unions.

Nurmi and Üksvärav (1994:54) compared organizational cultures in Estonia and Finland based on Trompenaas model and found that organizational culture in Estonian organizations was Eiffel tower type – a hierarchical, task oriented, role culture. In his overview of organizational culture in Estonia, Üksvärav (2001) also concludes that despite changes having occurred in business organizations, public organizations have remained basically unchanged and the management culture in municipal organizations has not changed as much as in private organizations (ibid: 117). So managers in hospitals may still be more task oriented than relationship oriented. Thus, it was hypothesised that *the organizational learning of managers is better predicted by task orientation of organizational culture than by relationship orientation of organizational culture* (hypothesis 3).

To summarise the theoretical framework for this study, we have focused upon the way task orientation and relationship orientation in organizational culture influence individual and collaborative levels of activity in organizational learning in different settings. The exploration of these issues will give us a better understanding of how human resources in organizations may react in the organizational learning process.

The empirical study

The sample

In order to discover how employee attitudes and organizational culture might be influencing organizational learning in different socio-demographic groups, the authors looked for organizations that employed people of different ages and with different work experience. As private organizations prefer to employ people without work experience in soviet organizations, we proposed that this phenomenon would be better investigated in the public sector. In 2002, six hospitals in Tallinn were in a process of change: these hospitals were merged according to a project designed by Swedish consultants. This made these hospitals a suitable target for research.

The authors organized survey in these hospitals in 2002. As the total number of employees in 6 hospitals was 2018, authors decided to select in random manner 25% of employees. The aim was to get a sample structure similar to structure of employees in these hospitals according to age of employees, because authors assumed, that tenure and position both may have correlation with age. Respondents rate was 63%, it made 321 respondents. According to personal data 91% of respondents were female, which is quite usual in Estonia. The average age of the employees was more than 45 years and tenure more than 10 years. The sample was divided into two groups according to age – those younger than 45 and those older. The older group consisting of 169 respondents had a greater proportion of work experience from soviet organizations than from organizations of the more recent free market economy. The younger group consisting of 148 respondents had gained most of their experience in free market conditions. According to tenure respondents were divided into two groups according to a five-year line, because five years is long enough for establishing stable relationships. Of the respondents, 117 had worked in the same organization for five years or less and 198 for longer than five years.

Respondents were also compared according to professional data. According to position 104 respondents held managerial positions: top managers of hospitals, heads of department, head-doctors and others. The rest of respondents, 194 persons did not have subordinates. These were physicians, nurses, administrators, laboratory assistance and others. In this article this group would be called specialists. According to educational data 106 respondents had a university degree and 168 vocational educations. Only 41 had no special education in field of medicine.

To characterize the sample, it should be mentioned here, that doctors form a relatively homogeneous group, because they were all trained in the same faculty at Tartu University, which is the only institution what prepares doctors in Estonia. This training required 6 years of study and a year of internship. These studies and the long traditions within the faculty of medicine at Tartu University create considerable similarities among doctors.

All respondents filled out a questionnaire about organizational learning (N=321) while half of the respondents in every hospital (N=160) also answered the questions about organizational culture.

Methodology

Questionnaire for Measuring Organizational Learning (QOL). QOL was developed for Estonian companies by Alas and Sharifi (2002) on the basis of a measure developed by Lähteenmäki, Mattila, and Toivonen (1999). Their measure is based on model, which connects processes of learning and change. To evaluate learning abilities in organizations, Alas and Sharifi (2002) grouped indicators of organizational learning by using a cluster analysis in two clusters. The first cluster could be called the cluster of individual learning and the second, collective learning. Both scales consist of eight statements and ranged from 1 to 10 points (Appendix 1).

Individual learning means, that individuals learn to be active and develop an open-minded and positive attitude toward risk-taking in order to start to unlearn old knowledge. Two conditions have to be present before people can decide about active participation in decision-making. On the one hand, employees should be aware of and committed to the business objectives and the process of change. And on the other hand, they should also be encouraged to take initiative and be active in relation to their own work (Alas and Sharifi 2002).

Collective learning means, that staff collectively learn to increase openness in communication. Interconnected collaborative abilities (open communication and willingness to develop) and the ability to use teamwork enable managers to create fluent work processes. Here the ability to learn using a trial and error method by making mistakes and learning from these mistakes plays an important role. Managerial support for personal development and training is also significant (Alas and Sharifi 2002).

Questionnaire for Measuring Organizational Culture (QOC). The QOC (Vadi et al. 2002) was used to measure two orientations of organizational culture: task orientation and relationship orientation. In the process of developing of this questionnaire the idea that organizational culture is shaped primarily by two major factors, the organizational task and relationship orientation, was followed (Harrison 1995; Schein 1992). One of the scales reflects the organizational members' understandings and attitudes toward organizational tasks and the other scale covers themes of interpersonal relationships within organizations (Vadi et al. 2002). The questionnaire consists of 43 items, 16 of these form the two scales (Appendix 2).

Respondents were asked to indicate their agreement with each item on a 10-point scale ranging from *completely disagree* (1) to *completely agree* (10).

Task orientation of organizational culture reflects the extent to which all members are willing to support the achievement of common goals. A certain degree of freedom, acknowledgment of good work done and the occurrence of constant positive change inspires organizational members. It makes people think more about the needs and objectives of the organization (Vadi et al. 2002).

Relationship orientation of organizational culture indicates belongingness. People assist each other in work-related problems and discuss all the important topics with each other. People know how to communicate with each other and there is a strong feeling of unity in difficult situations (ibid).

To find statistically-significant differences, the ANOVA test was used. The linear regression analyses were used in order to find statistically relevant connections.

Results

Manifestation of organizational culture and learning

Differences in orientations of organizational culture and indicators of organizational learning are shown in Appendix 3. Statistical tests revealed that respondents' estimations differ from each other with regard to evaluations of organizational culture and learning according to age, position and education.

Differences according to age were found by using the T Test in task orientation of organizational culture ($F(1,151)=4.228, p=.041$), individual learning ($F(1,303)=8.657, p=.004$) and collective learning ($F(1,303)=8.248, p=.004$). The older group was more task oriented and rated both individual and collective learning more highly than their younger colleagues.

According to position differences were found in task orientation ($F(1,155)=5.755, p=.018$). Managers were more task oriented than specialists.

Differences according to education were found by using the one-way ANOVA in collective learning ($F(2,297)=3.550, p=.030$). People with a university degree rated collective learning more highly than the rest of the respondents.

Connections between organizational culture and learning

We propose that organizational culture and individual and collective learning are connected in different ways for the various organizational members. In order to predict the individual variability of individual and collective learning for each of the two orientations of organizational culture we analysed the scores of learning and culture by using Linear Regression analyses. In the analyses, scales of organizational learning are taken as dependent and orientations of organizational culture as independent variables.

We calculated the coefficient Beta (β), which enables one to predict how orientations of organizational culture forecast organizational learning. Although the Linear Regression analysis method reveals that almost 30% of the variability in

both individual learning and collective learning can be explained by reference to both orientations of organizational culture, there are differences in the scales.

As the results in Table 1 indicate, the level of individual activity in learning could be better predicted by task orientation of organizational culture and the level of collaboration by relationship orientation of organizational culture. Differences between demographic group's are also indicated. First column indicates, to which hypothesis data in this row belong.

Individual and collective learning among employees who have worked for a particular hospital for five years or less are not influenced by relationship orientation of organizational culture. At the same time relationship orientation of organizational culture has value for predicting both individual and collective learning in the group of employees with tenure of more than 5 years. Individual learning among these people depends on task orientation as well, but collective learning does not depend on task orientation.

To compare managers and specialists, individual learning of specialists can be predicted by task orientation of organizational culture alone. At the same time collective learning among specialists depends on both orientations of organizational culture: on task orientation and on relationship orientation as well. These results are different for groups of managers: both individual and collective learning among managers can be predicted by relationship orientation of organizational culture alone.

Table 1. Connections between orientations of organizational culture with individual and collective learning in different groups (according to standardized coefficient Beta).

Hypothesis	Dependent variable	IA	IA	CL	CL
	Independent variable	TO	RO	TO	RO
Hypothesis 1	Total n=149	.36	.23	.21	.39
Hypothesis 2	Tenure 5 years or less n=56	.46	.19	.33	.22
	Tenure over 5 years n=85	.30	.35	.09	.56
Hypothesis 3	Manager n=82	.12	.44	.21	.61
	Specialists n=52	.54	.13	.29	.26
	University degree n=49	.52	.28	.20	.46
	Vocational education n=79	.39	.24	.27	.30
	Younger age group n=67	.52	.12	.31	.32
	Older age group n=77	.22	.44	.09	.46

Note. Bold denotes statistically significant connections.

IA – Level of individual activity in learning

CL – Collective learning

TO – Task orientation of organizational culture

RO – Relationship orientation of organizational culture

The role of the orientations of organizational culture in predicting organizational learning differs with regard to educational groups as well. Individual learning among employees with a vocational education can be predicted by task orientation of organizational culture only, but collective learning among employees with a university degree does not significantly depend upon task orientation of organizational culture.

Although individual learning could be predicted in the younger group using task orientation of organizational culture only, collective learning of this same group depends on both orientations. In the older group only relationship orientation could predict both individual and collective learning.

Conclusions and discussion

The process of continuous change in Estonian companies since the end of 1980's has required that members of organizations learn new skills and attitudes. The results of this survey in six Estonian hospitals reveal that the respondents' thoughts about organizational culture and learning differ from each other with regard to age, position, and educational level. Orientations of organizational culture also predict individual and collective learning among members of organizations in different groups in different ways.

Although Argyris (1990) warns that culture can either block learning and change or it can stimulate learning, the current study indicates the importance of culture in organizational learning. The *first* hypothesis of this research was supported and the current research reveals that both task orientation and relationship orientation of organizational culture stimulate learning and are good agents for predicting organizational learning during major organizational change (Table 1).

The second hypothesis was supported as well. We found that collective learning and also individual learning among employees who have worked less than five years for a particular hospital were not influenced by relationship orientation of organizational culture (Table 1). This was different among employees with tenure of more than five years. Both their individual and collective learning could be predicted by relationship orientation of organizational culture; and collective learning in this group did not depend on task orientation any more (Table 1). This finding indicates the importance of time in forming relationships necessary for organizational learning in contemporary organizations, and provides managers reason to reconsider their attitudes toward tenure. In Estonian organizations managers are still afraid of stagnation even in people's attitudes and expect people with longer tenure to become resistant to change. At the same time in a turbulent environment, organizational learning based on collaboration as a 'core competency', became the main source of competitive advantage (Prahalad and Hamel 1990). This research indicates the important role of relationship orientation in shaping collaborative abilities in organizations and the time frame involved until these relationships start to exert influence. So it shows tenure in a new light and indicates that a long tenure in a particular organization may become valuable again. But this could not have been evaluated on the same basis as last century, but only on the basis of values emphasizing openness, continuous learning and flexibility.

Although in this survey, managers were more task oriented than specialists, the *third* hypothesis was not supported. On the contrary, organizational learning in the group of managers could be predicted by relationship orientation of organizational culture only (Table 1). As in Schein's (1996) operators' culture which turns more attention to human interactions than executives' and engineers' culture, we must assume, that despite their professional background in medicine, the managers who participated in the current survey had learned through personal experience how inevitable communication, trust and teamwork must be for operating in a changing environment in terms of both technological and organizational development. This finding supports Eisler's (1987) comments, that a re-examination of cultural history shows that highly advanced civilizations in many eras have been based on partnership rather than domination.

If we compare managers with specialists, the latter are so focused on their profession, that their individual activeness in learning could be predicted by task orientation of organizational culture only (Table 1). The same is true for those employees with a vocational education. People with a university degree already ranked collaboration higher than less educated respondents and their collaboration could be predicted by relationship orientation of organizational culture only (Table 1). It could be explained therefore, that people with a university degree are more likely to be promoted into managerial positions than their less educated colleagues. Schein (1992) defines leadership as the attitude and motivation to examine and manage culture and finds culture management as the most intriguing leadership role. In transforming from specialists to managers they realize that they can obtain results only through other people, which raises their awareness of the importance of relationships. This assumption is also supported by the next finding: despite having the highest results in task orientation, managers' individual and collective learning can both be predicted by relationship orientation of organizational culture only. At the same time a specialists' individual learning can be predicted by task orientation of organizational culture only.

We also investigated people with different work experience. The older group had worked longer under the soviet regime and was more influenced by the working culture of the Soviet period than the younger group. Although the older group was more task oriented and rated learning higher than their younger colleagues, learning in this group could be predicted by relationship orientation of organizational culture only (Table 1). On the one hand, the high results of the older group in regard to learning may be explained by their motivation to maintain their job in a particular hospital. Since younger people are preferred by employers in Estonia and it is not easy for people over 45 to get a job, there is a stronger need for learning among older people. On the other hand, the strong influence of relationship orientation could be connected with the soviet heritage. Employees with work experience from the Soviet Union, where personal connections based on succour dominated (Üksvärav 2001), have been used to getting interpretations of events from colleagues and this influences their understanding of change in organizations. In order to interpret the results in the younger group, whose learning

was not influenced by relationship orientation of organizational culture, the survey of values conducted in the second half of the nineties could be valuable. This survey indicated, that social values were underestimated by Estonian business students compared with Finnish students (Ennulo and Törnpuu 2001). They found this typical for representatives of post-socialist countries in comparison with representatives from countries without a socialist experience (ibid: 342).

Attitudes toward learning may also depend on the character of the changes. As long as changes only concern their profession, for example new technology and the treatment of disease, specialists may be eager to learn. But when changes are organizational, concerning organizational structure and mergers of organizations, this is out of their area of interest and they are not interested in learning in this context. This may be true especially in this case, where employees from the hospitals were not involved in the planning of the amalgamation of the six hospitals and the necessity of this merger was not understood by the people.

Bergquist (1993) has stated that in the postmodern era integrative services offered are often not sufficient to hold the organization together, greater attention should be given to organizational culture and to creating a strong feeling of solidarity. According to our study we have developed some implications for managers. In order to get ideas from the grass-roots level, managers should encourage direct communication between the highest and lowest levels of organizations, delegate authority to lower levels in organizations and create an atmosphere where people are not afraid to make mistakes. The peoples' well-being should be more emphasized and their good performance rewarded. In such conditions people tend to be proud of their organization and concentrate more on the goals of the organization than on their own needs.

In order to promote the values and goals of the organization through an informal structure, managers can organize out-of-work activities and encourage people to get to know each other's personal lives and activities better after working hours. It gives people a better understanding of how to communicate with each other and a willingness to discuss important matters with each other. They also then tend to help each other in job-related problems.

The results of the current research support the developmental view of organizational learning from this point, that there should be more time in order to develop relationships – a necessary basis for organizational learning. At the same time, it is not guaranteed that at some stage every organization starts to become a learning organization, it depends on various characteristics. Among these one of most important is the personnel policy of the organization. This policy should enable the organization to retain highly skilled specialists for a longer period in the organization, keep their level of creativity and activity high and convince them of the need to cooperate with other members of the organization.

To conclude, organizational culture and organizational learning have different types of connections between the various organizational members. Being aware of these differences can help managers to achieve higher levels of organizational learning.

References

- Ackerman, L. S. (1984) 'Development, Transition or Transformation: The Question of Change in Organizations', *Organizational Development Practitioner*, December, pp. 1–8.
- Alas, R., Sharifi, S. (2002) 'Organizational Learning and Resistance to Change in Estonian Companies', *Human Resource Development International*, 5(3): 313–331.
- Argyris, C. (1977) 'Double-Loop Learning in Organizations', *Harvard Business Review*, September-October, pp. 115–125.
- Argyris, C., Schön, D. (1978), *Organizational Learning: A Theory-in-Action Perspective*, Reading, Massachusetts: Addison-Wesley.
- Argyris, C. (1999) *On Organizational Learning*, 2nd ed, Blackwell Business.
- Bergquist, W. (1993) *The Postmodern Organization: Mastering the Art of Irreversible Change*, Jose-Bass Publisher.
- Cameron, K. S., Quinn, R. E. (1999) *Diagnosing and Changing Organizational Culture. Based on the Competing Values Framework*, Addison-Wesley.
- Cummings T. G., Worley, C. G. (1997) *Organization Development and Change*, 6th ed, (South-Western College Publishing).
- DiBella, A. J., Nevis, E. C. (1998) *How Organizations Learn. An Integrated Strategy for Building Learning Capability*, Jossey-Bass Publishers.
- Eisler, R. (1987) *The Chalice and the Blade*, San Francisco: Harper san Francisco.
- Ennulo, J., Tümpuu, L. (2001) 'An Intercultural Comparison of Management Values among Business School Students and Teachers', *Trames* 5(4): 336–344.
- Garvin, D. A. (1993) 'Building a Learning Organization', *Harvard Business Review*, July-August: 78–91.
- Ghererdi, S., Nicolini, D. (2001) 'The Sociological Foundation of Organizational learning', in Dierkes, M., Antal, A. B., Child, J., Nonaka, I. (Eds.), *Organizational Learning and Knowledge*, Oxford University Press, 35–60.
- Harrison, R. (1995) *The Collected Papers of Roger Harrison*, Jossey-Bass Publishers, San Francisco.
- Hofstede, G. (1991) *Cultures and Organizations: Software of the Mind*, McGraw Hill.
- Huber, G. (1991) 'Organizational Learning: The Contributing Processes and the Literatures', *Organizational Science*, 2(1): 88–115.
- Kolb, D. A. (1979) 'On Management of the Learning Process', in Rubin, D. L., McIntyre, F. (Eds.) *Organizational Psychology: A Book of Readings*, Prentice Hall.

- Lähtenmäki, S., Mattila, M., Toivonen, J. (1999), 'Being Critical on Organizational Learning Research – Towards Developing a Measure', in Lähtenmäki, S., Holden, L., Roberts, I. (Eds.) *HRM and the Learning Organization. Publications of the Turku School of Economics and Business Administration*, pp. 17–49.
- Mahler, J. (1997) 'Influences of Organizational Culture on Learning in Public Agencies', *Journal of Public Administration Research & Theory*, 7(4), pp. 519–541.
- Maier, G. W., Prange, C., L. von Rosensteil (2001) 'Psychological Perspectives of Organizational Learning', in Dierkes, M., Antal, A. B., Child, J., Nonaka, I. (Eds.) *Organizational Learning and Knowledge*, Oxford University Press, 14–34.
- Nurmi, R., Üksvärav, R. (1994) 'Estonia and Finland: Culture and Management, a Conceptual Presentation', *Publications of the Turku School of Economics and Business Administration. Series A-9*.
- Prahalad, C. K., Hamel, G. (1990) 'The Core Competence of the Corporation', *Harvard Business Review*, 68: 79–91.
- Probst, G., Büchel, B. (1997) *Organizational Learning. The Competitive Advantage of the Future*, Prentice Hall.
- Rosenstiel, L., Koch, S. (2001) 'Change in Socioeconomic values as a trigger of Organizational learning', in Dierkes, M., Antal, A. B., Child, J., Nonaka, I. (Eds.) *Organizational Learning and Knowledge*, Oxford University Press, 198–220.
- Salaman, G., Butler, J. (1999) 'Why Managers Won't Learn', in: Mabey, C., Iles, P. (Eds.) *Managing Learning*, International Thompson Business Press, pp. 34–42.
- Schein, E. H. (1992) *Organizational Culture and Leadership*, Jossey Bass Publishers.
- Schein, E. H. (1996) 'Three Cultures of Management: The Key to Organizational Learning', *Sloan Management Review*, 38 (1): 9–30.
- Schein, E. H. (1999) *The Corporate Culture Survival Guide: Sense and Nonsense about Culture Change*, Jossey-Bass Publishers.
- Senge, P. M. (1997) *The Fifth Discipline. The Art and Practice of the Learning Organization*, Century Business.
- Strike, K. A., Posner, G. J. (1985) 'A Conceptual Change View of Learning and Understanding', in West, L. H. T., Ping, A. L. (Eds.) *Cognitive Structure and Conceptual Change*. Orlando, Fla.: Academic Press, pp. 211–231.
- Trice, H. M., Beyer, J. M. (1993) *The Culture of Work Organizations*, Prentice Hall.
- Tsang, E. W. K. (1997) 'Organizational Learning and the Learning Organization: A Dichotomy between Descriptive and Prescriptive Research', *Human Relations*, 50: 73–89.

Vadi, M., Allik, J., Realo, A. (2002) 'Collectivism and its Consequences for Organizational Culture'. Working Paper Series. School of Economics and BA University of Tartu, 12/2002.

Üksvärav, R. (2001) 'Management Culture in Estonia: Past and Present Features', in Suominen, A. (Ed.) *Searching for the Boundaries of Business Culture*, Publications of the Turku School of Economics and Business Administration. Series C-1, pp. 103–120.

Appendices

Appendix 1. The scales of organizational learning.

Individual learning	Collective learning
The awareness of business objectives	A collaborative ability
Commitment to objectives	The ability to use teamwork
The acceptance of a new operational culture	Fluent work processes
Commitment to the change process	Open communication
Willingness to make initiatives	Willingness to develop oneself
Encouraging activeness at work	Learning from mistakes
An open-minded and positive attitude towards risk-taking	Managerial support for personal development
Active participation in decision making	Emphasis on training

Appendix 2. The scales of organizational culture.

Task orientation	Relationship orientation
In our organization ...	In our organization ...
... people are proud of their organization	... employees know one another
... people are rewarded for their good work	... accepted communication standards exist
... everyone has a big freedom of activity	... [people] know about each others' personal lives
... people are not afraid of making mistakes	... in case of mistakes one feels embarrassed by the other members of the organization
... positive changes constantly take place	... in tough situations there is a strong feeling of togetherness
... differences between subordinates and superiors are not accentuated	... [people] know about each others' hobbies and out-of-work activities
... people concentrate more on their own needs than on the goals of the organization ^R	... [people] help each other in job-related problems
... people's well-being is important	... all important matters are discussed with each other

^R = Item reversed for scoring. The items are approximate translations from Estonian to English

Appendix 3. The manifestation of organizational culture and organizational learning for groups having different social-demographic characteristics.

		Organizational learning		Organizational culture	
		Individual learning	Collective learning	Task orientation	Relationship orientation
Total	Mean	5,43	6,53	4,88	6,29
n(OL)=303, n(OC)=152	Std. Dev.	1,80	1,79	1,66	1,56
Secondary education	Mean	4,32	6,07	3,80	6,12
(n=37; 12)	Std. Dev.	1,47	1,65	1,76	1,72
Vocational education	Mean	5,01	6,41	4,69	6,55
(n=162; 79)	Std. Dev.	1,90	1,69	1,31	1,33
University degree	Mean	5,30	6,56	5,06	6,59
(n=104; 50)	Std. Dev.	1,99	1,78	1,42	1,43
Younger age group	Mean	5,10	6,19	4,55	6,17
(n=144; 71)	Std. Dev.	1,77	1,79	1,78	1,54
Older age group	Mean	5,70	6,78	5,11	6,38
(n=161; 82)	Std. Dev.	1,79	1,76	1,57	1,59
Tenure 5 years and less	Mean	5,19	6,38	4,62	6,06
(n=112; 61)	Std. Dev.	1,75	1,74	1,59	1,53
Tenure more than 5 years	Mean	5,57	6,62	5,06	6,44
(n=191; 91)	Std. Dev.	1,69	1,58	1,69	1,58
Manager	Mean	5,29	6,37	5,29	6,37
(n=1091; 56)	Std. Dev.	1,65	1,65	1,65	1,65
Specialists	Mean	4,50	6,23	4,50	6,23
(n=188; 85)	Std. Dev.	1,71	1,56	1,71	1,56

Note: a ten-point scale was used.

OL – Scales of Organizational Learning

OC – Scales of Organizational Culture

Study V

Alas, R. (2004)
Factors Influencing Learning in Estonian Organisations and the Implications for
Management Education.
Management of Organizations: Systematic Research,
No 31, pp. 7–16.

Factors Influencing Learning in Estonian Organisations and the Implications for Management Education

Annotation

Based on the results of empirical study about factors influencing organizational learning, the paradigm shift is suggested for management education in Estonia. Managers need different skills from those taught during the Soviet regime and during the early stages of the recent transition.

Introduction

Intensive global competition, higher customer expectations and greater focus on quality have resulted in much greater requirements placed upon employees today than decades ago (Quinn and Spreitzer 1997). This pressure may seem especially high for employees from former soviet countries, including Estonia, because these demands are fundamentally different to those made under the Soviet regime. During this period the soviet state was responsible for guaranteeing work for everyone and so enterprises were internally overstaffed and passive and work places were over-secured (Liuhto 1999: 16). The challenge has been to internalise a new type of organisational behaviour in order to operate successfully under unfamiliar conditions. Learning, both institutional and individual, and the ensuing corporate changes are seen as a prerequisite for the success and survival of organisations.

Under Soviet rule, management was taught as the process of planning, organizing and controlling resources. Soviet managers mostly exercised legitimate and coercive power. The social skills needed for achieving referent power were not taught. In the newly independent Estonia an American approach, based on rational analysis, was taken as the foundation for teaching management. According to a recent study we can not talk about leadership in the Estonian context yet. Subordinates still see their managers as directive sources of information and not as inspirational leaders (Tuulik and Alas 2003).

According to Edwards and Lawrence (2000), the emergent change to processes in transforming countries can only be truly understood by examining the constitutive practices of individuals and groups at the local micro levels of the economic system. Research in countries going through transformation has shown that the transfer of knowledge from market-economy practices often fails because of institutional and cultural tensions and conflict (Clark and Geppert 2002).

Research question is, how employee attitudes and organizational culture might be influencing organizational learning in Estonian organizations during the process of economic transition. The object of the research is learning in Estonian organization and factors influencing the learning. The problem is, are skills of Estonian managers sufficient in order to keep organizations competitive.

In this paper a brief theoretical overview concerning connections between employee's attitudes, organizational culture and organizational learning will be

followed by analyses of the results of empirical research and implications for management education in Estonia.

Theoretical background

The concept of organisational learning

To achieve a competitive advantage in the 21st century, organisations should move from having a reactive to a proactive attitude. Firms succeeding in the long run are those able to extend existing advantage while anticipating competitive shifts that require different sources of advantage (DeGeus 1988).

Organisational learning has been generally defined as a vital process by which organisations adapt to change in their social, political, or economic settings (Rosenstiel and Koch 2001). Tsang (1997) defines organisational learning in more detail as the learning which occurs in an organisation that produces real or potential change after a shift in the relationship between thought, organisational action and environmental response. Emphasis on the connection between organisational learning and the environment in both definitions indicates that certain types of change in an environment may require a particular type of learning.

One critical issue in the literature dealing with the learning organisation is the relationship between individual and organisational learning. According to Senge (1997) organisations learn only through learning individuals. Without individual learning organisational learning does not occur. But individual learning does not guarantee organisational learning.

Individual learning has been viewed by different theorists as a rational, information-based system or as a socially constructed process. Organisational learning emphasises the socially constructed process, which proceeds through sharing interpretations of events and through reflection on these interpretations (Mahler 1997).

Employee attitudes in organisational change process

A precondition for learning to take place is the readiness of the individual to learn. One major aspect of readiness to learn is the underlying affective attitude toward novelty, acquisition of new information and change (Scherer and Tran 2001).

Job satisfaction may be an indicator of whether individuals will be affectively connected to an institution, will merely comply with directives, or will quit (Randall et al. 1990).

Job satisfaction can be considered as a combination of attitudes about various aspects or facets of the job, which are parts of the overall job satisfaction construct. Research results indicate, that the most important factor for teachers satisfaction was administrative control: teachers with more positive perception of their relationship with school administration reported higher satisfaction with their professional role (Xin Ma and MacMillan 1999). New-comer satisfaction and commitment is related to support and information provided by employers (Holton and Russell 1999). Also positive correlation between job satisfaction and supportive climate has been found (Hershberger et al. 1994).

Job satisfaction is more narrow term than organizational commitment, which shows employees willingness to exert considerable effort to serve the organization (Porter et al. 1974) and makes it specially important during major changes in organizations. McNeese-Smith's and Nazarey's (2001) recent study shows job satisfaction as contributor to organizational commitment.

At the same time, satisfaction may have negative consequences for learning in an organizations: it may discourage the development of interest and the active search for new information (Scherer and Tran 2001).

Although job satisfaction is one of the most widely researched topics in organisational psychology the findings are still contradictory (Meyer and Allen 1997:43–45) and vary across different social policies and economic environments in different countries (Judge et al. 2001). This makes it worthwhile investigating job satisfaction in Estonia.

Attitude strength depends on the extent to which these attitudes are related to each person's own deeply held philosophical and political values and are of concern to the person's social group (Boninger et al. 1995). This indicates the role of organisational culture in attitude formation.

The role of organisational culture in change process

Organizational culture provides collectively created common frame of reference as the context for interpreting organizational data and events. Organizational culture is a powerful determinant of individual and group behaviour. It affects practically all aspects of organizational life from the way in which people interact with each other and perform their work, to the types of decisions made in a firm, its organizational policies and strategy considerations (Buono et al. 1985).

In the context of this survey the author sees organisational culture from a functional perspective as an adaptation mechanism, which helps an organisation to adapt and survive in a changing environment. This is consistent with the definition of organisational culture given by Schein (1989) that organisational culture is the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and integral integration.

Several theorists have pointed out task-orientation and relationship-orientation of organisational culture: Kilmann and Saxton (1983) and Cooke and Lafferty (1986) focus on people versus task.

The empirical study of attitudes and organisational learning

The field of study is learning in Estonian organisations. The purpose of the present study can be stated in broad terms as an attempt to increase the understanding of the factors influencing organisational learning during the transition from a planned economy to a market economy. There are two main objectives in the current study. *First*, to explore how organisational learning, organisational culture and attitudes toward change are manifested in Estonian organisations.

Secondly, connections between those factors are studied. Author investigates, how these aspects of organisational culture and employee attitudes toward change influence characteristics of organisational learning.

Research methods

In order to investigate connections between employee attitudes, organisational culture and organisational learning in Estonian organizations during transition, author conducted research in 6 hospitals in Tallinn in 2002. These hospitals are good example of changing organizations – the government has planned to merge these hospitals according to project made by Swedish consultants. All respondents filled out a questionnaire about organizational learning (N=321) while half of the respondents in every hospital (N=169) also answered the questions about organizational culture and second half (N=156) answered the questions about attitudes toward changes in organizations.

The total number of respondents was 321. Characteristics of the sample according to demographic data are following: 91% of respondents were female; 6% were younger than 25, 18% between 26 and 35, 23% between 36 and 45, 29% between 46–55 and the rest older than 55; 7% had worked for hospital less than 1 year, 17% between 1 and 3 years, 12% between 4 and 5 years, 22% between 6–10 and the rest more than 15 years. 33% of respondents had university degree, the others had vocational or higher education. According to position 61% of respondents were nonmanagerial.

Tool for Measuring Employee Attitudes in the Process of Organisational Change

Author used the questionnaire designed from questions about satisfaction with leadership, with job itself and with previous changes (Alas and Vadi 2004). The entire questionnaire contains of 15 items, which form four subscales.

The items of the first scale, *satisfaction with information* (SI) addressing whether employees were satisfied with the *information* they received, depended on employee involvement in the change process and how much information was given to employees about the current changes and company goals.

The second scale addresses *satisfaction with the leadership* (SL), the following issues were most important for employees: how actively does management solve company problems, can management and their decisions be trusted, and how well can superiors organise the work of subordinates.

The third scale connected *organisational commitment and job satisfaction* (CJ) by combining about the willingness to continue working for a particular organisation and satisfaction with the present job.

The fourth scale includes questions about the *benefits of change* (BC) including how necessary the changes were for the organisation and how individuals benefit from these changes.

Questionnaire for measuring organisational culture

Questionnaire developed by Vadi et al. (2002) was used in order to measure two orientations of organisational culture: task-orientation and relationship-orientation.

The *task-orientation* of organisational culture reflects the extent to which all members are willing to support the achievement of common goals. A certain degree of freedom, acknowledgement for good work and the occurrence of constant positive change inspires organisational members. It makes people think more about the needs and objectives of the organisation (Alas and Vadi 2003).

The *relationship-orientation* of organisational culture indicates belongingness. People assist each other in work-related problems and discuss all the important topics with each other. People know how to communicate with each other and there is a strong feeling of unity in difficult situations.

Tool for measuring organizational learning

To evaluate organizations' learning abilities the author used the measure developed by Alas and Sharifi (2002). Author let respondents evaluate 21 indicators of organizational learning on a 10 point scale and grouped these indicators by using cluster analysis. The first cluster could be called the cluster of individual learning and the second collective learning.

For *individual learning* two conditions should be met. On the one hand, employees should be aware of and committed to the business objectives and the process of change. And the other hand, they should also be encouraged to take initiatives and be active in their own work. Management can influence individual learning by reducing stress among personnel and supporting personal development of employees. All this could be based on efficient strategic planning and availability of information.

The scale of *collective learning* consists of indicators connected to building collaborative abilities and accept a new operational culture. Interconnected collaborative abilities (open communication and willingness to develop) and the ability to use teamwork enable to create fluent work processes. Here the open-minded and positive attitude towards risk-taking, the ability to learn by mistakes and managerial support for training play an important role.

To find statistically-significant differences, the ANOVA test was used. The regression analyses were used in order to find statistically relevant connections.

Results

Differences between groups according to personal data

The scales were compared according to education, age and length of service. Statistically important differences were found in all scales: in attitudes, in organizational culture and in learning.

Differences according to *education* were found in five scales. People with a university degree evaluated task orientation of organizational culture higher than less educated people (Table 1). The highest results concerning attitudes were also obtained by more educated people, only satisfaction with leadership did not depend

on education. More educated people evaluated individual learning higher than the rest of respondents.

Differences according to *age* were found in all four scales (Table 2). Results indicate, that older people are more satisfied with their work than their younger colleagues. The highest results in both scales of organizational culture were also obtained by older respondents. But the results concerning change are the opposite. Younger people find changes in the organisation more necessary than older people and believe that the planned reforms positively influence the performance of the organisation.

A comparison of the results according to *length of service* show differences in all scales (Table 3). The highest results concerning job satisfaction, satisfaction with information about changes and satisfaction with leadership showed in the group that had worked for a particular hospital for a period of 11 to 15 years. Employees, who had worked for a company for less than one year, found change most necessary.

The both dimensions of organizational culture and collective learning were evaluated as highest by the group, who had worked for hospital more than 16 years.

In individual learning and collective learning surprisingly the lowest results were obtained by age group between 26 and 44 years.

Table 1. Comparison according to education.

Education		SI	SL	CS	BC	TO	RO	IL	CL
Vocational	Mean	1,88	3,23	3,49	2,84	3,80	6,12	4,32	6,07
	N	23	23	23	22	12	12	35	37
	Std. Dev.	,76	,71	,74	,85	,76	1,72	1,47	1,65
High	Mean	2,33	3,13	3,59	2,63	4,69	6,55	5,01	6,41
	N	85	84	85	84	66	74	162	162
	Std. Dev.	,87	,93	,71	,86	1,31	1,33	1,90	1,69
University	Mean	2,59	3,25	3,78	2,49	5,06	6,59	5,30	6,56
	N	54	53	54	54	47	50	103	104
	Std. Dev.	,99	,92	,65	,98	1,42	1,43	1,99	1,78
Total	Mean	2,36	3,18	3,64	2,61	4,74	6,53	5,03	6,42
	N	162	160	162	160	125	136	300	303
	Std. Dev.	,92	,89	,70	,90	1,35	1,40	1,90	1,72

BC – Benefits of change (1–5 point scale)

SI – Satisfaction with information (1–5 point scale)

SL – Satisfaction with leadership (1–5 point scale)

CS – Organisational commitment and job satisfaction (1–5 point scale)

TO – Task-orientation of organisational culture (1–10 point scale)

RO – Relationship-orientation of organisational culture (1–10 point scale)

IL – Individual learning (1–10 point scale)

CL – Collective learning (1–10 point scale)

Table 2. Comparison according to age.

Age		SI	SL	CS	BC	TO	RO	IL	CL
- 25	Mean	2,40	3,31	3,36	3,30	4,23	6,57	5,13	6,56
	N	11	11	11	11	8	8	19	19
	Std. Dev.	,82	,63	,70	,78	,99	1,11	1,54	1,26
26-35	Mean	2,33	2,97	3,41	2,65	4,22	6,19	4,44	5,98
	N	32	32	32	32	20	23	55	55
	Std. Dev.	,87	,86	,67	,88	1,05	1,30	1,83	1,79
36-45	Mean	2,29	2,80	3,45	2,53	4,77	6,30	4,83	6,07
	N	34	34	34	34	33	36	70	70
	Std. Dev.	,78	,77	,68	,76	1,53	1,59	2,05	1,77
46-55	Mean	2,45	3,30	3,78	2,50	5,02	6,76	5,37	6,68
	N	45	45	45	45	41	43	92	92
	Std. Dev.	1,01	1,00	,71	1,00	1,35	1,33	1,78	1,67
55 -	Mean	2,32	3,50	3,89	2,63	4,90	6,73	5,28	6,66
	N	42	40	42	40	23	26	66	69
	Std. Dev.	1,00	,79	,64	,92	1,35	1,39	1,90	1,74
Total	Mean	2,36	3,18	3,64	2,62	4,75	6,53	5,04	6,40
	N	164	162	164	162	125	136	302	305
	Std. Dev.	,92	,89	,70	,91	1,35	1,40	1,89	1,73

Table 3. Comparison according to length of service.

Length of service		SI	SL	CS	BC	TO	RO	IL	CL
- 1 year	Mean	2,93	3,22	3,43	3,50	3,97	5,88	6,12	4,69
	N	11	11	11	11	8	11	22	22
	Std. Dev.	1,00	,60	,78	,64	1,02	1,17	1,81	2,10
1-3 years	Mean	2,11	2,82	3,43	2,74	4,40	6,38	6,45	4,88
	N	28	28	28	28	22	22	54	54
	Std. Dev.	,74	,99	,73	,81	1,29	1,26	1,76	1,74
4-5 years	Mean	2,47	3,06	3,45	3,00	4,83	6,47	6,02	4,98
	N	17	17	17	17	21	22	36	36
	Std. Dev.	,90	,74	,70	1,02	1,20	1,46	1,45	1,67
6-10	Mean	2,12	3,37	3,83	2,20	4,79	6,46	6,47	5,16
	N	34	32	34	33	32	30	66	66
	Std. Dev.	,85	1,01	,70	,69	1,32	1,25	1,74	2,00
11-15	Mean	2,70	3,25	3,66	2,54	4,95	6,36	5,86	4,66
	N	25	25	25	25	11	13	38	38
	Std. Dev.	1,05	,83	,68	,81	1,48	1,74	2,04	2,12
16-20	Mean	2,45	3,15	3,52	2,53	5,69	7,07	7,17	6,08
	N	11	11	11	10	6	6	16	13
	Std. Dev.	1,24	1,00	,68	1,26	1,61	1,90	1,02	1,89
Over 20	Mean	2,29	3,30	3,83	2,57	4,86	7,01	6,79	5,27
	N	37	37	37	37	26	31	71	71
	Std. Dev.	,79	,81	,63	,93	1,45	1,34	1,61	1,78

Connections between organizational learning and attitudes

In Regression analyses organizational learning was taken as a dependent and attitudes and dimensions of organizational culture as an independent variable. Results indicated, that satisfaction with a job and the leadership may predict learning better than informing employees and benefit of changes (Table 4). If individual learning could be predicted by all four attitude scales, then collective learning could be predicted only by satisfaction with job itself.

Table 4. Connections between attitudes and organizational learning.

Attitudes	Individual learning, $R^2=.13$	Collective learning, $R^2=.08$
Satisfaction with information	$\beta= .17$	$\beta= \text{—}$
Satisfaction with leadership	$\beta= .20$	$\beta= .18$
Satisfaction with job itself	$\beta= .12$	$\beta= .21$
Benefit of change	$\beta= .17$	$\beta= \text{—}$

Note. Only statistically significant connections are mentioned.

Results also indicate, that task orientation of organizational culture may predict the organizational learning better than relationship orientation of organizational culture (Table 5). The Individual learning is predicted by both orientations, but collective learning only by relationship orientation of organizational culture.

Table 5. Connections between organizational culture and organizational learning.

Orientations of organizational culture	Individual learning, $R^2=.38$	Collective learning, $R^2=.54$
Task orientation	$\beta= .35$	$\beta= \text{—}$
Relationship orientation	$\beta= .33$	$\beta= .67$

Note. Only statistically significant connections are mentioned.

Conclusions and implications for management education in Estonia

The results of this survey reveal that the respondents' thoughts about organizational culture and learning differ from each other with regard to age, position, and educational level.

The following main conclusions about employee attitudes were made from the current research: People with university education have a more positive attitude toward their job and managers, feel better informed and find changes more useful; Older people are more satisfied than younger, but younger people are more interested in change; According to length of service at the same company, the group showing the highest level of satisfaction are those who have been at the company for between 11 and 15 years. Employees find changes most necessary during their first year in the company.

Individual learning among employees could be predicted according to their level of satisfaction with information, they get, the leadership, the job itself and benefit of change. Perceptions of the usefulness of change and information about changes are not such good indicators for organizational learning as job satisfaction. Their willingness to collaborate and learn together could be predicted according to employee job satisfaction.

Results of the current study support the importance of culture in learning. Although Argyris (1990) states that culture can block learning and change or it can stimulate learning, according to this research it appears that task and relationship orientations of organizational culture both stimulate learning. The relationship orientation, which indicates a sense of belongingness, predicts both individual and collective learning.

At the same time the task orientation, which indicates a willingness to achieve common goals, predicts only individual learning in current study. In the context of organisational change, task-orientation could influence people's attitudes by establishing clear goals and developing values, which could help the achievement of these goals at all levels of the organisation. But achieving employee participation in the beginning is not enough; ensuring that the change process does not reverse and building more effective relationships with peers are also necessary. Relationship-orientation could influence people's attitudes toward change through informal structures and communication.

This presents the following challenge for management education in Estonia: to teach future managers the skills to enable them to create a learning environment in Estonian companies. Also teachers of management should be prepared differently.

Based on the results of the current study I have developed some *implications for management education* in Estonia.

First, the author suggests a paradigm shift: the focus should move from technical systems to social systems in management. In a rapidly changing environment, management is redefined as the process of getting things done through (other) people. In order to manage, one has to know "the things" that must be done as well as the people who have to do them. Understanding people means understanding their backgrounds, and from this, present and future behavior can be predicted. In order to improve leadership skills, the teaching of organizational behavior, teamwork, self-management skills and emotional intelligence should be given more importance than previously. Managerial skills training and sensitivity training could also be included in the curriculum. The challenge is to take into account employees' needs and emotions and to respect spiritual concerns as well.

Second, more emphasis should be placed on teaching human resource management—including diversity issues. The socialist regime of the past focused on making all people equal. The current study has indicated a need to consider differences between groups with regard to their age, position and educational level. Managers should be educated about the methods different groups use in forming attitudes toward change and learning.

Third, change management should be guaranteed a secure and definite place in the curriculum. During the course, special attention should be given to handling the emotional dimension of change. This means dealing with resistance to change and mental blockades connected with feelings and emotions. Managers should be taught how to help people understand what is going on during periods of change and in the later stages to help people to adapt to the new requirements.

Fourth, teaching the theories of individual and organizational learning—by emphasizing differences in the factors that influence learning in groups with different backgrounds and demographic data—could help a firm or organization achieve a competitive advantage. A course about learning organizations and knowledge management should include seminars concentrating on these issues.

To summarize, rapidly changing environment require members of Estonian organizations to learn new skills and attitudes. Members' attitudes toward organizational culture and learning differ from each other with regard to age, position, and educational level. In order to achieve sustainable development and to keep organizations in competition, also Estonian managers need skills different from those taught during Soviet regime and during early stages of transition. Based on the results of this study, the following paradigm shift is suggested for those involved in management education in Estonia: the teaching of management and teaching teachers of management in Estonia should emphasize the development of social skills instead of focusing on technical systems. The challenge is to design an approach to management education that takes into account employees' needs and emotions and respects spiritual concerns.

References

Alas, R., Sharifi, S. (2002) 'Organisational Learning and Resistance to Change in Estonian Companies', *Human Resource Development International*, Issues 5, No 3, pp. 313–331.

Alas, R., Vadi, M. (2003) 'The Impact of Organizational Culture on Attitudes Concerning Change', in: Vadi, M. (Ed.) *Organizational culture in Estonia: manifestations and consequences*, University of Tartu, 65–81.

Alas, R., Vadi, M. (2004) 'The Impact of Organisational Culture on Attitudes Concerning Change in Post-Soviet Organisations', *Journal for East European Management Studies*, Vol. 9, No 1: 20–39.

Argyris, C. (1990) *Overcoming Organizational Defences: Facilitating Organizational Learning*, Boston: Allyn & Bacon.

Boninger, D. S., Krosnick, J. W., Berent, M. K. (1995) 'Origins of Attitude Importance: Self-interest, Social Identification, and Value Relevance', *Journal of Personality and Social Psychology*, 68: 61–80.

Buono, A. F., Bowditch, J. L., Lewis, J. W. III (1985) 'When Cultures Collide: The Anatomy of a Merger', *Human Relations*, 38(5), pp. 477–500.

Clark, E. Geppert, M. (2002) 'Management Learning and Knowledge Transfer in Transforming Societies: Approaches, Issues and Future Directions', *Human Resource Development International*, 5(3): 263–277.

Cooke, R. A., Lafferty, J. C. (1986) *Organisational Culture Inventory (Form III)*, Plymouth, MI: Human Synergetics.

DeGeus, A. P. (1988) 'Planning as Learning', *Harvard Business Review*, March-April, pp. 70–74.

Hershberger, S. L., Lichtenstein P., Knox, S. S., (1994), 'Genetic and Environmental Influences on Perceptions of Organizational Climate', *Journal of Applied Psychology*, 79: 24–33.

Holton, E. F., III, Russell, C. J., (1999), 'Organizational entry and Exit: An Exploratory Longitudinal Examination of Early Careers', *Human Performance*, 12(3/4): 311–342.

Judge, T. A., Parker, S. H., Colbert, A. E., Heller, D., Ilies, R. (2001) 'Job Satisfaction: A Cross-Cultural Review', in: Anderson, N., Ones, D. S., Sinangil, H. K., Viswesvaran, C. (Eds.) *Handbook of Industrial, Work & Organizational Psychology*, Volume 2, Organizational Psychology, Sage Publications, pp. 25–52.

Kilmann, R. H., Saxton, M. J. (1983) *The Kilmann-saxton Culture-Gap Survey*. Pittsburgh: PA Organisational design Consultants.

Liuhto, K. (1999) *The Organisational and Managerial Transformation in Turbulent Business Environments – Managers' views on the transition of their enterprise in some of the European former Soviet Republics in the 1990's*, Publications of the Turku School of Economics and Business Administration. Series A-9.

Mahler, J. (1997) 'Influences of Organizational Culture on Learning in Public Agencies', *Journal of Public Administration Research & Theory*, 7(4), pp. 519–541.

McNeese-Smith, D. K., Nazarey, M., (2001), 'A Nursing Shortage: Building Organizational Commitment among Nurses / Practitioner Application', *Journal of Helicare Management*, 46(3): 173–187.

Meyer, J. P., Allen, N. J. (1997) *Commitment in the Workplace: Theory, Research and Applications*, Sage Publications.

Porter, L. W., Steers, R. M., Mowday, R., Boulian, P. V., (1974), 'Organizational Commitment, Job Satisfaction, and Turnover among, Psychiatric Technicians', *Journal of Applied Psychology*, 59(5): 603–609.

Quinn, R., Spreitzer, G. (1997) 'The road to empowerment: Seven questions every leader should answer', *Organisational Dynamics*, 26(2): 37–50.

Randall, D., Fedor, D., Longenecker, C., (1990), 'The Behavioral Expression of Organizational Commitment', *Journal of Vocational Behavior*, 36: 210–224.

Rosenstiel, L., Koch, S. (2001) 'Change in Socioeconomic values as a trigger of Organisational learning', in Dierkes, M., Antal, A. B., Child, J., Nonaka, I. (Eds.) *Organisational Learning and Knowledge*, Oxford University Press, pp. 198–220.

Schein, E. H. (1999) *The Corporate Culture Survival Guide: Sense and Nonsense about Culture Change*, Jossey-Bass Publishers.

Scherer, K. R., Tran, V. (2001) 'Effects of Emotion on the Process of Organizational Learning', in Dierkes, M., Berthoin Antal, A., Child, J., Nonaka, I. (Eds.), *Handbook of Organizational Learning & Knowledge*, (Oxford University Press).

Senge, P. M. (1997) *The Fifth Discipline. The Art and Practice of the Learning Organization*, Century Business.

Tsang, E. W. K. (1997) 'Organisational Learning and the Learning Organisation: A Dichotomy between Descriptive and Prescriptive Research', *Human Relations*, 50: 73–89.

Tuulik, K., Alas, R. (2003) 'The Impact of the Values of Top Managers upon their Subordinates Values', *Journal of Business Economics and Management*, Vol. IV, No 2: 105–114.

Vadi, M., Allik, J., Realo, A. (2002) *Collectivism and its Consequences for Organizational Culture*, Working Paper Series. School of Economics and BA University of Tartu, 12/2002.

Xin Ma, MacMillan, R. B. (1999) 'Influences of Workplace Conditions on Teachers' Job Satisfaction', *Journal of Education Research*, 93(1), pp. 39–48.

Study VI

Alas, R., Vadi, M. (2004)
The Impact of Organizational Culture on Attitudes
Concerning Change in Post-Soviet Organisations.
Journal for East European Management Studies
Vol. 9, No 1, pp. 20–39.

The Impact of Organisational Culture on Attitudes Concerning Change in Post-Soviet Organisations

Abstract

Nine hundred and six employees from Estonian companies were studied in order to explore how task-orientation and relationship-orientation of organisational culture influence attitudes to the process of organisational change among employees in post-socialist organisations. The current survey indicates that people who began working in the former Soviet Union differ from those who started their careers during the subsequent transition period according to the way they form their attitudes toward change. Relationship-orientation of organisational culture predicts a belief in the benefits of change only in the group of people who started their work life in Soviet organisations.

1. Introduction

The keywords concerning today's economy include *changing environment* and *divergent work force*. Estonian organisations have operated in a turbulent environment for more than 10 years. The heritage of 50 years of Soviet occupation has left Estonia with a divergent workforce with differing attitudes toward change in society and in organisations. People have started their careers and formed their work-related attitudes in different economic systems – some during a planned economy and some during the recent economic reforms. According to social scientists, strong attitudes may be resistant to change because people are motivated to defend their attitudes and a person's current attitudes function to shape the formation of new attitudes (Brief 1998).

Research in transition countries has shown that the transfer of knowledge from market-economy practices often fails because of institutional and cultural tensions and conflict (Clark and Geppert 2002). According to Edwards and Lawrence (2000) the emergent change to processes in transition countries can only be truly understood by examining the constitutive practices of individuals and groups at the local micro levels of the economic system.

In this paper the transition from a centrally planned economy to a market economy is viewed from a socio-economic perspective, focusing particularly on the influence of organisational culture on attitudes toward change. Research and theory development regarding the social aspects of organisational change in transforming countries with rapidly changing environments has been undertaken by Breu (2001), Child and Czegledy (1996), Clark and Soulsby (1999), Liuhto (1999a, 1999b), Soulsby (2001), Thomson (2001), Weik (2001) and others, who turned most of their attention upon managers. At the same time research in post-Soviet enterprises indicates more problems with attitudes to change among workers and lower level managers than top managers (Clarke et al. 1994). The research question here is concerned with how different environments have influenced the way people

form their attitudes toward change in organisations. In this exploratory study we compare how organisational culture helps to increase employee commitment to organisational change in groups of lower level employees with a different work experience. In order to assess employee attitudes the authors developed a measure.

As problems concerning groups with different work histories and attitudes are common to several post-socialist countries (Dobosz and Jankowicz 2002:357) current research is important not only for Estonia, but also for other countries facing similar circumstances.

In this paper a brief overview of the role of organisational culture in the organisational change process will be followed by the results of empirical research in selected Estonian companies.

2. Organisational change

Based on research in the Czech Republic, Clark and Soulsby (1999) concluded that the transition from socialism to a market economy is simultaneously a radical change at all levels of society (from the macro to the individual), which has been characterised by a high level of uncertainty and ambiguity. The changes in post-Soviet organisations have been deeper than those typical of a market economy because the new economic order is based on different attitudes and values and attempts to shift the organisational culture toward new values or beliefs, and this has been considered one of greatest challenges (Bluedon 2000). It has been much easier to transfer technology and change structures than to change culturally embedded practices in transition countries (Clark and Geppert 2002).

Alas and Sharifi (2002) studied 137 Estonian companies and found what 90% had made transformational changes and 61% had changed their organisational culture. Liuhto (1999a) discovered differences between the behaviour of Estonian managers during the implementation of changes compared to managers in established capitalist countries. By studying the environment-organisation relationship in Estonia he concluded that strategies for change and types of changes differ in stable and unstable environments. In countries with an established market economy, managers in more uncertain environments attempt to anticipate events and act in a more proactive way than their colleagues in more stable conditions. In Estonian organisations Liuhto got the opposite result: in the earlier turbulent environment managers acted more reactively and when the situation started to stabilise in 1995, management of change started to be more proactive. This indicates that Estonian organisations constitute an appropriate laboratory for studying change.

The implementation of organisational change has been considered a step-by-step process in academic literature. If we compare later models to the first model developed by Lewin (1951), authors (Beer et al. 1990; Kotter 1998) have tended to pay more attention to the unfreezing stage. In order to reduce forces in favour of the status quo it is necessary to persuade people of the need for change (Lewin 1951). In the moving stage, forces in favour of change should be increased – attitudes, values and behaviours should be pushed to a new level (ibid). In order to

achieve this move a change in people's mindsets is necessary (Sathe and Davidson 2000). This task was especially difficult in the stagnated Soviet Union. To manage such a difficult task people need to be interested in staying with a particular organisation—committed to their organisation.

3. Employee attitudes in the organisational change process

Employee attitudes are considered an indicator of the future success of an organisation (Hurst 1995). According to Cooper and Croyle (1984) a person's attitudes influence that person to act in a certain way instead of another. In the context of organisational change, attitudes to change—the benefits of the change and the competence of managers to implement these changes—become important. When seeking the information employees need for decision-making they focus on information consistent with their attitudes (Frey 1986).

Starting from the seminal study by Coch and French (1948) theorists have considered participation as the best method for achieving employee commitment to change. Research results from post-Soviet countries show somewhat different results: Polish employees decline invitations to participate in decision making, and, moreover, interpreted this as a sign of the management's loss of orientation (Piske 2002).

As change requires learning new skills, behaviours and attitudes, it demands a certain effort from employees. In order to use their energies for this purpose employees should be motivated to maintain their position and membership in a certain organisation. Two constructs, commitment and satisfaction have both been considered as indicators of whether individuals are effectively connected to an institution or might quit (Holton and Russell 1999; Meyer and Allen 1997; Randall et al. 1990). Commitment attitudes could lead to commitment behaviour, which would in turn influence commitment attitudes (Reichers 1985). If a person develops sufficient positive attitudes or a sense of goal congruence, it also indicates the person's level of commitment to change.

Several studies have shown job satisfaction as a contributor to and predictor of organisational commitment (Johnson and Jones-Johnson 1992; McNeese-Smith and Nazarey 2001). Commitment and satisfaction both have affective components. Job satisfaction, as defined by Locke (1976) is affective: a pleasurable emotional state resulting from appraisal of one's work. Affective commitment has been viewed as reflecting an affective orientation toward an organisation (Meyer and Allen 1997). Usually, in a rapidly changing environment, there is an insufficient amount of information for rational decision making, and so affective components play a significant role in evaluating the need for change. Unfortunately most of the scales for measuring job satisfaction are cognitively laden and do not assess the affective element. Also, the role of co-workers in the formation of attitudes has not been emphasised in assessments of job satisfaction. The social information-processing approach to job attitudes argues, that jobs can be interpreted in a multitude of ways and employees rely on social sources of information, and so cues

from their co-workers contribute to the formation of job attitudes (Salancik and Pfeffer 1978).

Although job satisfaction is one of the most widely researched topics in organisational psychology the findings are still contradictory (Meyer and Allen 1997:43–45) and vary across different social policies and economic environments in different countries (Judge et al. 2001). Also, the changing nature of work can affect the consequences of job satisfaction both in terms of the type and subsequent meaning of these consequences as well as the relationship between job satisfaction and other variables (Brief 1998). This makes it worthwhile investigating job satisfaction in Estonia.

Attitude strength depends on the extent to which these attitudes are related to each person's own deeply held philosophical and political values and are of concern to the person's social group (Boninger et al. 1995). This indicates the role of organisational culture in attitude formation.

4. The role of organisational culture in shaping employee attitudes

According to Lang and Steger (2002), problems East-European companies have in adopting Western practices stem from national and organisational cultures.

In the context of this survey the authors see organisational culture from a functional perspective as an adaptation mechanism, which helps an organisation to adapt and survive in a changing environment. This is consistent with the definition of organisational culture given by Schein (1992), that organisational culture is the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and integral integration. Trice and Beyer (1993) have also connected culture with environment, seeing organisational culture as a collective response to uncertainty and chaos.

Although the term commitment is not used in the definition of culture, part of the idea of sharing values and goals is being committed to them (Beyer et al. 2000). Several research results indicate a connection between employee attitudes and organisational culture. According to the research evidence, managers can increase employee satisfaction by creating cultures with characteristics expressed in terms of collegiality and collaboration (Xin Ma and MacMillan 1999). Meglino, Ravlin, and Adkins (1989) indicated that organisational culture influences both the satisfaction and commitment of newcomers. The impact is mutual. On the one hand, employee satisfaction and commitment to the organisation, including during change, could be improved by developing an appropriate organisational culture. On the other hand, job satisfaction could influence organisational culture – satisfied employees are more likely to engage in organisational citizenship behaviours beyond the requirements entailed in job descriptions, and by helping each other reduce the workload and stress of others (Bettencourt et al. 2001).

In the context of organisational change, task-orientation could influence people's attitudes by establishing clear goals and developing values, which could help the achievement of these goals at all levels of the organisation. But achieving employee participation in the beginning is not enough; ensuring that the change

process does not reverse and building more effective relationships with peers are also necessary (Landau 1998). Relationship-orientation could influence people's attitudes toward change through informal structures and communication (Salancik and Pfeffer 1978).

To summarise the theoretical framework for this study, researchers of culture tend to view cultures as stabilising forces within organisations and use the concept of culture to explain resistance to change. This, they say, arises from threats to traditional norms and ways of doing things (Senge 1997) or from threats to basic assumptions, personal values, sources of security, and to friendship relationships (Miner 1978). To overcome resistance to change, Kotter and Heskett (1992) suggest increasing the adaptability of the organisation through developing an organisational culture based on values important for achieving a readiness for change.

Therefore, we propose that orientations of organisational culture may have different impacts on employee attitudes. In the current study, we have focused upon the way task-orientation and relationship-orientation in organisational culture influence employee attitudes about change.

5. The empirical study of attitudes and organisational culture

There are two main objectives in the current study. *First*, we explore how organisational culture and attitudes toward change are manifested in Estonian organisations.

The culture of organisations in the Soviet Union was found to be bureaucratic (Andréen et al. 1993:178–179; Loogma 1988). Nurmi and Üksvārav (1994:54) compared organisational cultures in Estonia and Finland based on Trompenaar's model and found that organisational culture in Estonian organisations was Eiffel tower type. This emphasis on hierarchy makes this type of culture suited to a stable environment, but too bureaucratic for the dynamic and highly competitive environment Estonia has today.

During the Soviet period enterprises were internally passive due to the fact that the enterprises were overstaffed and work places were over-secured. The transformation away from central planning increased endogenous activity substantially, as the transition has both forced employees to be more active and at the same time created more favourable conditions for employee self-realisation (Liuhto 1999b:16).

In the second half of the 1980's enterprises were gradually given more autonomy in the Soviet Union and it was legal to establish enterprises, which operated outside the central planning. These enterprises could be owned by private citizens and joint ventures with foreign ownership. Radical reforms in Estonia started in 1987–88 when a group of theoreticians and practitioners debated the idea of economic autonomy for Estonia. In 1990 an important change occurred in the strategic aim of the reforms in Estonia: economic autonomy was replaced by independent statehood and the restoration of a market economy (Taaler 1995).

According to opinions held by managers, stability started to increase by 1995 (Liuhto 1999a).

As conditions were so different, we have turned our attention to the influence this culture has had on employee attitudes. For this purpose employees are compared on the basis of having had work experience from the Soviet era or not. The experiences people have had influence their understandings and interpretations of realities (Weick 1979). During the totalitarian regime in the Soviet Union it was not safe to speak openly or share personal thoughts (Taagepera 1993). So, employees with work experience from the Soviet era have been used to getting interpretations of events from colleagues (Üksvärav 2001). This habit may influence their understanding of change in organisations today. They have more to unlearn than younger people who started their careers in market oriented organisations.

Therefore we hypothesise, that *relationship-orientation of organisational culture influences the attitudes toward change in people with a Soviet work experience more than those same attitudes in younger people without this experience.*

Secondly, we aimed to develop a tool for measuring employee attitudes during the organisational change process. Currently there is no measure connecting assessments of the need for change, satisfaction with information about change, satisfaction with the competence of leaders and with the job itself and commitment to the organisation.

5.1 The sample

In order to find connections between employee attitudes in the process of organisational change and organisational culture, the authors conducted an empirical study of Estonian companies in 2000–2001. The research was done in 38 Estonian organisations with 906 respondents. The reports from the managers of these organisations indicated that in 90% of these organisations transformational changes had taken place and in the remaining organisations transactional factors had changed. This indicated that all the organisations studied had implemented change and were the right kind of target group for an investigation of attitudes toward change.

The companies were selected in a non-random manner, as the organisation registers do not have a solid basis for random sampling because only a fraction of the registered enterprises are active in Estonia. The aim was to get a sample structure similar to the economic structure in Estonia. As only 38% of the 100 companies selected agreed to participate in the survey, we did not get a structure exactly comparable with reality, but still, a variety of industries were represented in the study: 20% of respondents were from sales organisations, 11% from the production sector, 23% from transportation, 7% from telecommunications and 8 % from banking. Respondents from the public sector amounted to 15%. Some companies refused to participate because of the time it takes or just did not find it beneficial. Bigger companies with foreign ownership refused because of the large

number of surveys already conducted in the organisation. There were also companies who did not explain the reasoning behind their refusal.

In Estonia the shift from state-determined enterprise activity to privately driven entrepreneurship was caused rather by the foundation of new private enterprises than by the privatisation of state enterprises. Only seven per cent of all private enterprises were created directly as a result of privatisation (Purju 1998). From our sample the largest part, 61% of enterprises, were formed in the most turbulent years between 1987 and 1994. Those organisations established before economic reforms started in Estonia, before the year 1987, amount to 17% of the sample of the current survey. The remaining 21% are even younger, having been established also in a more stable environment.

As the majority of organisations in Estonia are very small, a lot of small companies participated in the study. Only 40% of the companies in this sample employed more than 100 employees, 18% between 50 and 100, 13% from 25 to 49 and 29% even less.

Using their age, the respondents are divided into three groups based on the extent of their work experience during the Soviet regime, which might have influenced their work-related attitudes. The oldest group (n=423), people older than 35 years, started their working life and formed their work-related attitudes in the Soviet system. The middle group (n=298), people aged between 26 and 35, started their work life in the 1980's. This group might have had some work experience from Soviet times. But taking into consideration that the second half of the 1980's marked the beginning of economic transition and the movement toward an unknown economic stage for Estonian people, this group would have also been influenced by this atmosphere. This, in turn may have affected the formation of work-related attitudes so they could well have different attitudes to the older group. The younger group (n=181), people younger than 26 years, entered the work force in the 1990's and have not had any work experience from Soviet times.

5.2 Method

5.2.1 The development of items for the Questionnaire for Measuring Employee Attitudes in the Process of Organisational Change (QEA).

The QEA was developed on the basis of items taken from widely used satisfaction and commitment scales. The 27 items concerned a wide range of different topics related to employee attitudes such as – (a) attitudes toward the organisation (e.g. “How much are your future plans connected with this organisation?”), (b) general attitudes toward the work itself (e.g. “How satisfied are you with your present work in this organisation?”), (c) attitudes toward managers (e.g. “Do you trust the management and think that their decisions are the best for the organisation?”), (d) the benefits of the current change (e.g. “In your opinion, how necessary are the changes in the organisation?”), (e) information about the current change (e.g. “Do you have enough information about the reasons, content and objectives of the changes?”).

The survey used the Likert scale so the respondents could show their attitudes by choosing answers that range from *strongly disagree* (1) to *strongly agree* (5). The items were first prepared in Estonian and then translated into Russian by two independent translators.

5.2.2 The Questionnaire for Measuring Organisational Culture (QOC)

The QOC (Vadi et al. 2002) was used in order to measure two orientations of organisational culture: task-orientation and relationship-orientation. In the process of developing this questionnaire the idea that organisational culture is shaped by two major factors (Harrison 1995; Schein 1992) – organisational task- and relationship-orientation – was followed. One of the scales reflects the understanding and attitudes of members of the organisation toward organisational tasks and the other scale covers the theme of interpersonal relationships within organisations (Vadi et al. 2002). The *task-orientation* of organisational culture reflects the extent to which all members are willing to support the achievement of common goals. A certain degree of freedom, acknowledgement for good work and the occurrence of constant positive change inspires organisational members. It makes people think more about the needs and objectives of the organisation (ibid). The *relationship-orientation* of organisational culture indicates belongingness. People assist each other in work-related problems and discuss all the important topics with each other. People know how to communicate with each other and there is a strong feeling of unity in difficult situations (ibid).

The questionnaire consists of 43 items, 16 of these form two scales. Respondents were asked to indicate their agreement with the item on a 10-point scale ranging from *completely disagree* (1) to *completely agree* (10).

5.3 Results

5.3.1 New Scales of Employee attitudes toward Change (QEA)

A principal component analysis and factor analyses with varimax rotation was completed for the 27 items. In order to develop subscales for measuring attitudes, items were selected with a factor load in this particular factor above [0.30] and the same load in other factors below [0.30] (Table 1). The four factors received describe together 63.2% of initial variability. The internal consistency, or Cronbach's Alpha coefficient, is between .74 and .84 for all scales.

So, we developed a questionnaire for measuring employee attitudes during the implementation of organisational changes. The final version consists of 15 items, which form four subscales. The content of the scales in the light of statements, which have the highest factor loadings, was the following:

The four items of the first scale, *satisfaction with information* (SI) addressing whether employees were satisfied with the *information* they received, depended on employee involvement in the change process and how much information was given to employees about the current changes and company goals. Naturally, employees want this information before the changes are initiated, rather than after the fact.

Table 1. Items and factor loadings in the QEA.

Item	Factor 1	Factor 2	Factor 3	Factor 4
Do you have enough information about the reasons, content and objectives of the changes?	.83	.17	.10	.17
Were you informed about the changes before their initiation?	.82	.16	.10	.17
Have the general objectives and development plans of your organisation been explained?	.75	.29	.11	.09
How much are you included in the implementation of the changes?	.71	-.03	.19	.16
How actively does your management solve company problems?	.19	.76	.18	.10
How satisfied are you with the top managers of your company?	.17	.75	.21	.20
Do you trust the management and think that their decisions are the best for the organisation?	.15	.71	.20	.31
Does your superior manage to organise the work of subordinates well?	.06	.69	.21	-.01
How satisfied are you with your present work in this organisation?	.11	.17	.77	.03
How satisfied are you with your present position in this organisation?	.21	.14	.76	.03
Do you usually come to work with pleasure?	.04	.20	.65	.19
How much are your future plans connected with this organisation?	.13	.23	.63	.15
How necessary in your opinion are the changes in the organisation?	.13	.04	.07	.84
Do you believe that the planned reforms influence the performance of the organisation positively?	.15	.25	.11	.80
Will your work conditions be improved after the changes?	.27	.14	.20	.59

Note: N=906. The items are an approximate translation from Estonian into English.

The second scale from four items addresses *satisfaction with the leadership* (SL), the following issues were most important for employees: how actively does management solve company problems, can management and their decisions be trusted, and how well can superiors organise the work of subordinates.

The third scale connected *organisational commitment and job satisfaction* (CJ) by combining four questions about the willingness to continue working for a particular organisation and satisfaction with the present job.

The fourth scale includes three questions about the *benefits of change* (BC) including how necessary the changes were for the organisation and how individuals benefit from these changes.

5.4 Manifestation of attitudes and organisational culture

We propose that organisational culture and attitudes toward the process of change vary between different groups within an organisation. Differences in attitudes and organisational culture according to the three age groups are shown in Table 2.

Table 2. The manifestation of attitudes and organisational culture.

	Attitude scales						Scales of QOC					
	BC		SI		SL		CS		TO		RO	
	M	SD	M	SD	M	SD	M	SD	M	SD	M	SD
ES	3.29	.84	2.76	.92	3.41	.72	3.51	.69	5.33	1.49	5.97	1.42
G1	3.37	.73	2.76	.90	3.44	.70	3.39	.69	5.52	1.41	6.07	1.38
G2	3.38	.83	2.94	.91	3.39	.74	3.53	.63	5.46	1.48	6.11	1.41
G3	3.19	.88	2.64	.93	3.41	.72	3.56	.73	5.17	1.5	5.84	1.4

Notes. ES – The entire sample (n=906)

G1 – Younger age group (n=181)

G2 – Middle age group (n=298)

G3 – Older age group (n=423)

BC – Benefits of change (1–5 point scale)

SI – Satisfaction with information (1–5 point scale)

SL – Satisfaction with leadership (1–5 point scale)

CS – Organisational commitment and job satisfaction (1–5 point scale)

TO – Task-orientation of organisational culture (1–10 point scale)

RO – Relationship-orientation of organisational culture (1–10 point scale)

The one-way ANOVA LSD Post Hoc test was used to screen out statistically significant differences between age groups. Results in Table 3 indicate statistically significant differences in evaluations on five out of six scales – both scales of organisational culture and three of the scales of attitudes. According to evaluations of task- and relationship-orientation of organisational culture and the evaluation of the benefits of change the two younger age groups were similar, but both groups differed from the oldest age group. The oldest group had ranked all these scales lower than either of the younger groups (see Table 3).

Table 3. A comparison of attitudes and organisational culture between age groups according to the Post Hoc test.

	BC		SI		SL		CS		TO		RO	
	Dif.	p	Dif.	p	Dif.	p	Dif.	p	Dif.	p	Dif.	p
G1-G2	-.02	.756	-.31*	.041	.05	.463	-.14*	.030	.06	.690	-.04	.753
G1-G3	.16*	.025	.12	.158	.02	.715	-.17*	.025	.35*	.007	.23	.071
G2-G3	.19*	.003	.29*	.000	-.03	.626	-.02	.651	.30*	.008	.27*	.012

Notes. Dif. – means difference between group

* – Statistically significant difference, $p < .05$

Compared with the youngest age group this scale was ranked higher by the middle and the older age groups. Differences between the two older groups were not statistically significant while the commitment and satisfaction of the youngest group was significantly lower.

There were no differences between the three groups in regard to their satisfaction with management. At the same time the group between 26 and 35 years felt better informed than the others.

To conclude, young people without any significant work experience from Soviet times found change more necessary and were more task-oriented and more relationship-oriented than their older colleagues.

5.5 Connections between organisational culture and attitudes

Different groups may have a different understanding and perspective concerning the process of change. Our main purpose was to evaluate the influence of two scales of organisational culture on the variability of our four attitude scales. The authors analysed the relationships between the scales of attitudes and organisational culture by using the linear regression analysis. In the analyses attitudes were taken as a dependent and two scales of orientations of organisational culture as independent variables. We calculated a standardised regression coefficient Beta (β), which enabled us to predict how strongly orientations of organisational culture forecast attitudes toward change. Analysis was applied separately for all three age groups and every dependent variable.

According to the linear regression analysis results in Table 4, task-orientation of organisational culture (TO) predicts all four attitudes in all age groups studied. The predictive power of the other dependent variable relationship-orientation (RO) is not so uniform and differs between age groups for our attitudes scales. The determinant coefficients R^2 are calculated for the regression model including both scales of orientations of organisational culture as independent variables. For example almost 25% of the variability in the perceived benefits of change in the younger age group can be explained by reference to task- and relationship-orientation of organisational culture: $R^2=.253$, $F(2,179)=30.26$, $p<.001$.

Relationship-orientation of organisational culture predicts all four attitudes only in the oldest group with Soviet work experience.

The middle group, from 26 to 35 years, was least influenced by relationship-orientation of organisational culture. Relationship-orientation only predicted satisfaction with information in this age group. Attitudes toward leadership, the company and the work itself in this age group were only predicted by task-orientation of organisational culture.

The biggest difference was found concerning the scale indicating the benefits of change. Attitudes to the benefits of change in the two younger groups, respondents without any significant work experience from the Soviet Union, were not significantly influenced by relationship-orientation of organisational culture. Thus, our hypothesis is supported by the results of empirical analysis.

Table 4. Connections between attitudes and orientations of organisational culture in different groups (according to standardised regression coefficient Beta).

		B	Beta	t	Sig.
<i>Benefits of change</i>					
Younger age group n=181	TO	.261	.505	6.549	.000*
R ² =.253, F(2,179)=30.26, p< .001	RO	-.007	-.005	-.066	.947
Middle age group n=298	TO	.237	.420	6.262	.000*
R ² =.184, F(2,295)=33.20, p< .001	RO	.008	.014	.206	.837
Older age group n=423	TO	.198	.340	6.137	.000*
R ² =.204, F(2,420)=53.94, p< .001	RO	.092	.155	2.793	.005*
<i>Satisfaction with information</i>					
Younger age group n=181	TO	.164	.256	3.347	.001*
R ² =.273, F(2,178)=33.44, p< .001	RO	.221	.337	4.411	.000*
Middle age group n=298	TO	.198	.320	4.778	.000*
R ² =.188, F(2,295)=34.22, p< .001	RO	.101	.156	2.334	.020*
Older age group n=423	TO	.219	.357	6.668	.000*
R ² =.25, F(2,422)=70.55, p< .001	RO	.125	.195	3.643	.000*
<i>Satisfaction with leadership</i>					
Younger age group n=181	TO	.244	.489	6.775	.000 *
R ² =.348, F(2,179)=47.73, p< .001	RO	.064	.158	2.187	.030*
Middle age group n=298	TO	.228	.458	7.036	.000*
R ² =.231, F(2,295)=44.28, p< .001	RO	.083	.035	.537	.591
Older age group n=423	TO	.184	.384	7.332	.000*
R ² =.281, F(2,422)=82.45, p< .001	RO	.093	.199	3.796	.000*
<i>Organisational commitment and job satisfaction</i>					
Younger age group n=181	TO	.140	.285	3.577	.000*
R ² =.206, F(2,179)=23.19, p< .001	RO	.116	.230	2.896	.004*
Middle age group n=298	TO	.150	.355	5.152	.000*
R ² =.140, F(2,295)=23.99, p< .001	RO	.013	.030	.437	.662
Older age group n=423	TO	.159	.327	6.250	.000*
R ² =.283 F(2,422)=83.35, p< .001	RO	.134	.264	5.057	.000*

Notes. * – coefficient statistically significant, p< .05

TO – Task-orientation of organisational culture

RO – Relationship-orientation of organisational culture

6. Discussion and conclusions

The results of this study contribute to understanding the influence of organisational culture on attitudes toward change in post-Soviet organisations. We compared people with work experience from Soviet organisations to those who started their careers during transition.

First, we found that organisational culture predicts attitudes in groups with different work experience in different ways. Attitudes toward the benefits of change depend on task-orientation of organisational culture in all groups regardless of previous work experience, but did not depend on relationship-orientation among people with any significant work experience from the Soviet Union. People older than 35 rely on relationships more than their younger colleagues. The most independent decision-makers belong to the group, who started their careers during the most turbulent period from the second half of the 1980's until 1995 – they need relationships only for getting information.

Second, the results of the current research indicate more favourable attitudes toward change and task-orientation of organisational culture among the younger employees, who already started their careers during economic reforms. The older members of organisations (those with Soviet work experience) do not support organisational goals as much as younger members. This finding is consistent with a study in Poland, where an English manager complained about difficulties with changing people who are older and more “traditional” (Dobosz and Jankowicz 2002:360). We understand that those people have some difficulties due to their previous experience. During the Soviet period companies had slack resources, because the state was responsible for guaranteeing work for everyone. Soviet organisations also acted as important social centres with cultural events and hobby circles (Nurmi and Üksvääv 1994), and organisational cultures promoted stability and people were not expected to differentiate from others. Avoiding failure was more important than achieving success. When the transition of Estonian society started, older people had a certain package of working habits and attitudes toward organisational tasks. However, this is somewhat different from the understanding of what organisations need nowadays. Today these relations have been replaced with relations based on competition and money (Üksvääv 2001). This may be considered as one reason why younger people, without habits obtained from planned economy, are less influenced by the opinions of others than older people.

It should be taken into consideration that during the planned economy people grew to maturity trusting that the state would take care of them and the current situation now causes confusion and fear among these people. During economic transition many of them found their profession obsolete or their professional skills not appropriate for producing quality goods. People's social and group identities crumbled or broke down and it became difficult for the individual to retain a reference structure on which to base rational action (Weik 2001). Unfortunately there are no theories in the Western world, which could help this whole generation to change their deeply rooted attitudes and to rebuild their social identity in their old age.

From our findings we have developed some implications for managers of post-Soviet organisations. As orientations of organisational culture predict employee attitudes toward changes, managers of post-Soviet organisations should make cultural considerations part of the organisation's strategy and monitor the development of the organisational culture and periodically repeat a diagnosis of

task- and relationship-orientations. Since attitudes toward such issues as leadership, information, the benefits of change and the employees' own commitment to job and company in every group depend on task-orientation of organisational culture; in order to achieve a more task-oriented culture the method used to create and communicate the vision for the organisation to every employee and also the method for discussing the employees' own perspectives in the company after the changes, start to be crucial for the successful implementation of change. There are different approaches needed for employees with different work experience. For those people who started their careers during the period of most fundamental changes (in the current survey this is age group from 26 to 35) information should be made available through various channels such as e-mail, Intranet, a web-page and so on. An atmosphere should also be created where differences between subordinates and superiors are not accentuated and authority should be delegated to lower levels in the organisation.

For the older generation with Soviet work experience this probably would not work, because in the Soviet time people were more used to trusting the information they got through informal channels. For them informal communication networks should be used in order to promote beneficial values and goals and create the feeling of the necessity of the changes. To achieve this attitude change the message should be sent to the older group by people with whom older people could themselves identify. Managers could create a network of change agents in the organisation involving these older people. Managing the grapevine could be the main information tool in order to manage organisational changes successfully.

If the development of task-orientation could be enough to involve people without Soviet work experience in the change process, then in order to ensure the commitment of those employees with Soviet work experience, managers could develop relationship-orientation of organisational culture. Managers could preserve some practices that people valued in socialist organisations in the past in order to emphasise that the well being of people is important to management. There is positive evidence from such integration of old and new models in East-Germany, where managers took some features from the old model, such as attention to social needs and concerns and a strong sense of social responsibility in decision making (Brew 2001). Managers could also encourage people to get to know each other better by organising space and work in this way, that these people have the possibility to communicate more. Special time and space could be planned for coffee breaks; these people were used to these types of breaks in the Soviet period, but as these breaks were too long during the Soviet period, these employees themselves should regulate them.

Managers could also help those people with a Soviet heritage to develop a social identity and self-concept that fits the new environment. Training courses on self-development could help to address the issue of making the best use of personal resources. In order to encourage these people to shape their careers by themselves, courses on career development could be organised for introducing a voluntary concept of career (Rose 1989), which shows things from a different perspective to

the one they have been used to. But before this, in order to get people to unlearn hold habits and to learn new skills, behaviours and also attitudes, managers first need to reduce uncertainty and stress and try to promote a feeling of trust. We suggest hiring a psychologist to conduct interviews in order to find out which fears cause resistance to change and learning, and what exactly these people are afraid of losing. Later people could be encouraged to use their own initiative through rewarding their good performance and by emphasising that people are not punished when they make mistakes.

To conclude, this study reveals that people who started their careers during the stagnation of the Soviet system developed attitudes toward changes differently to their younger colleagues who lack this experience. The importance of relationship-orientation of organisational culture in evaluating the benefits of change in the older age group indicates the need to manage networks of informal communication in post-Soviet organisations. Having special policies to deal with the grapevine could provide a competitive advantage for post-Soviet organisations.

For future research the authors of this paper find the possibility of discovering how much this result is determined by features connected only with age particularly interesting. To this end a similar study could be conducted in a country without such an experience of a socialist regime.

References

- Alas, R., Sharifi, S. (2002) 'Organizational Learning and Resistance to Change in Estonian Companies', *Human Resource Development International*, 5(3): 313–331.
- Andréen, T., Härvén, F., Jansson, C., Kasimir, P., Lindahl, C., Rundquist, A.-L., Sjögren, A., Wallgren, C. (1993) *A Case Study in seven Estonian Corporations. Transition studies*, Vol. 1. Linköping University.00
- Beer, M., Eisenstat, R., Spector, B. (1990) 'Why Change Programs Don't Produce Change', *Harvard Business Review*, November-December, pp. 158–166.
- Bettencourt, L. A., Gwinner, K. P., Meuter, M. L. (2001) 'A Comparison of Attitude, Personality, and Knowledge Predictors of Service-Oriented Organizational Citizenship Behaviors', *Journal of Applied Psychology*, 86(1): 29–41.
- Beyer, J. M., Hannah, D. R., Milton, L. P. (2000) 'Ties that bind: Culture and attachment in organizations', in Ashkanasy, N. M., Wilderom, P. M., Peterson, M. F. (Eds.) *Handbook of Organizational Culture & Climate*, pp. 323–338.
- Bluedon, A. C. (2000) 'Time and Organizational Culture', in Ashkanasy, N. M., Wilderom, P. M., Peterson, M. F. (Eds.) *Handbook of Organizational Culture & Climate*, pp. 117–128.
- Boninger, D. S., Krosnick, J. W., Berent, M. K. (1995) 'Origins of Attitude Importance: Self-interest, Social Identification, and Value Relevance', *Journal of Personality and Social Psychology*, 68: 61–80.

- Breu, K. (2001) 'The Role and Relevance of management Cultures in the Organizational Transformation', *International Studies of Management & Organization*, 31(2): 28–47.
- Brief, A. P. (1998) *Attitudes In and Around Organizations*, Sage Publications.
- Child, J., Czegledy, A. (1996) 'Managerial Learning in the Transformation of Eastern Europe: Some Key Issues', *Organization Studies*, 17(2): 167–79.
- Clark, E., Geppert, M. (2002) 'Management Learning and Knowledge Transfer in Transforming Societies: Approaches, Issues and Future Directions', *Human Resource Development International*, 5(3): 263–277.
- Clark, E., Soulsby, A. (1999) *Organizational Change in Post-Communist Europe: Management and transformation in the Czech Republic*, Routledge.
- Clarke, S., Fairbrother, P., Borisov, V., Bizyukov, P. (1994) 'The Privatisation of Industrial Enterprises in Russia – Four case Studies', *Europe-Asia Studies*, 46(2): 179–241.
- Coch, L., French, J. P. (1948) 'Overcoming Resistance to Change', *Human Relations*, 1: 512–523.
- Cooper, J., Croyle, R. T. (1984) 'Attitude and Attitude Change', *Annual Review of Psychology*, 35: 394–426.
- Dobosz, D., Jankowicz, A. D. (2002)', 'Knowledge Transfer of the Western Concept of Quality', *Human Resource Development International*, 5(3): 353–367.
- Edwards, V., Lawrence, P. (2000) *Management in Eastern Europe*, Basingstoke: Palgrave.
- Frey, D. (1986) 'Recent Research on Selective Exposure to Information', in Berkowitz, L. (Ed.) *Advances in Experimental Social Psychology*, 19: 41–80. San Diego, CA: Academic Press.
- Goffee, R., Jones, G. (2000) *The Character of a Corporation: How your company's culture can make or break your business*, Harper Collins Business.
- Harrison, R. (1995) *The Collected Papers of Roger Harrison*, Jossey-Bass Publishers, San Francisco.
- Holton, E. F., III, Russell, C. J. (1999) 'Organizational Entry and Exit: An Exploratory Longitudinal Examination of Early Careers', *Human Performance*, 12(3/4): 311–342.
- Hurst, D. K. (1995) *Crisis and Renewal: Meeting the Challenge of Organizational Change*, Boston: Harvard Business School Press.
- Johnson, W. R., Jones-Johnson, G. (1992) 'Differential Predictors of Union and Company Commitment: Parallel and Divergent Models', *Psychology*, 29: 1–12.

Judge, T. A., Parker, S. H., Colbert, A. E., Heller, D., Ilies, R. (2001) 'Job Satisfaction: A Cross-Cultural Review', in Anderson, N., Ones, D. S., Sinangil, H. K., Viswesvaran, C. (Eds.) *Handbook of Industrial, Work & Organizational Psychology*, Volume 2, Organizational Psychology, Sage Publications, pp. 25–52.

Kotter, J. P. (1998) 'Leading Change: Why Transformation Efforts Fail', *Harvard Business Review on Change*. A Harvard Business Review Paperback, pp. 1–21.

Kotter, J. P., Heskett, J. L. (1992) *Corporate Culture and Performance*, The Free Press.

Landau, J. (1998) 'Short-lived Innovation: Participation and Symmetrical Relationships in the Italian Public Sector', *European Journal of Work and Organizational Psychology*, 7(2): 233.

Lang, R., Steger, T. (2002) 'The Odyssey of Management Knowledge to Transforming Societies: A Critical Review of a theoretical Alternative', *Human Resource Development International*, 5(3): 279–294.

Lewin, K. (1951) *Field theory in social science*, New York: Harper & Row.

Liuhto, K. (1999a) 'The Impact of Environmental Stability on Strategic Planning – An Estonian Study', *International Journal of Management*, 16(1).

Liuhto, K. (1999b) *The Organisational and Managerial Transformation in Turbulent Business Environments – Managers' views on the transition of their enterprise in some of the European former Soviet Republics in the 1990's*, Publications of the Turku School of Economics and Business Administration. Series A-9.

Locke, E. A. (1976) 'The Nature and Causes of Job Satisfaction', in Dunnette, M. D. (Ed.) *Handbook of Industrial and Organizational Psychology*, Chicago: Rand McNally, pp. 1297–1343.

Loogma, K. (1988) 'Organisatsioonid kultuur ja edukus', in Elenurm, T., Preeks, I., Terk, E. (Eds.) *Organisatsiooni juhtimise ja majandamise edukus*. Vabariikliku teadusliku konverentsi ettekannete teesid, Tallinn, pp. 42–46.

McNeese-Smith, D. K., Nazarey, M. (2001) 'A Nursing Shortage: Building Organizational Commitment among Nurses / Practitioner Application', *Journal of Healthcare Management*, 46(3): 173–187.

Meglino, B. M., Ravlin, E. C., Adkins, C. L. (1989) 'A Work Values Approach to Corporate Culture: A Field Test of the Value Congruence process and its Relationship to Individual Outcomes', *Journal of Applied Psychology*, 74: 424–432.

Meyer, J. P., Allen, N. J. (1997) *Commitment in the Workplace: Theory, Research and Applications*, Sage Publications.

Miner, J. B. (1978) *The Management Process: Theory, Research, and Practice*, Second edition. Macmillan Publishing.

- Nurmi, R., Üksväära, R. (1994) *Estonia and Finland: Culture and Management, a Conceptual Presentation*, Publications of the Turku School of Economics and Business Administration. Series A-9.
- Piske, R. (2002) 'German Acquisitions in Poland: An Empirical Study on Integration Management and Integration Success', *Human Resource Development International*, 5(3): 295–312.
- Purju, A. (1998) 'Interrelationship between Privatization methods, Ownership Structure and economic Results – Evidences from Estonia, in *Proceedings of First International workshop on Transition and Enterprise Restructuring in Eastern Europe*, 22–22 August, 1998, Copenhagen Business School, Copenhagen.
- Randall, D., Fedor, D., Longenecker, C. (1990) 'The Behavioral Expression of Organizational Commitment', *Journal of Vocational Behavior*, 36: 210–224.
- Reichers, A. E. (1985) 'A Review and Re-conceptualization of Organizational Commitment', *Academy of Management Review*, 12: 278–287.
- Rose, N. (1989) *Governing the Soul: The Shaping of the Private Self*, London: Routledge.
- Salancik, G. R., Pfeffer, J. (1978) 'A Social Information Processing Approach to Job Attitudes and Task Design', *Administrative Science Quarterly*, 23: 224–253.
- Sathe, V., Davidson, E. J. (2000) 'Toward a New Conceptualization of Culture Change', in Ashkanasy, N. M., Wilderom, P. M., Peterson, M. F. (Eds.) *Handbook of Organizational Culture & Climate*, pp. 279–296.
- Schein, E. H. (1992) *Organizational Culture and Leadership*, Jossey Bass Publishers.
- Senge, P. M. (1997) *The Fifth Discipline. The Art and Practice of the Learning Organization*, Century Business.
- Soulsby, A. (2001) 'The Construction of Czech Managers' Careers', *International Studies of Management & Organization*, 31(2): 48–64.
- Taagepera, R. (1993) *Estonia – Return to Independence*. Westview Press.
- Taaler, J. (1995) 'Economic Reforms: The Main Stages, Programmes and Evaluations', in Lugus, O., Hachey, G. A. (Eds.) *Transforming the Estonian Economy*, Tallinn, pp. 1–15.
- Thomson, N. (2001) 'The Role of Slack in Transforming Organizations', *International Studies of Management & Organization*, 31(2): 65–83.
- Trice, H. M., Beyer, J. M. (1993) *The Culture of Work Organizations*, Prentice Hall.
- Üksväära, R. (2001) 'Management Culture in Estonia: Past and Present Features', in Suominen, A. (Ed.) *Searching for the Boundaries of Business Culture*,

Publications of the Turku School of Economics and Business Administration. Series C-1, pp. 103–120.

Vadi, M., Allik, J., Realo, A. (2002) *Collectivism and its Consequences for Organizational Culture*, Working Paper Series. School of Economics and BA University of Tartu, 12/2002.

Xin Ma, MacMillan, R. B. (1999) ‘Influences of Workplace Conditions on Teachers’ Job Satisfaction’, *Journal of Education Research*, 93(1): 39–48.

Weick, K. E. (1979) *The Social Psychology of Organizing*, Reading MA: Addison-Wesley.

Weik, E. (2001) ‘Myths in Transforming Process’, *International Studies of Management & Organization*, 31(2): 9–27.

Study VII

Alas, R.
Job Related Attitudes and Ethics in Countries with Different History.
Accepted for publication in *International Journal of Cross Cultural Management*.

Job Related Attitudes and Ethics in Countries with Different History

Abstract

This paper compares people from different countries according to their job related attitudes and ethical values based on empirical data from 15 countries. Results indicate that countries with a socialist past have to deal with the satisfaction of needs at a lower level than traditional capitalist countries and this consequently influences attitudes and expectations toward society, organisations and work. Attitudes toward society and facets of job satisfaction predict ethical values differently in countries with a different history as well. In traditional capitalist countries ethical values were influenced by attitudes toward society and almost not connected with facets of job satisfaction. In former socialist countries facets of job satisfaction better predicted ethical values of employees than in traditional capitalist countries.

Introduction

For 50 years, Eastern Europe and parts of central Europe were under a socialist regime. This time was long enough to fundamentally influence people's attitudes. Today these countries have passed through a period of transition from a planned economy to a free market economy. These two economic orders are based on different attitudes and values. In the socialist system the most important aim was to provide jobs for all, it did not matter what this person actually did or whether his/her output was necessary at all. The governing systems had not regarded efficiency as the main purpose. However, efficiency in its Weberian sense has always been the primary objective of organisations in both private and public sectors in most Western capitalist democracies.

Despite this transition in society, all the former socialist countries still have a lot to do in order to achieve a welfare level comparable with countries in the European Union (EU). The main problem concerns how to accomplish these changes even faster than EU countries. The key factor here is the employees' commitment to change. A positive correlation has been found between the extent to which efforts to bring about change activate an individual's internal resources and the successful implementation of change (Jawahar et al. 1992). People in former socialist countries bring their previously formed attitudes to organisations, and so operate under different rules. Therefore, the following research question arises. How have socialist politics influenced the attitudes of people from former socialist countries?

Several studies have shown job satisfaction as a contributor and predictor to organisational commitment (Johnson and Jones-Johnson 1992; McNeese-Smith and Nazarey 2001). Although job satisfaction is one of most widely researched topics in organisational psychology, the findings are still contradictory and vary across different social policies and economic contexts in different countries (Judge et al. 2001). Also, researchers have found that general job satisfaction and the sum

of the facets of job satisfaction are not equal (Brief 1998). This makes it worthwhile to continue studying this topic.

In this paper the author explores information concerning factors affecting employees' work related attitudes and ethical values in countries with different historical backgrounds. A brief theoretical overview is followed by an analysis of the results of empirical research in 15 countries.

The Attitudes of Employees

Employee attitudes are considered an indicator of the future success of an organisation (Hurst 1995). Attitude is the psychological tendency that is expressed by evaluating a particular entity with some degree of favour or disfavour (Eagly and Chaiken 1993:1). A person's attitudes influence that person to act in one certain way instead of another (Cooper and Croyle 1984). Attitudes are formed on the basis of affective or emotional experiences and could be seen as cognitive structures that represent past experience (Eagly and Chaiken 1993). By reflecting more deeply-held beliefs at the organisational and societal level this enables attitudes to be influenced by the overall cultural context.

In an organisational context such attitudes as commitment and satisfaction, which indicate whether individuals will be affectively connected to an institution or would quit (Holton and Russell 1999; Meyer and Allen 1997), are crucial. Commitment attitudes could lead to commitment behaviour, which would in turn influence commitment attitudes (Reichers 1985).

O'Reilly and Chatman (1986) define *organisational commitment* as psychological attachment to the organisation. Meyer and Allen (1997) differentiate between affective, continuance and normative commitment. Only affective commitment is considered an emotional reward and primary motive for remaining together (O'Malley 2000). During the implementation of radical change requiring changes to attitudes and values, continuance and normative commitment are not enough, affective commitment is necessary.

Job satisfaction, defined as a pleasurable emotional state resulting from the appraisal of one's job (Locke 1976), is considered as a combination of attitudes about various aspects or facets of the job, which form the overall job satisfaction construct (Spector 1997). Researchers have broken job satisfaction up into extrinsic elements affecting behaviour and intrinsic elements affecting attitudes, beliefs and values. Needs connected to extrinsic factors need to be fulfilled before one can progress upwards to intrinsic motivators (Maslow 1954). Based on research into 200 accountants and engineers Herzberg (1959) separated hygiene factors and motivators. His classification of factors has been criticised for different reasons, including on the basis of the limited research sample (Weiss 1996) and numerous failed attempts to replicate the study in different countries (Judge et al. 2001). Later, authors of comprehensive cross-cultural reviews of research into job satisfaction have divided intrinsic and extrinsic facets of job satisfaction differently: pay and promotion have been considered as extrinsic factors and the work itself, supervision and co-workers are viewed as intrinsic factors (Judge et al.

2001). As during radical change, such as the former socialist countries have experienced, a change to people's mindset is necessary (Sathe and Davidson 2000), intrinsic motivators are the most important for the success of change.

Despite the long history of studies in the field of job satisfaction, researchers have not found a general rule for how facets of job satisfaction form general satisfaction. Changes in the work environment have brought about changes in the nature of work, which has in turn influenced the way attitudes to work have been studied in the social sciences (Brief 1998). Also, the role of social environments has been under-emphasised in research into attitude (Eagly and Chaiken 1993). So, there is a need for additional research to discover which facets of the job satisfaction construct are more important for general job satisfaction and how the broader social environment has influenced the importance of these facets.

Values and ethics

Individual behaviour is directed by moral beliefs (Kohlberg 1978). Morality is the standards that an individual or a group has about what is right and wrong, or good and evil. Moral standards are not established or changed by the decisions of particular authoritative bodies. Instead, the validity of moral standards rests on the adequacy of the reasons that are taken to support and justify the. So long as these reasons are adequate, the standards remain valid (Velasquez 2002).

Values have been defined as the principles or standards that people use, individually or collectively, to make judgements about what is important or valuable in their lives (McEwan 2001). Values exist and are communicated through social connections and may vary in different cultures and different countries (Fisher and Lovell 2003). A small number of core ideas or cognitions present in every society about desirable end-state (Rokeach 1973).

Ethics is the discipline that examines one's moral standards or the moral standards of a society (Velasquez 2002). Ethical means accepted standards in terms of one's personal and social welfare.

Research results from Estonian organisations indicate that this specific environment during the Soviet era had an impact on peoples' value system. A survey of values conducted in the second half of the nineties indicated that Estonian business students underestimated social values when compared with Finnish students (Ennulo and Törnpuu 2001). These researchers found this typical for representatives of post-socialist countries in comparison with representatives from countries without a socialist experience (ibid:342).

In this paper author attempts to find out, which facets of job satisfaction could predict commitment to the company, general job satisfaction, attitudes toward society and ethical values in countries with different historical backgrounds.

Empirical study of employees' attitudes

Methodology and sample

The author of this article conducted an international study initiated by the Denki Ringo research group (Japanese Electrical, Electronic and Information Union) in

Estonian organisations. This was a survey of attitudes in the electronics industry, the third phase of which was conducted between 1999–2001 and covers 15 countries with 5914 respondents. A research partner from each country was requested to select two plants: one producing telecommunications equipment and the other electrical goods for household use. Seven of the countries researched had been under socialist rule during their history. Estonia was the only country that had been a part of the former Soviet Union. In addition the research covered Eastern European socialist countries Poland, Czech Republic, Slovakia and Hungary, Slovenia (from former Yugoslavia) and China. People's attitudes in these countries are compared to attitudes in traditional capitalist countries like – the USA, Japan, Finland, France, Italy, Spain, South Korea and Hong-Kong. Respondents from former socialist countries formed 51% of the sample. The author organised and conducted the survey for two plants in Estonia with 536 respondents.

A standardised questionnaire with 39 items was used in every country. Questions were about the respondents' expectations of society and trade unions, about feelings toward organisations and some other areas. Job satisfaction was measured in two different ways. In the first part of questionnaire there were 15 facets of job satisfaction to evaluate on a five-point scale and later among questions about age and marital status there was a single question about general satisfaction with working life.

In order to find out how socialism has influenced people's attitudes, I compared attitudes from former socialist countries with those of non-socialist countries according to their attitudes toward trade unions, society and the organisation they work for. The comparison of two groups of countries was done by means of the ANOVA test. The factors influencing job satisfaction and organisational commitment were found by using correlation analyses and Linear Regression analyses.

Job satisfaction

Generally, the traditional capitalist countries valued satisfaction with their present work life more ($F(1;5823)=75.796, p=.000$) than former socialist countries. The sum of the facets of job satisfaction was also higher ($F(1;5842)=33.715, p=.000$) in traditional capitalist countries. Two groups of countries are compared in Appendix 1. Although most of the facets of job satisfaction (working conditions, pay and fringe benefits, promotion opportunities, training and re-training, employment security, equal opportunities for men and women and welfare provision) were statistically significantly higher in the group of traditional capitalist countries, there were some exceptions. For instance, regarding the factor of overtime per month, capitalist countries exceeded ($M=22$ hours, $SD=2.3$) the corresponding figures of post-socialist countries ($M=8$ hours, $SD=1.4$) significantly ($F(1;3930)=552.194, p=.000$). This was also the main cause for greater dissatisfaction with workload among people with a capitalist background ($F(1;5790)=18.256, p=.025$), and with the length of their work time ($F(1;5786)=113.021, p=.000$).

Correlation between the question about general job satisfaction and the sum of the 15 facets of job satisfaction was positive and statistically significant ($r=.475$, $p<.01$). There was a stronger connection between these two variables in the traditional capitalist countries ($r=.554$, $p<.01$) than in former socialist countries ($r=.394$, $p<.01$).

The author analysed the results for general satisfaction with work life and facets of job satisfaction by using the Linear Regression analysis. In the analyses, general satisfaction was taken as a dependent variable and the 15 facets of job satisfaction as independent variables.

Linear Regression analysis reveals that the facets of the entire job satisfaction construct predicts general job satisfaction differently in countries with a different history. The standardised coefficients Beta (β), which enable us to predict how the facets forecast general satisfaction, are presented in Appendix 1. In traditional capitalist countries 40% of the variability in general satisfaction with work life can be explained by reference to the 15 facets of job satisfaction presented in the current study: $R^2 = .403$, $F(15, 2472) = 111.240$, $p = .000$. At the same time in former socialist countries only 16% of the variability in general satisfaction can be explained by reference to the 15 facets of job satisfaction: $R^2 = .162$, $F(15, 2466) = 31.735$, $p = .000$.

Results from the Linear Regression analysis indicate that in former socialist countries working conditions and welfare provisions predict general job satisfaction, but in capitalist countries they do not (Appendix 1). In traditional capitalist countries, relationships with co-workers helped to predict general job satisfaction, but in socialist countries they did not.

The analysis indicates differences between countries. In Table 1 facets of job satisfaction are ranked according to their contribution to general satisfaction with work life in both groups of countries. In the traditional capitalist countries, intrinsic factors like relationships and interesting work contribute more to general satisfaction than in countries with a socialist experience. The extrinsic factors like pay, working conditions and welfare provision had more importance in former socialist countries than in the others.

Table 1. Facets contributing to general job satisfaction with work life.

	Countries with a socialist past	Traditional capitalist countries
1.	Pay and fringe benefits	The extent to which your work is interesting
2.	The extent to which your work is interesting	Length of working hours
3.	Job security	Relationship with your boss
4.	Working conditions	Trust between managers and employees
5.	Competence of management	Relationship with your co-workers
6.	Welfare provision	Security of employment
7.	Work load	Pay and fringe benefits
8.		Work load

Although, according to the data in Appendix 1, there was no significant difference in affective commitment to the company between the two groups of countries ($F(1;5590)=2.713$, $p=.100$), there were differences in the factors influencing employee commitment to the company. Feelings toward the company were taken as a dependent variable and employee job satisfaction was taken as an independent variable in the Linear Regression analysis. Appendix 1 presents the standardised coefficient Beta (β). In traditional capitalist countries 20% of the variability in commitment to the company can be explained by reference to the 15 facets of job satisfaction presented in the current study: $R^2= .204$, $F(15, 2369) = 40.554$, $p= .000$. In former socialist countries this number is smaller: only 12% of the variability can be explained by reference to the same facets of job satisfaction: $R^2= .125$, $F(15, 2395) = 22.731$, $p= .000$.

Results in Table 2 indicate that feelings toward the company in both blocks of countries depend on the extent to which the work is interesting. At the same time, in countries with a socialist past – pay and fringe benefits, relationships with co-workers and with the boss and also working conditions – play a significant role in employee commitment to an organisation. In the other block of countries, instead of these factors – competent management, trust between managers and employees, business information provided by the management and length of working hours – significantly influenced employees’ feelings toward the company.

Table 2. Facets contributing to commitment to the company.

Countries with socialist past	Traditional capitalist countries
1. The extent to which your work is interesting	The extent to which your work is interesting
2. Pay and fringe benefits	Length of working time
3. Relationship with your boss	Competence of management
4. Working conditions	Trust between managers and employees
5.	Business information provided by management

In traditional capitalist countries intrinsic factors predict employee commitment to the company better than extrinsic factors. The opposite is true of former socialist countries.

Attitudes toward society

Attitudes among people with a socialist background were remarkably different in regard to the issue of material inequality. Respondents from the socialist block found social differences greater than respondents from traditional capitalist countries ($F(1;5385)= 655.060$, $p=.000$). Respondents from Slovakia rated inequality the highest: 67% of respondents found social differences *very high* and 37% considered it *rather high*. Consequently we could say that 99% of the population in Slovakia thought their society was unequal. The percentage was

higher also in Poland (63% and 30%), Hungary (48% and 42%), Czech Republic (52% and 42%), Estonia (45% and 41%), China and Slovenia: all former socialist countries. At the same time almost half of the respondents in Japan, the USA and Spain consider inequality moderate. We could say that this feature differentiated the countries on the basis of their political past best of all.

We asked the respondents what kind of society they would like. According to the results of the ANOVA test, respondents from former socialist countries valued the following factors more than respondents from traditional capitalist countries: all people are provided with a good material standard of living ($F(1;5413)= 648.439$, $p=.000$); social order is well kept with few criminal offences ($F(1;5389)= 84.748$, $p=.000$); and people can live with peace of mind ($F(1;5390)= 66.928$, $p=.000$). In addition we could also mention one other factor, that people live their life by observing well-established values and ethics ($F(1;5360)= 9.116$, $p=.003$). Traditional capitalist countries on the other hand considered the following factors of more importance than the other group did: all people co-operate with each other in solidarity ($F(1;5373)= 48.044$, $p=.000$); a highly developed social equality among people ($F(1;5383)= 5.043$, $p=.025$); and the individual can develop their life by having a wide range of opportunities ($F(1;5360)= 9.116$, $p=.003$).

Ethical values

In order to find out factors influencing ethical values Linear Regression analysis was conducted twice. In the analyses, the facets 'People live a life by observing well-established values and ethics' was taken as a dependent variable in both analysis. The first time the 15 facets of job satisfaction were taken as independent variables. The second time the other attitudes toward society were taken as independent variables.

Linear Regression analysis reveals that the facets of the entire job satisfaction construct predict ethical values differently in countries with a different history. In traditional capitalist countries ethical values were almost not connected with facets of job satisfaction. Only in Spain work conditions and training and re-training predicted how important employees found well-established values and ethics. In former socialist countries facets of job satisfaction better predicted ethical values of employees than in traditional capitalist countries. In Czech Republic, Poland and Hungary welfare provision predict ethical values. In Slovakia training and re-training predict ethical values. Competence of management, relationships with boss and feeling toward company can predict ethical values in Estonia.

In Estonia differences were found in different age groups. In younger group, between 20 and 24, the pay and fringe benefits predicted ethical values. In age group from 25 to 29 promotion opportunities predicted how important they found well-established values and ethics. In group between 30 and 34 competence of management predicted ethical values. From 35 to 39 following facets of job satisfaction predicted ethical values: work load, length of working time, training and re-training and relationships with boss. In group from 40 to 44 following facets of job satisfaction predicted ethical values: trust between managers and employees,

promotion opportunities, training and re-training, relationships with boss and business information provided by management.

The results of the second analysis, how attitudes toward society predict ethical values are presented in Appendix 2. To extend to which everyone cooperates with each other with solidarity was the best predictor of ethical values. If cooperation was predictor of ethics in 8 countries, then the item ‘Social order is well kept with few criminal offences’ had predicting value to ethics in 7 countries and the item ‘Social equality among people is highly developed’ in 6 countries. ‘People are provided with a good material standard of living’ predicted ethics in two traditional capitalist countries Italy and USA. ‘People can acquire all the results of their own work’ predicts ethical values in former socialist countries Hungary and Poland.

Conclusions and discussion

Results indicate that there are significant differences in the attitudes, toward society, organisations, work, and ethics held by people in countries with different histories.

Respondents from former socialist countries expected society to provide people with a good material standard of living and a high level of social order with few criminal disorders compared with other countries. At the same time, respondents from traditional capitalist countries were more concerned about co-operation, highly developed social equality and the creation of opportunities for the individual to develop themselves. According to Maslow’s (1954) hierarchy of needs, the group of countries with a socialist past are basically dealing with survival needs at the two lower levels – physiological needs and personal safety. At the same time, the other group of countries have passed these stages already and are dealing with higher level needs in order to create cooperation and conditions for self-actualisation. According to theorists in the post-modern era in order to hold an organisation together, greater attention should be given to creating a strong feeling of solidarity (Bergquist 1993). It seems, that former socialist countries still have a lot to do in order to satisfy survival needs, before higher order needs can take over as motivating forces.

As the post-modern worker is considered to be one who looks for meaningful work and personal growth in the work setting (Bergquist 1993), we may conclude that employees from former socialist countries haven’t achieved this level yet.

As with feelings toward society, feelings toward the company can also be compared using Maslow’s hierarchy of needs. The results are similar – commitment to the company in countries with a socialist past can be predicted by lower level needs than in countries without this experience. Commitment to the company in countries with a socialist past is influenced by pay and fringe benefits, relationships with co-workers and the boss and also by working conditions. At the same time in the capitalist countries instead of these factors – competent management, trust between managers and employees, business information provided by the management and length of working hours – significantly influenced employees’ feelings toward the company.

Needs were better satisfied and consequently job satisfaction was higher in traditional capitalist countries. Also, in traditional capitalist countries intrinsic factors better predict employee commitment to the company than extrinsic factors. The opposite is true of former socialist countries.

Research indicates, that also ethical values are influenced by attitudes toward society and by job satisfaction. In traditional capitalist countries ethical values were influenced by attitudes toward society and almost not connected with facets of job satisfaction. In former socialist countries facets of job satisfaction better predicted ethical values of employees than in traditional capitalist countries. For example in Czech Republic, Poland and Hungary welfare provision predict ethical values. In Slovakia training and re-training predict ethical values. Competence of management, relationships with boss and feeling toward company can predict ethical values in Estonia. At the same time attitudes toward society had less predicting value in former socialist countries than in traditional capitalist countries. The main difference was in two values: 'People are provided with a good material standard of living' predicted ethics in two traditional capitalist countries Italy and USA; 'People can acquire all the results of their own work' predicts ethical values in former socialist countries Hungary and Poland. Again, in former socialist countries people are so busy with satisfying their own needs and family needs, that they do not think so much about society as people in countries, which have not experienced socialism.

On the one hand, the reasons for differences in all these attitudes may stem from the different developmental stages of the market economy and on the other hand, many of these differences may stem from the existence of different ideologies in the country's past. The time that former socialist countries have had to move from a totalitarian regime to a democratic one has been too short for developing a sufficient level of welfare as the basis for employee self-reliance. Employees are afraid of losing their job and so find themselves dependent on their manager's will.

We can conclude from the current study, which compares employees in the electronics industry, that traditional capitalistic countries are mainly dealing with needs characteristic of the post-modern era, but former socialist countries are still struggling at the level of needs that were the main focus during the modernist era. This difference of needs satisfaction has also influenced expectations toward society, and organisations and ethical values. To make broader conclusions it would also be necessary to test this result in other industries.

References

- Bergquist, W. (1993) *The Post-modern Organisation: Mastering the Art of Irreversible Change*. Jose-Bass Publisher.
- Brief, A. P. (1998) *Attitudes In and Around Organisations*. Sage Publications.
- Cooper, J., Croyle, R. T. (1984) 'Attitude and Attitude Change', *Annual Review of Psychology*, 35: 394–426.

Eagly, A. H., Chaiken, S. (1993) *The Psychology of Attitudes*. Harcourt College Publishers.

Ennulo, J., Törnpuu, L. (2001) 'An Intercultural Comparison of Management Values among Business School Students and Teachers', *Trames*, 5(4): 336–344.

Fisher, C., Lovell, A. (2003) *Business Ethics and Values*. Prentice Hall.

Flood, P., Turner, T., Willman, P. (2000) 'A Segmented Model of Union Participation'. *Industrial Relations*, 39(1): 108–118.

Herzberg, F., Mausner, B., Synderman, B. (1959) *The Motivation of Work*, New York: John Wiley & Son.

Holton, E. F., III, Russell, C. J. (1999) 'Organisational Entry and Exit: An Exploratory Longitudinal Examination of Early Careers', *Human Performance*, 12(3/4): 311–342.

Hurst, D. K. (1995) *Crisis and Renewal: Meeting the Challenge of Organisational Change*, Boston: Harvard Business School Press.

Jawahar, I. M., Stone, T. H., Cooper, W. H. (1992) 'Activating Resources in Organisations', in: Woodman, R. W., Pasmore, W. A. (Eds.) *Research in Organisational Change and Development*, 6: 153–196.

Johnson, W. R., Jones-Johnson, G. (1992) 'Differential Predictors of Union and Company Commitment: Parallel and Divergent Models', *Psychology*, 29: 1–12.

Judge, T. A., Parker, S. H., Colbert, A. E., Heller, D., Ilies, R. (2001) 'Job Satisfaction: A Cross-Cultural Review', in: Anderson, N., Ones, D. S., Sinangil, H. K., Viswesvaran, C. (Eds.) *Handbook of Industrial, Work & Organisational Psychology*, 2: 25–52. Organisational Psychology, Sage Publications.

Kohlberg, L. (1978) 'Revision in the Theory and Practice of Moral Development', *Moral Development*, Josey-Bass, No 2(86).

Locke, E. A. (1976) 'The nature and causes of job satisfaction'. In Dunnette, M. D. (Ed.) *Handbook of Industrial and Organisational Psychology*, pp: 1297–1343. Chicago: Rand McNally.

Maslow, A. H. (1954) *Motivation and personality*. New York: Harper & Row.

McEwan, T. (2001) *Managing Values and Beliefs in Organisations*. Prentice Hall.

McNeese-Smith, D. K., Nazarey, M. (2001) 'A Nursing Shortage: Building Organisational Commitment among Nurses / Practitioner Application', *Journal of Healthcare Management*, 46(3): 173–187.

Meyer, J. P., Allen, N. J. (1997) *Commitment in the Workplace: Theory, research and Applications*. Sage Publications.

O'Malley, M. N. (2000) *Creating commitment: How to attract and retain talented employees by building relationships that last*. John Wiley & Sons, Inc.

O'Reilly, C. A., Chatman, J. (1986) 'Organisational commitment and psychological attachment: The effects of compliance, identification, and internalisation on pro-social behaviour'. *Journal of Applied Psychology*, 71: 492–499.

Reichers, A. E. (1985) 'A review and re-conceptualisation of organisational commitment'. *Academy of management Review*, 12: 278–287.

Rokeach, M. (1973) *The Nature of Human Values*. New York: The Free Press.

Sathe, V., Davidson, E. J. (2000) 'Toward a new conceptualisation of culture change', in: Ashkanasy, N. M., Wilderom, P. M., Peterson, M. F. (Eds.) *Handbook of Organisational Culture & Climate*, pp. 279–296.

Simonetti, S. H., Weitz, J. (1972) 'Job Satisfaction: Cross Cultural Effects', *Personnel Psychology*, 25: 107–118.

Spector, P. E. (1997) *Job Satisfaction: Application, Assessment, Causes, and Consequences*. Sage Publications.

Velasquez, M. G. (2002) *Business Ethics. Concepts and Cases*. Fifth edition. Prentice Hall.

Weiss, J. W. (1996) *Organisational Behaviour & Change: Managing Diversity, Cross-cultural Dynamics, and Ethics*. West Publishing Company.

Appendices

Appendix 1. Facets of job satisfaction affecting employee feelings toward the organisation they work for and general satisfaction with work life.

Facets of job satisfaction	SC	CC	Feelings toward	Feelings toward	General satisfaction	General satisfaction
	N=2957	N=2838	company	company	SC	CC
	M	M	SC	CC	Beta	Beta
	SD	SD	Beta	Beta	N=2481	N=2487
Working conditions	2,75 1,09	2,65 1,10	,045	,030	,061	,025
Trust between managers and employees	2,75 1,00	2,75 ,99	,050	,072	-,001	,086
Work load	2,74 ,96	2,80 1,00	-,021	-,027	,050	,056
Length of working time	2,36 ,92	2,65 1,06	-,026	,121	-,018	,130
Pay and fringe benefits	3,55 1,07	3,08 1,10	,150	,034	,133	,058
Competence of management	2,79 1,02	2,82 1,02	,002	,091	,057	,024
Promotion opportunities	3,41 1,04	3,16 1,07	,040	,018	,018	-,020
Training and retraining	3,08 1,09	2,94 1,07	,035	-,023	-,013	,003
Security of employment	3,04 1,14	2,58 1,02	-,046	-,007	,110	,067
Equal opportunities for women and men	2,83 1,08	2,68 1,03	,022	-,011	,019	,013
Welfare provision	3,20 1,12	2,64 1,02	,040	,004	,052	-,019
Relationship with your boss	2,29 ,94	2,42 1,01	,054	,001	,047	,129
Relationship with your co-workers	1,92 ,78	2,03 ,81	-,066	,024	-,009	,069
The extent to which your work is interesting	2,41 ,93	2,43 ,97	,179	,162	,113	,251

Business information provided by management	2,91 1,19	2,91 1,01	-,041	,066	-,022	,035
Sum of facets	2,79 ,62	2,70 ,66				
General satisfaction	2,72 ,97	2,51 ,91				
Feelings towards the company	1,69 ,70	1,72 ,73				

Notes:

SC – Countries with socialist past

CC – Traditional capitalist countries

General satisfaction was evaluated on a 5 point scale, where ‘1’ means ‘very satisfied’ and ‘5’ very dissatisfied’.

‘Feelings toward the company’ was evaluated on a 4-point scale, where:

1 – ‘I would like to put my best effort towards the company’s success’,

2 – ‘I would like to give as much effort to the company as the company gives to me as reward’,

3 – ‘I do not have much feeling towards the company’,

4 – I am indifferent to any matters concerning the company’

Bold notes statistically significant connections, $p < .05$.

Appendix 2. Expectations toward society influencing ethical values in different countries (People live a life by observing well-established values and ethics).

Expectation toward society	People are provided with a good material standard of living	Everyone cooperates with each other with solidarity	Social order is well kept with few criminal offences	Individual can develop their life with great opportunities	Social equality among people is highly developed	People can live with a peaceful mind	People can acquire all the results of their own work
Former socialist							
Estonia		*		*	*		
China							
Czech Republic							
Slovakia				*			
Slovenia							
Hungary		*	*		*		*
Poland		*		*			*
Traditional capitalist							
South-Korea		*	*	*	*		
Hong-Kong		*	*		*		
Japan		*	*			*	
Italy	*		*				
Spain			*		*		
USA	*	*					
France		*	*		*		
Finland							

‘*’ indicates, that this expectation toward society can predict how people in this county evaluate the facet ‘People live a life by observing well-established values and ethics’.

Part 4. CONCLUSIONS

4.1. Discussion of the research propositions

The process of continuous change in Estonian companies since the end of 1980's has required that members of organisations learn new skills and attitudes. The results of this survey in Estonian organisations reveal that the respondents' thoughts about organisational culture and learning differ from each other with regard to age, position, and educational level. Orientations of organisational culture also predict learning and attitudes among members of organisations in different groups in different ways.

P1: Task orientation and relationship orientation of organisational culture both predict organisational learning.

Although Argyris (1990) warns that culture can either block learning and change or it can stimulate learning, the current study indicates the importance of culture in organizational learning. The first proposition of this research was supported and the current research reveals that both task orientation and relationship orientation of organisational culture stimulate learning and are good agents for predicting organisational learning during major organisational change (Table 1 in Study IV, page 107).

P2: Relationship orientation of organisational culture is a better predictor of collective learning for employees with longer tenure at the same organisation than for people with shorter tenure.

This proposition was supported as well. We found that collective learning and also individual learning among employees who have worked less than five years for a particular organisation were not influenced by relationship orientation of organizational culture (Table 1 in Study VI, page 107). This was different among employees with tenure of more than five years. Both their individual and collective learning could be predicted by relationship orientation of organizational culture; and collective learning in this group did not depend on task orientation any more (Table 1 in Study VI, page 107). This finding indicates the importance of time in forming relationships necessary for organisational learning in contemporary organisations, and provides managers reason to reconsider their attitudes toward tenure. In Estonian organizations managers are still afraid of stagnation even in people's attitudes and expect people with longer tenure to become resistant to change. At the same time in a turbulent environment, organisational learning based on collaboration as a 'core competency', became the main source of competitive advantage (Prahalad and Hamel, 1990). This research indicates the important role of relationship orientation in shaping collaborative abilities in organisations and the time frame involved until these relationships start to exert influence. So it shows tenure in a new light and indicates that a long tenure in a particular organisation may become valuable again. But this could not have been evaluated on the same basis as last century, but only on the basis of values emphasising openness, continuous learning and flexibility.

P3: The organisational learning of managers is better predicted by task orientation of organisational culture than by relationship orientation of organisational culture.

Although managers were more task oriented than specialists, the third proposition was not supported. On the contrary, organisational learning in the group of managers could be predicted by relationship orientation of organisational culture only (Table 1 in Study VI, page 107). As in Schein's (1996) operators' culture which turns more attention to human interactions than executives' and engineers' culture, we must assume, that despite their professional background in medicine, the managers who participated in the current survey had learned through personal experience how inevitable communication, trust and teamwork must be for operating in a changing environment in terms of both technological and organisational development. This finding supports Eisler's (1987) comments, that a re-examination of cultural history shows that highly advanced civilizations in many eras have been based on partnership rather than domination.

P4: Relationship-orientation of organisational culture influences the attitudes toward change in people with a Soviet work experience more than those same attitudes in younger people without this experience.

The author found that organisational culture predicts attitudes in groups with different work experience in different ways. Attitudes toward the benefits of change depend on task-orientation of organisational culture in all groups regardless of previous work experience, but did not depend on relationship-orientation among people with any significant work experience from the Soviet Union. People, who started their careers during Soviet time, rely on relationships more than their younger colleagues.

4.2. The results in the institutional context

The author found connections between the institutionalisation stage at the societal level and types of change in organisations. During the period of social transience, which consists from deinstitutionalisation and reinstitutionalisation, transformational change took place in the majority of Estonian organisations (Study II). Only 10% of the companies studied had made no transformational changes such as changes in strategy, organisational culture or management style, but these companies had made transitional changes.

Empirical evidence indicates that people, who started their careers during different institutional stages in Estonian history, have different ways for forming their attitudes concerning changes in organisations. People that started their careers during the stagnation in the Soviet Union, when both, formal and informal institutional systems were stable, developed attitudes toward changes relying on relationship orientation of organisational culture. The character of a totalitarian regime might explain this tendency (Figure 3, Study VI).

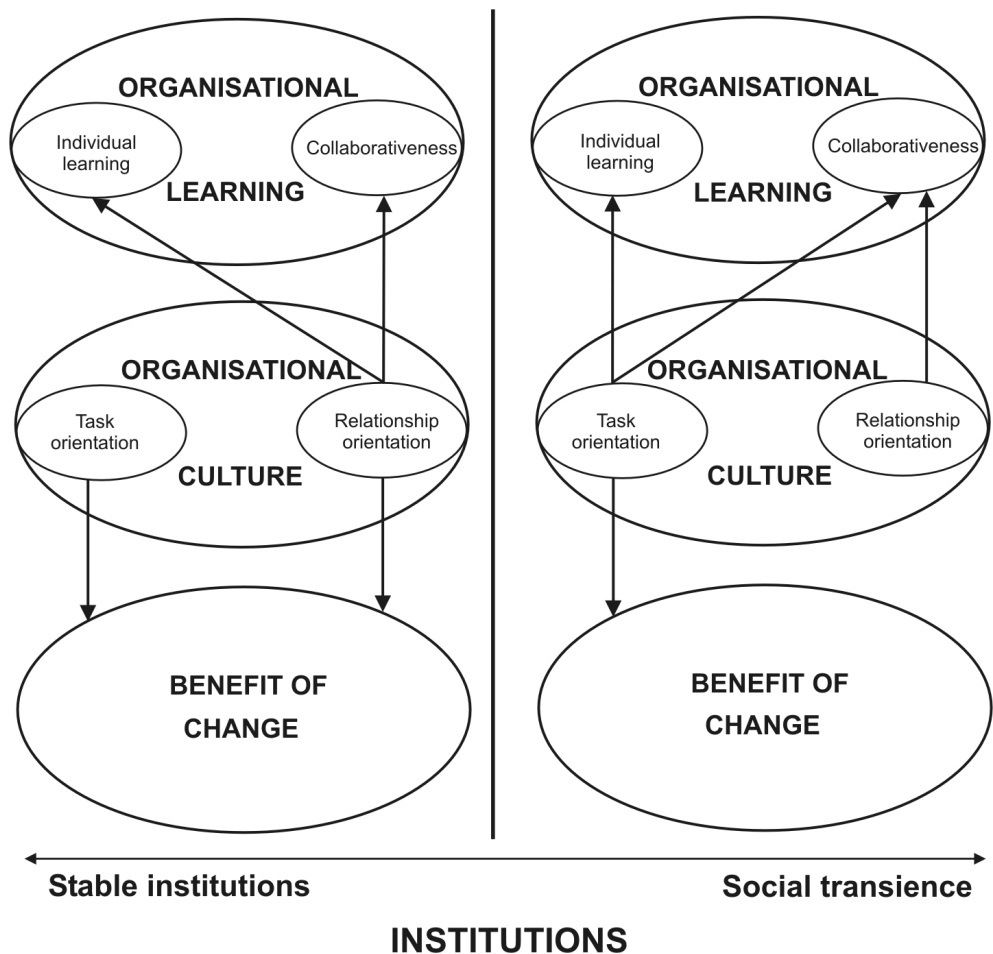


Figure 3. Impact of organisational culture upon organisational learning and attitudes toward change in institutional context.

During the totalitarian regime in the Soviet Union it was not safe to speak openly or share personal thoughts (Taagepera, 1993). For this reason Estonians developed two levels of communication: they learned to speak and use the official language and dogma of the communists in public as a form of lip service, and the second and genuine national level was used in families and with close friends. Children learned this communication finesse before school age (Nurmi and Üksvärav, 1994). This was also transferred to organisations and employees were used to getting interpretations of events from colleagues (Üksvärav, 2001). According to the current survey these people have brought this habit to contemporary Estonian organisations and rely on relationship orientation of organisational culture when deciding about the benefits of change.

The most independent decision-makers belong to the group that started their careers during the most turbulent period from the second half of the 1980's until 1995, when the old institutional system was first challenged, then destroyed and replaced with a different system. In decisions concerning the benefits of change this group of people rely purely on task orientation of organisational culture. The reason for this may be that there was no one to rely on, because Estonian society was moving in the direction of an unknown. People that started their careers after 1995, when the situation had started to stabilise, rely on both task and relationship orientation. They can ask for information from their colleagues who have already got experience of the recently developed market economy. Managers could consider this difference in the attitude formation process in managing change.

Connections between organisational culture and learning differ between groups. One group commenced work during a time when new institutional settings, which allowed more autonomy, were added to a previous institutional system. This opened new possibilities for the individuals to be active. The current survey indicates that individual learning in this group could be predicted by task orientation of organisational culture only (Figure 3, Study IV). Collective learning in this group depends on relationship orientation as well and is consistent with previous organisational learning theories. In the other group, where people had started their careers earlier – during the period of stabilised institutions in the Soviet time – the results were different: only relationship orientation could predict both individual and collective learning in this group.

In Table 3 the main conclusions from Studies I, IV and VI have been shown together with evaluations of the stages of institutionalisation in Estonia. The main conclusions from Study VII are summarised in Figure 4. Differences were found in need satisfaction and in the formation of attitudes toward work, the organisation and society in countries with different institutional backgrounds.

The employees from those capitalist countries that have not experienced socialism and have established institutions rated satisfaction with their present work life higher than employees from former socialist countries where institutions are experiencing the social transience stage. In the established capitalist countries higher level needs like the need for interesting work and relationships at work contribute more to general job satisfaction than in countries with a socialist experience. In former socialist countries factors like pay, working conditions and welfare provision had more impact upon general job satisfaction than in countries with stable institutions.

Commitment to the company in countries with a socialist past could be predicted by working conditions, pay and fringe benefits, relationships with co-workers and the boss. At the same time in the capitalist countries, instead of these factors, competent management, trust between managers and employees and the provision of business information by management predicted the employees' feelings toward the company.

Similar needs dominated in the formation of expectations toward society. Respondents from former socialist countries expected society to provide people

with a good material standard of living and a high level of social order with few criminal disorders compared with other countries. At the same time, respondents from established capitalist countries were more concerned about co-operation, highly developed social equality and the creation of opportunities for the individual to develop themselves.

Table 3. The main conclusions from Studies I, IV and VI within an institutional framework.

	Institutionalisation	Types of organisational change	Impact of OC on attitudes	Impact of OC on individual learning	Impact of OC on collective learning
1950-1980	Period of stable institutions	Developmental change	RO+TO	RO	RO
1980-1987	Decline in established institutional arrangements	Developmental change	RO+TO	TO	RO+TO
1987-1991	Decline continues, creation of new additional institutions	Transitional change	TO	TO	RO+TO
1991	Deinstitutionalisation	Transformational change	TO	TO	RO+TO
1991-1995	Social transience	Transformational change	TO	TO	RO+TO
1995-	Reinstitutionalisation, More stable institutions	Transformational change, transitional change	RO+TO	TO	RO+TO

Notes: OC – Organisational culture

RO – Relationship orientation of organisational culture

TO – Task orientation of organisational culture

It has been shown that people in the group of countries with a socialist past, currently experiencing social transience, are basically dealing with survival needs – physiological needs and personal safety. At the same time, people in established capitalist countries with stable institutions are dealing with higher level needs in order to create cooperation and conditions for self-actualisation.

In the light of empirical evidence the development of unique theories about organisational change in post-socialist countries seems unnecessary, but the existence of certain specific characteristics of the process of transformation cannot be ignored.

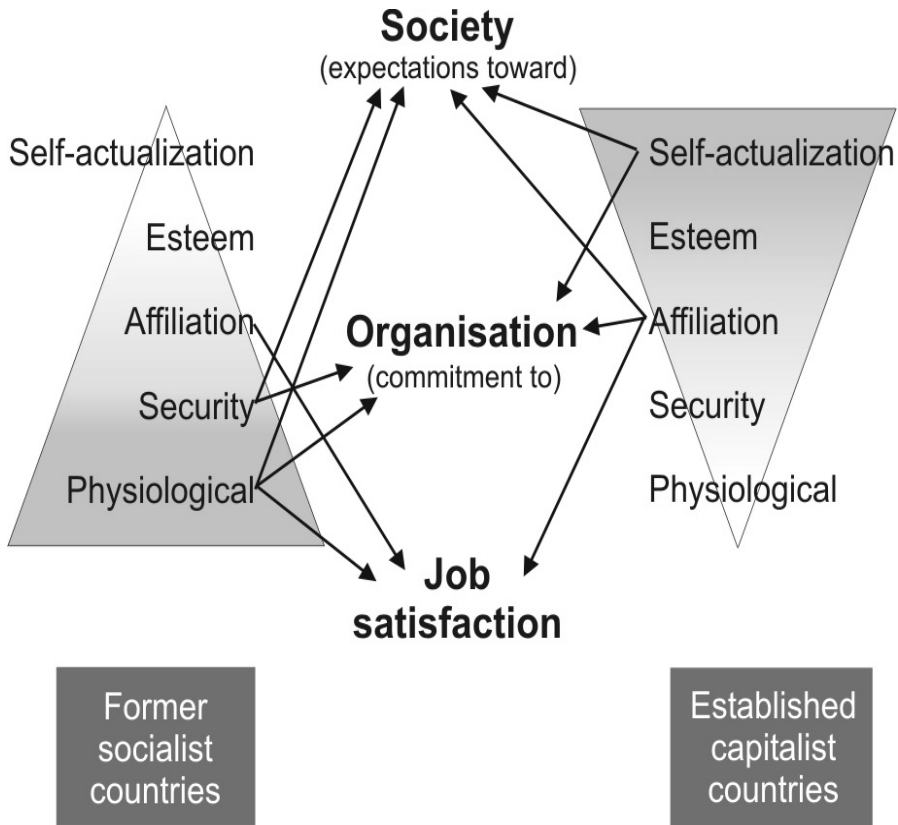


Figure 4. Motivating needs in countries with different social and political backgrounds.

4.3. Implications for managers, limitations and suggestions for further research

The study of the process of change is moving from a descriptive to a prescriptive posture, offering interventions and steps for the implementation of change (Nutt, 2003). From her findings, the author has described some implications for managers of post-Soviet organisations.

The author proposes a change model for Estonian organisations with an emphasis on unlearning. The model consists of the following steps: (1) determining the need for change and unlearning followed by creating a vision; (2) determining the obstacles to change and unlearning followed by gaining the participation of organisational members; (3) the implementation of unlearning and the implementation of change; and (4) consolidating improvements and institutionalising the change (Figure 1 in Study III, page 96).

Through the identification of broadly shared schema, managers could be in better position to understand the different change attitudes held by their employees and establish the respective level of readiness for change in various groups in the organisation. Managers can construct change programs and target likely sources of resistance to change. As task and relationship orientations of organisational culture predict employee attitudes toward changes, managers should make cultural considerations part of the organisation's strategy, and monitor the development of the organisation's culture and periodically repeat a diagnosis of task and relationship orientations (Study VI).

Different approaches are required to suit employees with differing professional experience in order to achieve a more task-oriented culture (see Study VI).

The author developed the following implications for management education in Estonia (see Study V). The author suggests:

- a paradigm shift – the focus should move from technical systems to social systems in management
- more emphasis should be placed on teaching human resource management—including diversity issues
- change management should be guaranteed a secure and definite place in the curriculum
- teaching the theories of individual and organizational learning by emphasizing the differences in the factors that influence learning in groups with different backgrounds and demographic data.

Although some useful conclusions and implications were drawn, it should be stressed that such a complex phenomenon as organizational change can only be touched upon by one doctorate. As with all research projects, the research conducted by the author of this thesis has limitations and requires follow-up studies. To talk about the limitations: the attempt to connect the single articles under one theoretical framework is a complicated task in itself. Although a dissertation using articles provides the opportunity for proving various aspects of a theoretical model, there is no possibility of amending those articles that have already been published in order to better share in the value of the full thesis.

There are also limitations in this study connected with its general framework. Due to the limitations of thesis documents, the author has focused only on behavioural factors, there could also be other factors influencing change in Estonian organisations. The author explored concrete connections between a limited number of factors, and the other influences have been left for future research. Besides the importance of studying dynamic behavioural factors influencing change in organisations, the more static factors could also be taken into consideration. Attitudes toward change could be studied together with personality traits. It could also be useful to find out how managers are perceived by their subordinates and how this perception is connected with their attitudes toward change. Another essential field of study would be that of values. The research could also focus on a comparison of managers' values and the values of their subordinates. It would also be useful to know how values held by managers

influence subordinate perceptions of managers. For example, are managers who value ethics more, seen as being more trustworthy and fair.

This research project was done in both the private and public sector. But the research results cannot be generalised for both sectors, because the amount of research done in the public sector was quite limited. In the study in hospitals, respondents belonged mostly to one profession and most of the employees were female. In this case the professional and socio-demographic proportions were not representative of the whole society. In order to get more information about the influence of institutional stage upon attitude formation toward change and organisational learning, comparative studies could be done by using questionnaires about organisational culture, organisational learning and attitudes toward change in other countries such as China, Turkey and Russia. Attention should also be turned to several industries, professions and socio-demographic groups.

The process of the implementation of change could be studied in more detail by using the model developed in this doctorate. Respondents should be selected from all levels of an organisation for in-depth interviews. Questions should not only be about the steps involved in the change processes, but also the dynamics in attitudes held and about supporting forces; including management style, culture and learning atmosphere. Metaphors could be used in order to capture emotional responses.

Besides finding concrete solutions to problems specific to transformation, it is important to build a two-way road between countries in transition and developed capitalist countries. Academics from former socialist countries could contribute to the developing theories about implementing change.

4.4. The main conclusions at societal, organisational and individual level

Taken together, the main conclusions of this doctoral research are drawn out on three levels: at the macro level of societies, at the organisational level and then the consequences and pre-conditions at the individual employee level.

Conclusions about the societal level influences on organisations could be expressed as follows:

- Reports from managers indicated that in 90% of the studied organisations transformational changes had taken place and in the remaining organisations transactional factors had changed (Study II).
- Estimates of the success of change and the existence or creation of a learning organisation vary with regard to a company's age. The managers of companies established before 1995 evaluated the changes as having been less successful and their existence as a learning organisation less developed than the managers of younger companies. The low level of individual activity in companies established before 1995 in a sense points to a soviet suppression of individual initiatives (Study I).

- The highest rating of organisational learning and of successful implementation of change were shown in companies established in the period 1995–1997, during stabilisation and relatively high growth in the Estonian economy (Study I).
- The companies established after the crisis in 1997 have learnt that they need to live in a constant process of change. Most of them have made more changes in their culture, leadership styles, organisational structure and task requirements than older companies (Study II).

The following societal level influences on individuals were also noted:

- There are significant differences in the attitudes toward society, organisations and work, held by people in countries with different levels of institutional development. In a transformation economy with unstable institutions, survival needs dominate in the formation of people's attitudes. At the same time in the established capitalist countries experiencing a period with stable institutions, the problem of survival has already been solved and higher level needs had started to dominate. This difference in the level of needs satisfaction has also influenced employee attitudes and expectations toward society, trade unions and organisations (Study VII).
- The aspects of organisational culture influencing organisational change – task orientation and relationship orientation – have a different impact on the formation of attitudes toward change depending on the level of institutional development. People who began their working life during the subsequent transition period differ from others according to the way they form their attitudes toward change because their attitudes toward the benefits of change cannot be predicted by relationship-orientation of organisational culture. Only task-orientation of organisational culture predicts a belief in the benefits of change in this group, which started work during a period of rapid deinstitutionalisation (Study VI).
- There was a distinct difference between two groups in respect to the formation of attitudes toward learning in Tallinn hospitals. Only relationship orientation of organisational culture could predict both individual and collective learning in those people who started to work during the totalitarian regime in Soviet Estonia where institutions were stable but stagnant. The results for the group who started working at a time when more autonomy was given and new institutional settings were being created are quite different. Individual learning in this group could only be predicted by task orientation of organisational culture. Collective learning in this group, however, also depended on relationship orientation (Study IV).

Implementation of change at the organisational level and its various aspects:

- Organisational learning depends on the scope of the change: individual activity and collaboration were both rated higher in companies having experienced transformational change than in companies having implemented only transitional change. Indicators influencing individual activity were particularly high after transformational change (Study I).

- Evaluation of the success of changes depended on the size and ownership of the company. The smallest and the largest companies assessed changes as having been more successful and organisational learning more developed than medium sized companies with 26–100 employees. Managers in the public sector evaluated the implementation of changes as having been less successful than did managers in the private sector (Study I).
- The actual model for change in the studied companies consisted of four steps: (1) the determination of the need for change, (2) the creation of a vision, (3) the communication of the vision to employees, and (4) managers involving employees in the implementation of change. The biggest shortcoming was that changes were mostly left unfinished and the institutionalisation of the changes in the organisational culture was mentioned by less than 25% of Estonian managers (Study III).
- A critical step, which influenced individual and organisational learning in a positive way, was the creation of a vision, which was usually accompanied by the creation of a coalition and institutionalisation of changes. Through creating a vision and increasing employee involvement companies, who changed strategy and mission, also managed to develop a new culture (Study I).
- Organisational learning was more developed in companies where changes in strategy and culture have taken place and where managers have evaluated changes as having been more successful (Study I).
- The main activities and features managers saw as related to a learning organisation were environment scanning, openness, self-development for all members of the organisation and also the creation of a learning climate and learning from past experiences and best practices. Other important features such as information systems for sharing, storing and transforming information, and creativity and learning together were less frequently considered (Study I).

Consequences and pre-conditions at the individual level:

- Inertia in the thinking of people and fear of the unknown in organisations became of the biggest obstacles during the implementation of change. People did not have a clear vision of their future in such a rapidly changing and evolving society and this reinforced their fear (Study III).
- There were more favourable attitudes toward change and task-orientation of organisational culture among the employees, who had already started their careers during the period of economic reform. Those members of organisations with soviet work experience do not support organisational goals as much. This may be explained by difficulties stemming from their previous experience (Study VI).
- Older people were more satisfied with job and committed to the company than younger, but younger people are more interested in change. According to length of service at the same company, the group showing the highest level of satisfaction are those who have been at the company for between 11 and 15 years. Employees find changes most necessary during their first year in the company (Study V).

- Perceptions of the usefulness of change and information about changes are not such good indicators for organizational learning as job satisfaction and commitment to the company (Study V).

This integration of Western theory and Eastern data provides us with a deeper comprehension of organisational change in highly turbulent environments. Generally, it has shown how attitudes toward change and learning in different groups are influenced by institutions at the societal level through organisational culture. These attitudes, in turn, also impact upon organisational and societal change. An awareness of these factors is invaluable in the selection and training of personnel as well as in organisational development enabling managers in a post-soviet era to achieve competitive advantage for their organisations.

Researchers agree that the process of change is not completely understood (Whelan-Berry et al., 2003). I believe that my research about organisational change during economic transition provides additional insight into the change process.

REFERENCES

- Ackerman, L. S.** (1986); 'Development, Transition or Transformation: The Question of Change in Organisations', *Organisational Development Practitioner*, December, pp. 1–8.
- Antal, A. B., Dierkes, M., Child, J., Nonaka, I.** (2001); 'Introduction: Finding Paths through the handbook', in Dierkes, M., Antal, A. B., Child, J., Nonaka, I. (Eds.) *Handbook of Organisational Learning & Knowledge*, Oxford University Press, pp. 1–7.
- Argyris, C.** (1990); *Overcoming Organizational Defences: Facilitating Organizational Learning*, Boston: Allyn & Bacon.
- Argyris, C., Schön, D.** (1978); *Organisational Learning: A Theory-in-Action Perspective*, Reading, Massachusetts: Addison-Wesley.
- Armenakis, A. A., Bedeian, A., G.** (1999); 'Organizational Change: A Review of Theory and Research in the 1990s', *Journal of Management* 25, pp. 293–315.
- Ashkanasy, N. M., Broadfoot, L. E., Falkus, S.** (2000a); 'Questionnaire Measuring of Organisational Culture', in Ashkanasy, N. M., Wilderom, P. M., Peterson, M. F. (Eds.) *Handbook of Organisational Culture & Climate*, pp. 131–146.
- Ashkanasy, N. M., Wilderom, P. M., Peterson, M. F.** (2000b); 'Introduction', in Ashkanasy, N. M., Wilderom, P. M., Peterson, M. F. (Eds.) *Handbook of Organisational Culture & Climate*, pp. 1–18.
- Barnowe, J. T., King, G., Berniker, E.** (1992); 'Personal Values and Economic Transition in the Baltic States,' *Journal of Baltic Studies*, 23(2): 179–190.
- Bergquist, W.** (1993); *The Postmodern Organisation: Mastering the Art of Irreversible Change*, Jose-Bass Publisher.
- Bluedon, A. C.** (2000); 'Time and Organisational Culture', in Ashkanasy, N. M., Wilderom, P. M., Peterson, M. F. (Eds.) *Handbook of Organisational Culture & Climate*, pp. 117–128.
- Boninger, D. S., Krosnick, J. W., Berent, M. K.** (1995); 'Origins of Attitude Importance: Self-interest, Social Identification, and Value Relevance', *Journal of Personality and Social Psychology*, 68: 61–80.
- Breu, K.** (2001); 'The Role and Relevance of management Cultures in the Organisational Transformation', *International Studies of Management & Organisation*, 31(2): 28–47.
- Burke, W., Litwin, G.** (1992); 'A Casual Model of Organisational Performance and Change', *Journal of Management*, 18: 523–545.
- Cangelosi, V. E., Dill, W. R.** (1965); 'Organizational learning: observations toward a theory', *Administrative Science Quarterly*, 16: 413–428.
- Cannon-Bowers, J. A., Salas, E.** (2001); 'Reflections on shared cognition', *Journal of Organizational Behavior*, 22: 195–202.
- Child, J., Czegledy, A.** (1996); 'Managerial Learning in the Transformation of Eastern Europe: Some Key Issues,' *Organisation Studies*, 17(2): 167–79.

- Clark, E. Geppert, M.** (2002); 'Management Learning and Knowledge Transfer in Transforming Societies: Approaches, Issues and Future Directions', *Human Resource Development International*, 5(3): 263–277.
- Clark, E., Soulsby, A.** (1999); *Organisational Change in Post-Communist Europe: Management and transformation in the Czech Republic*, Routledge.
- Clarke, S., Fairbrother, P., Borisov, V., Bizyukov, P.** (1994); 'The Privatisation of Industrial Enterprises in Russia – Four case Studies', *Europe-Asia Studies*, 46(2): 179–241.
- Cooke, R. A., Lafferty, J. C.** (1986); *Organisational Culture Inventory (Form III)*, Plymouth, MI: Human Synergetics.
- Cummings T. G., Worley, C. G.** (1997); *Organisation Development and Change*, 6th ed, (South-Western College Publishing).
- DiBella, A. J., Nevis, E. C.** (1998); *How Organisations Learn. An Integrated Strategy for Building Learning Capability*, Jossey-Bass Publishers.
- Dopson, S., Neumann, J. E.** (1998); 'Uncertainty, contrariness and the double-find: Middle managers' reactions to changing contracts', *British Journal of Management*, 9: 53–70.
- Driver, M.** (2002); 'The learning organization: Foucauldian gloom or utopian sunshine?' *Human Relations*, 55(1): 33–53.
- Eagly, A. H., Chaiken, S.** (1993); *The Psychology of Attitudes*, Harcourt College Publishers.
- Edwards, V., Lawrence, P.** (2000); *Management in Eastern Europe*, Basingstoke: Palgrave.
- Eisler, R.** (1987); *The Chalice and the Blade*, San Francisco: Harper San Francisco.
- Garvin, D. A.** (1993); 'Building a Learning Organisation', *Harvard Business Review*, July-August, pp. 78–91.
- Geppert, M.** (2003) 'Critical revision of some core ideas within the discourse about the learning organization: Experiences from field research in East German companies', in: Woodman, R. W., Pasmore, W. A. (Eds.) *Research in Organizational Change and Development*, Vol. 14: 257–282.
- Geppert, M.** (2002); 'Intertwining Organisational learning and Institutional settings: Evidence from organisational case studies in East Germany', *Journal for East European Management Studies*, 7(1): 6–26.
- Goffee, R., Jones, G.** (2000); *The Character of a Corporation: How your company's culture can make or break your business*, Harper Collins Business.
- Goffee, R., Jones, G.** (2001); 'Organisational Culture: A Sociological Perspective', in Cooper, C. L., Cartwright, S., Earley, P. C. (Eds.) *The International handbook of Organisational Culture and Climate*, John Wiley & Sons, pp. 3–20.
- Harrison, R.** (1995); *The Collected Papers of Roger Harrison*, Jossey-Bass Publishers, San Francisco.
- Hurst, D. K.** (1995); *Crisis and Renewal: Meeting the Challenge of Organisational Change*, Boston: Harvard Business School Press.

- Jick, T. D.** (1993); *Managing Change. Cases and Concepts*. Irwin.
- Judge, T. A., Parker, S. H., Colbert, A. E., Heller, D., Ilies, R.** (2001); 'Job Satisfaction: A Cross-Cultural Review', in Anderson, N., Ones, D. S., Sinangil, H. K., Viswesvaran, C. (Eds.) *Handbook of Industrial, Work & Organisational Psychology*, Volume 2, Organisational Psychology, Sage Publications, pp. 25–52.
- Kilmann, R. H., Saxton, M. J.** (1983); *The Kilmann-Saxton Culture-Gap Survey*. Pittsburgh: PA Organisational design Consultants.
- Kotter, J. P.** (1998); Leading Change: Why Transformation Efforts Fail, in *Harvard Business Review on Change. A Harvard Business Review Paperback*, pp. 1–21.
- Landau, J.** (1998); 'Short-lived Innovation: Participation and Symmetrical Relationships in the Italian Public Sector', *European Journal of Work and Organisational Psychology*, 7(2): 233.
- Lau, C. M., Kilbourne, L. M., Woodman, R.** (2003); 'A shared schema approach to understanding organizational culture change', in: Woodman, R. W., Pasmore, W. A. (Eds.) *Research in Organizational Change and Development*, Vol. 14: 225–256.
- Leana, C. R., Barry, B.** (2000); 'Stability and change as simultaneous experiences in organisational life', *Academy of Management Review*, 25(4): 753–759.
- Lewin, K.** (1951); *Field theory in social science*, New York: Harper & Row.
- Lewin, K.** (1989); 'Changing as Three Steps: Unfreezing, Moving, and Freezing of Group Standards', in French, W. L., Bell, C. H. Jr., Zawacki, R. A. (Eds.) *Organizational Development. Theory, Practice, and Research*. Third edition. Irwin, p. 87.
- Liulto, K.** (1999a); 'The Impact of Environmental Stability on Strategic Planning – An Estonian Study', *International Journal of Management*, 16(1).
- Liulto, K.** (1999b); *The Organisational and Managerial Transformation in Turbulent Business Environments – Managers' views on the transition of their enterprise in some of the European former Soviet Republics in the 1990's*, Publications of the Turku School of Economics and Business Administration. Series A-9.
- Lähteenmäki, S., Mattila, M., Toivonen, J.,** (1999); 'Being Critical on Organisational Learning Research – Towards Developing a Measure', in Lähteenmäki, S., Holden, L., Roberts, I. (Eds.) *HRM and the Learning Organisation. Publications of the Turku School of Economics and Business Administration*, pp. 17–49.
- Mahler, J.** (1997); 'Influences of Organisational Culture on Learning in Public Agencies', *Journal of Public Administration Research & Theory*, 7(4): 519–541.
- Manring, S. L.** (2003); 'How do you create lasting organizational change? You must first slay Grendel's mother', in: Woodman, R. W., Pasmore, W. A. (Eds.) *Research in Organizational Change and Development*, Vol. 14: 195–224.
- Martin, J.** (1992); *Cultures in organizations: Three perspectives*. NY: Oxford.
- Maslow, A. H.** (1954); *Motivation and personality*. New York: Harper & Row.

- Meyer, J. P., Allen, N. J.** (1997); *Commitment in the Workplace: Theory, Research and Applications*, Sage Publications.
- Meyer, J., Boli, J., Thomas, G.** (1994); 'Ontology and rationalization in the Western Cultural Account', in Scott, W. R. et al. (Eds.) *Institutional Environments and Organisations: Structural Complexity and Individualism*, London: Sage, pp. 9–27.
- Meyer, J. P., Stanley, D. J., Herscovitch, L., Topolnitsky, L.** (1989); 'Organizational commitment and job performance: It's the nature the commitment that counts', *Journal of Applied Psychology*, 74: 152–156.
- Misiunas, R. J., Taagepera, R.** (1989); 'The Baltic States: Years of Dependence, 1980–1986,' *Journal of Baltic Studies*, 20(1): 65–88.
- Nadler, D. A., Tushman, M. L.** (1989); 'Organisational Frame Bending: Principles for Managing Reorientation', *The Academy of Management, Executive Magazine*, 3(3): 194–204.
- Nonaka, I.** (1990) 'Managing globalization as a self-renewing process', in Bartlett, C., Ghoshal, S. (Eds.) *Managing the Global Firm*, London: Routledge, pp. 69–94.
- Nurmi, R., Üksvärav, R.** (1994); *Estonia and Finland: Culture and Management, a Conceptual Presentation*, Publications of the Turku School of Economics and Business Administration. Series A-9.
- Nutt, P. C.** (2003); 'Implications for organizational change in the structure process duality', in: Woodman, R. W., Pasmore, W. A. (Eds.) *Research in Organizational Change and Development*, Vol. 14: 147–193.
- Palm, T.** (1989); 'Perestroika in Estonia: The Cooperatives,' *Journal of Baltic Studies*, 20(2): 127–148.
- Pedler, M., Burgoyne, J., Boydell, T.** (1991); *The Learning Company: A Strategy of Sustainable Development*, London: McGraw-Hill.
- Pettigrew, A. M., Whipp, R.** (1991); *Managing Change for Competitive Success*, Oxford and Chambridge, MA: Blackwell.
- Porras, J. I., Robertson, P. J.** (1987); 'Organizational Development Theory. A Typology and Evaluation', in: Woodman, R. W., Pasmore, W. A. (Eds.) *Research in Organizational Change and Development*, Vol. 1: 1–57.
- Prahalad, C. K., Hamel, G.** (1990); 'The Core Competence of the Corporation', *Harvard Business Review*, 68: 79–91.
- Probst, G., Büchel, B.** (1997); *Organizational Learning. The Competitive Advantage of the Future*, Prentice Hall.
- Roots, H.** (2002); *Organisatsioonikultuuri tüübid*, Tallinn: Sisekaitseakadeemia.
- Rosenstiel, L., Koch, S.** (2001); 'Change in Socioeconomic values as a trigger of Organisational learning', in Dierkes, M., Antal, A. B., Child, J., Nonaka, I. (Eds.), *Organisational Learning and Knowledge*, Oxford University Press, pp. 198–220.
- Saarniit, J.** (1995); *Eesti noorte väärtushinnangud läbi aegade*, Tallinn : Kultuuri- ja Haridusministeerium.
- Sahlins, M.** (1985); *Islands of History*, Chicago: University of Chicago Press.
- Salancik, G. R., Pfeffer, J.** (1978); 'A Social Information Processing Approach to Job Attitudes and Task Design', *Administrative Science Quarterly*, 23: 224–253.

- Schein, E. H.** (1992); *Organisational Culture and Leadership*, Jossey Bass Publishers.
- Schein, E. H.** (1993); 'How can Organisations learn faster? The Challenge of Entering the Green Room', *Sloan Management Review*, 34(2): 85–92.
- Schein, E. H.** (1996); 'Three Cultures of Management: The Key to Organizational Learning', *Sloan Management Review*, 38 (1): 9–30.
- Schneider, B.** (2000); 'The psychological life of Organisations', in Ashkanasy, N. M., Wilderom, P. M., Peterson, M. F. (Eds.) *Handbook of Organisational Culture & Climate*, pp. 17–22.
- Senge, P. M.** (1997); *The Fifth Discipline. The Art and Practice of the Learning Organisation*, Century Business.
- Silvester, J., Anderson, N. R., Patterson, F.** (1999); 'Organizational culture change: An intergroup attributional analysis', *Journal of Occupational and Organizational Psychology*, 7: 1–23.
- Stata, R.** (1989); 'Organizational learning – The key to management innovation', *Sloan Management Review*, Spring, pp. 63–74.
- Struckman, C. H., Yammarino, F. J.** (2003); 'Organizational change: A categorization scheme and response model with readiness factors', in: Woodman, R. W., Pasmore, W. A. (Eds.) *Research in Organizational Change and Development*, Vol. 14: 1–50.
- Soulsby, A.** (2001); 'The Construction of Czech Managers' Careers', *International Studies of Management & Organisation*, 31(2):48–64.
- Sugarman, B.** (2001); 'A leaning-based approach to organizational change: Some results and Guidelines', *Organizational Dynamics*, 30(1): 62–67.
- Taagepera, R.** (1993); *Estonia – Return to Independence*. Westview Press.
- Taaler, J.** (1995); 'Economic Reforms: The Main Stages, Programmes and Evaluations', in Lugus, O., Hachey, G. A. (Eds.) *Transforming the Estonian Economy*, Tallinn, pp. 1–15.
- Tabachnick, B. G., Fidell, L. S.** (1996); *Using Multivariate Statistics*. Third Edition. HarperCollins.
- Thomson, N.** (2001); 'The Role of Slack in Transforming Organisations', *International Studies of Management & Organisation*, 31(2): 65–83.
- Trice, H. M., Beyer, J. M.** (1993) *The Culture of Work Organisations*, Prentice Hall.
- Tsang, E. W. K.** (1997); 'Organisational Learning and the Learning Organisation: A Dichotomy between Descriptive and Prescriptive Research', *Human Relations*, 50: 73–89.
- Vadi, M.** (2000); *Organisatsioonikultuur ja väärtused ning nendevahelised seosed (Eesti näitel)*, Dissertatsioon. Tartu Ülikooli Kirjastus.
- Vadi, M., Allik, J., Realo, A.** (2002); *Collectivism and its Consequences for Organisational Culture*, Working Paper Series. School of Economics and BA University of Tartu, 12/2002.
- Van de Ven, A. H., Poole, M. S.** (1995); 'Explaining Development and Change in Organizations', *Academy of Management Review*, 20(3), pp. 510–540.

- Venesaar, U., Vitsur, E.** (1995); 'Development of Entrepreneurship', in Lugus, O., Hachey, G. A. (Eds.) *Transforming the Estonian Economy*, Tallinn 187–207.
- Wagner III, J. A., Hollenbeck, J. R.** (1998); *Organizational behaviour: Securing competitive advantage*, 3rd edition. Upper Saddle River, NJ: Prentice Hall.
- Wanous, J. P.** (1992); *Organizational entry: Recruitment, selection, orientation, and socialization of newcomers*. Readings, MA: Addison-Wesley.
- Weick K. E.** (2001); *Making Sense of the Organisation*. Oxford: Blackwell.
- Weik, E.** (2001); 'Myths in Transforming Process', *International Studies of Management & Organisation*, 31(2): 9–27.
- Whelan-Berry, K. S., Gordon, J. R., Hinings, C. R.** (2003); 'The relative effect of change drivers in large-scale organizational change: an empirical study', in: Woodman, R. W., Pasmore, W. A. (Eds.) *Research in Organizational Change and Development*, Vol. 14: 99–146.
- Üksvārav, R.** (2001); 'Management Culture in Estonia: Past and Present Features', in Suominen, A. (Ed.) *Searching for the Boundaries of Business Culture*, Publications of the Turku School of Economics and Business Administration. Series C-1, pp. 103–120.

APPENDICES

Appendix 1. Interview questions.

1. When were the main changes implemented in your organization? Which factors caused these changes?

2. What exactly was changed, please mark with '+' in following table:

Factor	'+'	Factor	'+'	Factor	'+'
Strategy		Leadership		Individual skills	
Mission		Structure		Systems	
Culture		Task requirements		Management practices	

3. How did the implementation of organizational changes take place? Which steps were taken in the process of implementation of organizational change?

4. Did you meet resistance to change? How this resistance appeared? Please describe it.

5. What did your company do to overcome resistance to change?

6. How do you evaluate success of the implemented changes in your company on a 5 point scale (5 is the highest mark and 1 the lowest).

7. Which were the most difficult issues during the implementation of changes?

8. What did you learn from implementation of these changes? What would you do differently in the future?

9. Please evaluate how the indicators in following table in your organization as a whole. Think about all employees. Please use a 10 point scale (10 is the highest mark and 1 the lowest).

Indicator	Grade from 1 to 10
An open-minded and positive attitude towards risk-taking	
Learning by mistakes	
Open communication	
Willingness to develop oneself	
The acceptance of a new operational culture	
Willingness to make initiatives	
Encouraging activeness in one's work	
Removal of distress amongst the personnel	
Commitment to the change process	
Awareness of business objectives	
Commitment to objectives	
Active participation in decision making	
Collaborative ability	
Fluent work processes	
Open information flow	
The ability to use teamwork	
A business oriented operational culture	

Emphasis on training	
Efficient strategic planning	
Acceptance of and satisfaction with lean management	
Managerial support for personal development	

10. How do you evaluate your organization as a learning organization and why. Please use a 10 point scale (10 is the highest mark and 1 the lowest).

Appendix 2. Parts from questionnaire of Denki Ringo research group.

Q1. What kind of job do you have now and what did you get when you joined this company?

<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> a. Present job
1. Blue collar → <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> If Blue collar ; 1. Unskilled 2. Skilled
2. Clerical administrative (incl. sales & marketing)
3. Technician
4. Engineer
5. Supervisor
6. Manager
7. Other

Q9. How far are you satisfied with the following issues?

	1 Very Satisfied	2 Fairly Satisfied	3 More or less	4 Fairly Dissatis- fied	5 Very Dissatis- fied
<input type="checkbox"/> . Working conditions (e.g. Lighting, heating, noise)	1	2	3	4	5
<input type="checkbox"/> . Trust between managers and employees	1	2	3	4	5
<input type="checkbox"/> . Work load	1	2	3	4	5
<input type="checkbox"/> . Length of working time	1	2	3	4	5
<input type="checkbox"/> . Pay and fringe benefits	1	2	3	4	5
<input type="checkbox"/> . Competence of management	1	2	3	4	5

<input type="checkbox"/> Promotion opportunities	1	2	3	4	5
<input type="checkbox"/> Training and re-training	1	2	3	4	5
<input type="checkbox"/> Security of employment	1	2	3	4	5
<input type="checkbox"/> Equal opportunities for women and men	1	2	3	4	5
<input type="checkbox"/> Welfare provisions	1	2	3	4	5
<input type="checkbox"/> Relationship with your boss	1	2	3	4	5
<input type="checkbox"/> Relationship with your co-workers	1	2	3	4	5
<input type="checkbox"/> The extent of which your work is interesting	1	2	3	4	5
<input type="checkbox"/> Business information provided by management	1	2	3	4	5

Q10. What are your feelings towards the company you are working for?
(Choose ONE response that most reflects your opinion)

1. I would like to put my best efforts towards the company's success.
2. I would like to give as much effort to the company as the company gives to me in reward.
3. I do not have much feeling towards the company.
4. I am indifferent to any matters concerning the company

Q15. In your opinion, what kind of society do you think Estonia should be?

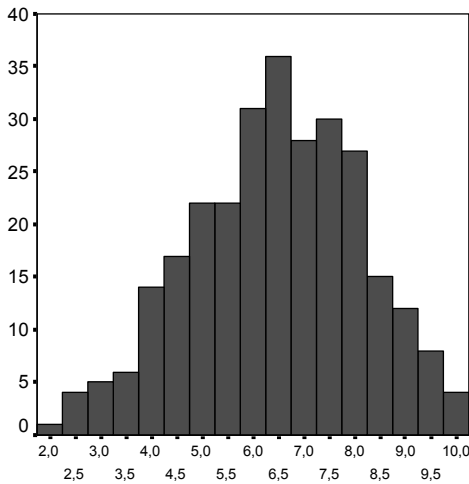
	1 Very important	2 Fairly important	3 Not so important	4 Not at all important
A. People are provided with a good material standard of living	1	2	3	4
B. Everyone cooperates with each other with solidarity	1	2	3	4
C. People live a life by observing well-established values and ethics	1	2	3	4
D. Social equality among people is highly developed	1	2	3	4

E. Individuals can develop their life with great opportunities	1	2	3	4
F. Social order is well kept with few criminal offenses	1	2	3	4
G. People can live with a peaceful mind	1	2	3	4
H. People can acquire all the results of their own work	1	2	3	4

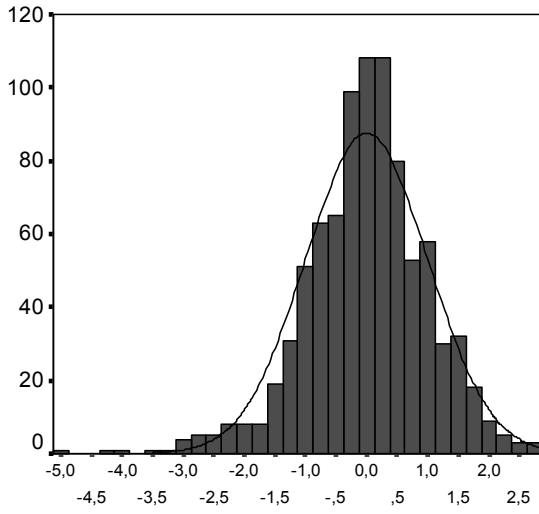
Q26. How much are you satisfied with your present working life ?

1. Very satisfied
2. Fairly satisfied
3. More or less
4. Fairly dissatisfied
5. Very dissatisfied

Appendix 3. Regression residuals plots.



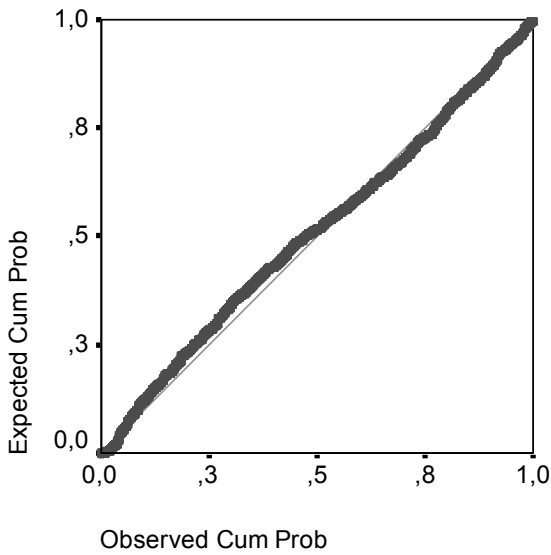
A1. Histogram of dependent variable “collective learning” (regression standard residual).



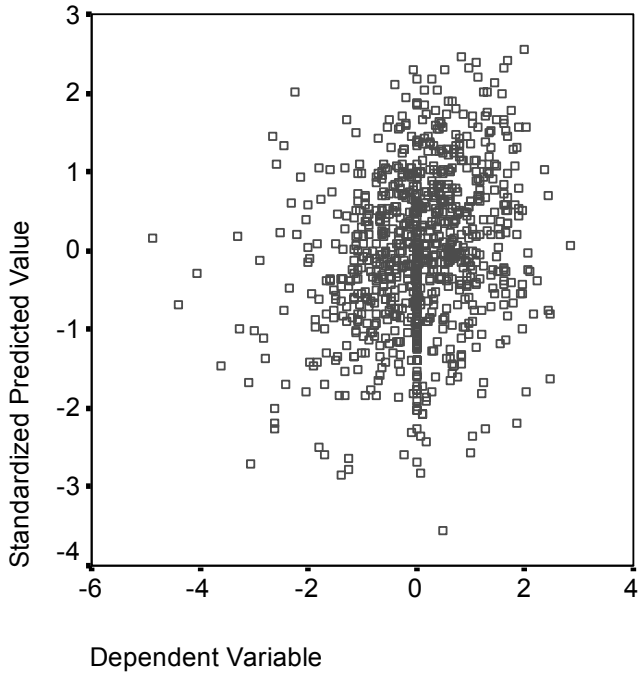
Regression Standardized Residual

A2. Histogram of dependent variable “benefit of change” (regression standard residual).

Normal P-P Plot of Regression
Standardized Residuals



A3. Normal P-P Plot of regression standard residual. Dependent variable “benefit of change”.



A4. Scatterplot of dependent variable “benefit of change”.

Organisatsioonilised muudatused Eestis üleminekuajastul: Olulisemad käitumuslikud mõjutegurid

Töö aktuaalsus ja uurimuse eesmärk

21. sajandi majanduse olulisemad märksõnad on *muutuv keskkond ja töötajaskonna mitmekesisus*. Üheaegselt toimuvad muutused on viinud seisundini, mis näib segadusseajavana ja kus tundub võimatu midagi ette näha ja planeerida. Seetõttu on fookus nihkunud toote innovatsioonilt ja tehnoloogilistelt muudatustelt muudatuste läbiviimise protsessile ja inimeste hoiakutele muudatuste suhtes (Bergquist, 1993).

Eesti üleminek sotsialistlikult plaanimajanduselt kapitalistlikule turumajandusele püstitas nii organisatsioonidele kui inimestele senisest erinevad ülesanded ja seega vajaduse muutuda. Muutumine seondub otseselt uute oskuste, käitumisviiside, hoiakute ja väärtushinnangute omandamise ja õppimisega. Muudatuste eduka läbiviimise eeltingimusteks on peetud nii individuaalset kui ka organisatsioonilist õppimist. Olemasolevate institutsioonide lagunemine tõi inimeste jaoks kaasa määramatuse ja teadmatuse. Aastakümneid stabiilsena püsinud keskkonnaga harjunud inimestel polnud enam millelegi tugineda. Uute, turumajandusele omaste institutsioonide ülesehitamine oli vajaliku hariduse ja kogemuste puudumise tõttu aeganõudev. Samas teadmiste ülekandmine Lääneriikide praktikatest ülemineku- maadesse institutsionaalsete ja kultuuriliste pingete ja konfliktide tõttu sageli ei õnnestu (Clark ja Geppert, 2002).

Doktoritöö aineks on muudatused Eesti organisatsioonides. Peamiseks eesmärgiks on välja selgitada organisatsiooniliste muudatuste olulisemad käitumuslikud mõjutegurid ja nendevahelised seosed Eesti organisatsioonides.

Käesolevas doktoritöös on organisatsioonis, st mikrotasandil toimuvaid muudatusi seostatud makrotasandi mõjudega siirdeühiskonna tingimustes. Tegemist on kaheasuunalise protsessiga. Ühelt poolt mõjutab ühiskonna institutsionaalse arengu aste inimeste hoiakuid ja organisatsioonikäitumist. Teiselt poolt on hoiakud, mille inimesed muudatuste käigus omaks võtavad, aluseks nii organisatsioonikultuuri kui ka rahvuskultuuri kujunemisele ja mõjutavad seega nii organisatsiooni kui ka riigi konkurentsivõimet. Seega on muudatuste protsessi paremaks mõistmiseks ja suunamiseks tarvis tunda nii indiviidi, organisatsiooni kui ühiskonna tasandil toimuvat.

Doktoritöö piiratud maht ei võimalda sellist kompleksset nähtust nagu organisatsioonilised muudatused igakülgset käsitleda ja Eesti organisatsioonides toimunud muudatuste kõiki aspekte välja tuua. Seetõttu on autor keskendunud piiratud arvule kriitilise tähtsusega käitumuslikele teguritele. Uuringutes on põhirõhk organisatsiooni hierarhia madalamate tasandite töötajatel.

Eesmärgi saavutamiseks püstitas autor järgmised uurimisülesanded:

- Selgitada välja Eesti organisatsioonides läbi viidud muudatuste liigid ja läbiviimise seaduspärasused ning esilekerkinud probleemid.

- Leida võimalus organisatsioonilise õppimise hindamiseks ja selgitada välja organisatsioonilise õppimise eripära Eesti organisatsioonides.
- Leida võimalus töötajate muudatustega seotud hoiakute hindamiseks. Selgitada välja nende hoiakute avaldumine Eesti organisatsioonides ja muudatustega seotud hoiakute mõju organisatsioonilisele õppimisele.
- Selgitada välja muudatustega seonduvad organisatsioonikultuuri aspektid ja nende mõju muudatustega seotud hoiakutele ja organisatsioonilisele õppimisele erinevate sotsiaaldemograafiliste tunnustega rühmades.
- Selgitada välja erineva institutsionaalse arengu astmetel olevate riikide töötajate hoiakud töö, organisatsioonide ja ühiskonna suhtes. Sotsialismilt kapitalismile ülemineku ajajärgus olevate riikide töötajaid võrreldakse nende riikidega, kellel sotsialismi kogemus puudub.

Töö uudsus ja meetodid

Riigid, kus toimub üleminek sotsialismilt kapitalismile, on ettevõtluskeskkonnana oluliselt erinevad riikidest, kus sotsialistlikku riigikorda pole üldse olnud ja kus kapitalismi ülesehitamist alustati rohkem kui sajand tagasi. Järjepidevuse katkemisest tingitud erinevused on nii institutsionaalses arengus kui inimeste teadvuses ja hoiakutes. Institutsioonide lagunemise ja taasloomise oludes on institutsionaalsed piirangud väiksemad. Siiani on organisatsiooniliste muudatuste alaseid uuringuid läbi viidud eelkõige USA-s ja Lääne-Euroopas, kus on keskendunud Ida-Euroopast erinevale keskkonnale. Ida-Euroopa poolt vaadatuna on Tšehhis põhjalikke uurimusi läbi viinud Briti teadlased Clark ja Soulsby (1999) on Lääneriikides läbiviidud uuringuid nimetanud teatud mõttes piiratud fookusega uuringuteks. Nende uuringute põhjal koostatud teooriad ja mudelid ei aita lahendada spetsiifilisi probleeme, mille ajalugu on sotsialismi läbi teinud riikide ette püstitanud. Puuduvad ühise heakskiidu leidnud teooriad üleminekumajanduse riikidele.

Käesoleva uurimuse uudsus seisneb Lääneriikides suhteliselt stabiilsemas keskkonnas väljatöötatud teooriate seostamises Eesti ettevõtetes läbiviidud empiirilise uurimuse andmetega. Tegemist on püüdega rakendada ja kohendada Lääne teooriaid kiiresti muutuvale üleminekuühiskonnale. Selline lähenemine võimaldab koguda uut teavet rahvusvahelise äri valdkonnale, näidates, kuidas erinevad institutsionaalsed keskkonnad mõjutavad töötajate muudatustega seotud hoiakute kujunemist.

Organisatsiooniliste muudatuste sotsiaalset külge on üleminekuriikides suhteliselt vähe uuritud ja needki uurimused (Breu, 2001; Child ja Czegledy, 1996; Clark ja Soulsby, 1999; Liuhto, 1999a; Liuhto, 1999b; Soulsby, 2001; Thomson, 2001; Weik, 2001) on keskendunud eelkõige tippjuhtide ja kõrgema taseme juhtide uurimisele. Samas on muudatuste elluviimisel kõige enam probleeme just tööliste ja esmatasandi juhtidega (Clarke et al., 1994). Käesoleva doktoritöö raames on

autor pööranud tähelepanu nende töötajate hoiakute kujunemisele, kes ei ole juhtival kohal ja jäävad muudatuste protsessis vastuvõtja rolli.

Vaatamata suurele hulgale teaduslikele kirjutistele õppivast organisatsioonist kui vahendist muudatuste kiiremaks ja edukamaks läbiviimiseks, on selles valdkonnas tehtud suhteliselt vähe empiirilisi uuringuid. Empiirilisel on vähe uuritud ka organisatsioonikultuuri mõju organisatsioonilisele õppimisele. Käesolev doktoritöö täidab seda lünka, uurides empiirilisel organisatsioonilist õppimist ning organisatsioonikultuuri ülesande- ja suhteorientatsiooni mõju organisatsioonilisele õppimisele.

Uurimusprojekti valmimise käigus viis autor läbi neli empiirilist uurimust ja kasutas viit erinevat mõõtmisvahendit, millest kolm on autori poolt välja töötatud:

1. Intervjuu küsimused organisatsioonides toimunud muudatuste tüüpide hindamiseks ja muudatuste läbiviimise protsessi kindlakstegemiseks.
2. Küsimustik organisatsioonilise õppimise hindamiseks.
3. Küsimustik töötajate muudatustega seotud hoiakute hindamiseks.

Lisaks eelnimetatud küsimustikele kasutas autor uuringute läbiviimisel kaht varem välja töötatud mõõtmisvahendit:

4. Maaja Vadi poolt välja töötatud ja kohandatud küsimustik organisatsiooni- kultuuri orientatsioonide hindamiseks.
5. Denki Ringo uurimisgrupi poolt väljatöötatud küsimustik töötajate hoiakute hindamiseks töö, organisatsiooni ja ühiskonna suhtes.

Autori panuseks on kahe mõõtmisvahendi väljatöötamine Eesti organi- satsioonides kasutamiseks: muudatustega seotud hoiakute hindamiseks ja organi- satsioonilise õppimise hindamiseks. Autori kõige olulisemaks panuseks teooriasse on muudatustega seonduvate organisatsioonikultuuri aspektide mõju väljatoomine töötajate muudatustega seotud hoiakutele ja organisatsioonilisele õppimisele lähtuvalt ühiskonna institutsionaalse arengu astmest hoiakute formeerumise ajal.

Töö praktiline tähtsus

Töö praktiline tähtsus on välja toodud järgmistes punktides:

– Töötajate muudatustega seonduvaid hoiakuid mõjutavate faktorite tundmine võimaldab investoritel ja juhtidel töötajaid paremini motiveerida ja seeläbi paremaid tulemusi saavutada.

– Juhid saavad töötajate hoiakute mõõtmisvahendit ja organisatsioonilist õppimist hindavat mõõtmisvahendit kasutades selgema ettekujutuse nende organisatsioonist toimuvatest protsessidest ja tööd takistavatest probleemidest. See võimaldab neil tegutseda ennetavalt, selle asemel et reageerida juba tekkinud raskustele.

– Teabe olemasolu organisatsioonikultuuri orientatsioonide mõjust töötajate muudatustega seotud hoiakutele ja organisatsioonilisele õppimisele võimaldab juhtidel kujundada just selliseid organisatsioonikultuuri omadusi, mis aitavad kaasa organisatsiooni eesmärkide saavutamisele.

- Informatsioon hoiakute kujunemise ja õppimise eripäradest erinevates sotsiaal-demograafilistes rühmades võimaldab juhil personali valiku käigus komplekteerida sellise koosseisuga töötajaskond, kes antud tingimustes aitab kõige enam suurendada organisatsiooni konkurentsivõimet.
- Seniste muudatuste juhtimise kogemuste analüüsi tulemused Eesti organisatsioonides võimaldavad juhtidel teiste poolt õpitud arvesse võtta ja muudatused vastavalt töös antud soovitudele kavandada ja läbi viia.
- Teave selle kohta, kuidas institutsionaalne areng mõjutab hoiakuid ja hoiakute kujunemist, viitab vajadusele pöörata tähelepanu mitteformaalsetele infokanalitele. Juhid saavutavad neid kanaleid oskuslikult kasutades teiste ees konkurentsieelise.
- Võttes arvesse erinevate töötajaskondade hoiakute kujunemist muudatuste suhtes, on töös välja arendatud soovitud juhtimise õpetamise täiustamiseks.
- Kuna probleemid töötajate rühmadega, kellel on töökogemusi erinevatest poliitilistest režiimidest, on omased ka teistele endistele sotsialismimaadele, ei saa käesoleva uuringu tulemustest kasu mitte ainult Eesti, vaid ka teiste Idabloki maade juhid.

Doktoritöö teoreetiline taust

Muudatusi võib kõige laiemalt defineerida kui planeeritud või planeerimata vastust mingite jõudude survele (Jick, 1993:1). Joonisel 1 lk. 199 on käesoleva doktoritöö teoreetiline raamkontseptsioon muudatuste uurimiseks Eesti organisatsioonides. Muudatuse edukust mõjutavate teguritena analüüsitakse muudatuse liiki, läbiviimise protsessi ja organisatsiooni valmisolekut muudatusteks. Valmisolek omakorda tuleneb organisatsioonilisest õppimisest, organisatsioonikultuurist ja töötajate hoiakutest muudatuste suhtes.

Autor analüüsis Eesti organisatsioonides toimunud muudatuste liike ja läbiviimise protsessi, võttes muudatuste liikide analüüsimisel aluseks Ackermani (1984) kolme erinevat liiki omava käsitle. Muudatuste erinevaid liigitusi on põhjalikumalt käsitletud II artiklis, kus enamlevinud muudatuste klassifikatsioone on võrreldud Ackermani (1984) poolt välja toodud muudatuste liikidega.

Organisatsiooniliste muudatuste läbiviimist uurinud teadlased ja praktikud on jõudnud ühisele seisukohale, et muudatused toimuvad protsessina, mis koosneb üksteisele järgnevatest tegevustest. Käesolevas doktoritöös leiavad käsitlemist planeeritud muudatused, mida on analüüsitud Kotteri (1998) muudatuste läbiviimise protsessi kaheksast sammust koosneva mudeli alusel. III artiklis on autor põhjalikumalt käsitletud muudatuste läbiviimise protsessi teooriaid ja kõrvutanud neid tabelis Lewini (1989) kolmesammulise mudeliga.

Selleks et 21. sajandil konkurentsieelist saavutada, peavad organisatsioonid loobuma reageerivatest hoiakutest ja püüdlema ennetava tegevuse poole. See eeldab organisatsiooni liikmetelt uute oskuste omandamist, hoiakute ja käitumisviiside muutumist, pidevalt õppimist. Erinevad autorid on üksmeelel selles osas, et organisatsioon saab pidada õppivaks alles siis, kui üksikute liikmete

õppimise tulemused tehakse kõigile liikmetele kättesaadavaks (lähemalt I artiklis). Organisatsioonilist õppimist vaadeldakse kui sotsiaalset protsessi, mis toimub sündmusi ühiselt interpreteerides ja interpreteeringuid reflekteerides (Mahler, 1997).

Keskseks kontseptsiooniks organisatsioonilise õppimise uuringutes on organisatsioonikultuuri kontseptsioon kui keskkond, kus õppimine aset leiab. Organisatsioonikultuuri uurijad huvituvad sellest, kuidas toimub sündmuste tõlgendamine ja tähenduse otsimine (Schneider, 2000). Organisatsioonikultuuri uuringutele eelnes organisatsiooni kliima uurimine. Terminit 'kliima' kasutati hoiakute ja tundmuste kirjeldamiseks. Töötajate hoiakuid on peetud organisatsiooni tulevase edu indikaatoriks (Hurst, 1995). Kindlaks on tehtud hoiakute käitumist motiveeriv roll ja hoiakute mõju informatsiooni töötlemise protsessile (Eagly ja Chaiken, 1993:1). Organisatsiooniliste muudatuste kontekstis on olulisteks hoiakuteks suhtumine muudatuste kasulikkusse ja hinnang juhtide kompetentsusele. Et muudatuste vajalikkuse üle otsustada, vajavad töötajad informatsiooni. Seega on ka informatsioon oluliseks elemendiks. Kõige enam uuritud hoiak on rahulolu tööga. Vaatamata uuringute arvukusele on tulemused ikka veel vastuolulised (Meyer ja Allen, 1997:43–45) ja eri maades erinevad (Judge et al., 2001). Mõju avaldavad nii sotsiaalsed, poliitilised ja majanduslikud erisused kui ka töö iseloomu muutumine. Seetõttu on töörahulolu uurimine üleminekumajanduse tingimustes põhjendatud. Hoiakute tugevus sõltub inimese väärtustest ja nende kinnistumisest ning seeläbi sotsiaalsest grupist, kuhu inimene kuulub (Boninger et al., 1995). Seetõttu on oluline uurida kultuuri mõju hoiakutele (lähemalt VI artiklis).

Käesoleva doktoritöö raames on organisatsioonikultuuri käsitletud funktsionaalsest aspektist kui keskkonna muutustega kohanemise mehhanismi. See on kooskõlas kõige tunnustatuma organisatsioonikultuuri uurija Edgar Sheini tõlgendusega. Shein (1992) peab organisatsioonikultuuri grupiviisilise tegevuse käigus õpitud baasarusaamade kogumist, mille mingi grupp on omaks võtnud või välja arendanud väliskeskkonnaga kohanemise ja sisemise integreerumise protsessi käigus. Paljud teoreetikud on eristanud organisatsioonikultuuri ülesande- ja suhteorientatsiooni (Kilmann ja Saxton, 1983; Cooke ja Lafferty, 1986; Vadi et al., 2002). Sisuliselt esinevad antud dimensioonid ka Goffee'l ja Jonesil (2000, 2001) ning Harrisonil (1995), kuigi teiste nimetuste all.

Sotsialismilt kapitalismile üleminekut võib nii makro- kui mikrotasandil analüüsida kui institutsionaalset muutust, mille käigus toimub nii struktuuride kui sotsiaalsete väärtuste muutumine. Käesolevas doktoritöös on sotsiaalmajanduslikku üleminekut käsitletud kui sotsiaalset protsessi, mis kätkeb endas struktuuride ja väärtuste fundamentaalset poliitilist, majanduslikku ja kultuurilist muutust ühiskonna kõigil tasanditel. Institutsioonid võivad kaotada usaldusvääruse ja need taasluuakse või sõnastatakse ümber: toimub *deinstitutsionaliseerimise* ja *taas-institutsionaliseerimise protsess* (Clark and Soulsby, 1999:40). Deinstitutsionaliseerimine võib toimuda järk-järgult või järsku. Taasinstitutsionaliseerimise ajal luuakse uued formaalsed institutsioonid ja harjutatakse uusi sotsiaalseid praktikaid. Viimaste väljakujunemine on väga aeganõudev protsess (lähemalt II artiklis).

Empiirilised uuringud Eesti ettevõtetes

Autor pööras tähelepanu makrotasandi süsteemi ja mikrotasandi käitumise vastasmõjudele, keskendudes empiiriliste uuringute käigus küll töötajate konkreetsetele hoiakutele, kuid analüüsid neid laiemas, institutsionaalses ja ajaloolises raamistikus.

Uurimustöö algas 1996. aastal organisatsiooniliste muudatuste alase teaduskirjanduse läbitöötamisega. Autor uuris varasemate uuringute tulemusi nii makro- kui mikrotasandil muudatusi mõjutavatele tegurite osas ning kavandas vastavalt sellele uuringud. Töö kirjandusega kestis kõigi artiklite ja autoreferaadi valmimiseni.

Esimeseks uurimisülesandeks oli selgitada välja Eesti organisatsioonides läbiviidud muudatuste liigid ja läbiviimise seaduspärasused ning esilekerkinud probleemid. Selleks viis autor läbi uurimuse, mille käigus intervjueriti 137 ettevõtte juhti ettevõtetes läbiviidud muudatuste liikide ja protsessi osas. Sama isik täitis küsimustiku organisatsioonilise õppimise kohta. Tulemusi on käsitletud kolmes artiklis. I artiklis analüüsib autor muudatuste edukust ning muudatuste ja õppimise seoseid, II artiklis muudatuste liike ja III artiklis muudatuste läbiviimise protsessi.

Teiseks uurimisülesandeks oli leida võimalus organisatsioonilise õppimise hindamiseks ja välja selgitada organisatsioonilise õppimise eripära Eesti organisatsioonides. Oli vaja mõõtmisvahendit organisatsioonilise õppimise hindamiseks. Autor võttis aluseks Turu Kommertskooli teadlaste Lähteenmäki, Mattila ja Toivoneni (1999) poolt koostatud mõõtmisvahendi skaalad, mis tuginevad organisatsioonilist õppimist muudatustega siduval mudelil ja arendas nende skaalade baasil välja Eesti organisatsioonides kasutamiseks sobiva mõõtmisvahendi individuaalse ja kollektiivse õppimise hindamiseks (I artikkel). Organisatsioonilise õppimise hindamiseks koostatud küsimustikku kasutas autor koos organisatsioonikultuuri küsimustiku ja muudatustega seotud hoiakute küsimustikuga 6 Tallinna haiglas, mis liideti Rootsi konsultantide poolt ettevalmistatud projekti alusel (IV ja VI artikkel).

Kolmas uurimisülesanne oli leida võimalus töötajate muudatustega seotud hoiakute hindamiseks, selgitada välja nende hoiakute avaldumine Eesti organisatsioonides. Kuna spetsiaalselt muudatustega seonduvate hoiakute hindamiseks skaalat ei olnud, töötas autor välja nelja skaalaga mõõtmisvahendi: muudatuste kasulikkus, informeerimine muudatustest, juhtide kompetentsus ja töötaja pühendumine organisatsioonile ning tööle. Läbiviidud uurimuse käigus küsitleti 906 töötajat. Vastajad täitsid ka organisatsioonikultuuri orientatsiooni hindava küsimustiku. Detailsem ülevaade mõõtmisvahendi väljatöötamise protsessist, skaalade usaldusväärsusest ning uuringu tulemustest leidub VI artiklis. Muudatustega seotud hoiakute mõju organisatsioonilisele õppimisele selgitati välja haiglate uuringu käigus (V artikkel).

Neljas uurimisülesanne oli selgitada välja muudatustega seonduvad organisatsioonikultuuri aspektid. Autor vajab mõõtmisvahendit selleks, et mõõta

organisatsioonikultuuri kõige enam hoiakuid mõjutavaid omadusi. Kuna Eesti oludes sobiva mõõtmisvahendi organisatsioonikultuuri ülesande- ja suhteorientatsiooni mõõtmiseks oli Maaja Vadi Tartu Ülikoolist juba välja töötanud, otsustas autor selle mõõtmisvahendi kasutamise kasuks (VI artikkel). V artiklis on haiglate uuringu põhjal analüüsitud organisatsioonikultuuri aspektide mõju organisatsioonilisele õppimisele. Organisatsioonikultuuri aspektide mõju muudatustega seotud hoiakutele on 906 vastajaga uuringu põhjal analüüsitud VI artiklis.

Viiendaks uurimisülesandeks oli selgitada välja erineva institutsionaalse arengu astmetel olevate riikide töötajate hoiakud töö, organisatsioonide ja ühiskonna suhtes. Rahvusvahelise võrdluse saamiseks korraldas autor Jaapani teadlase poolt asutatud Denki Ringo uurimusrühma liikmena töötajate hoiakute uuringu kahes Eesti elektroonikatööstuse ettevõttes (olemeelektronika tootja ja tööstuselektronika tootja). 15 riigis läbiviidud uuringus osalenud 5914 vastajat oli 51% endistest sotsialismimaadest (VII artikkel).

Autor kasutas töötajate muudatustega seotud hoiakute küsimustiku koostamisel peakomponentide analüüsi ja *varimax*-meetodit. Tulemuste võrdlemiseks gruppide lõikes on kasutatud LSD-testi ANOVA-meetodite hulgast ja T-testi. Lineaarset regressiooni, korrelatsioonianalüüsi ja klasteranalüüsi on kasutatud seoste struktuuri väljaselgitamiseks. Eesti ettevõtetes toimunud organisatsiooniliste muudatuste protsessi väljaselgitamiseks kasutas autor kontentanalüüsi.

Töös püstitatud uurimisväited ja nende analüüsi tulemused

Läbitöötatud kirjanduse põhjal püstitas autor 4 uurimisväidet. Esimesed 3 väidet käsitlevad organisatsioonikultuuri aspektide mõju organisatsioonilisele õppimisele (IV artikkel). Neljanda uurimisväite aineks on organisatsioonikultuuri aspektide mõju muudatustega seotud hoiakutele (VI artikkel).

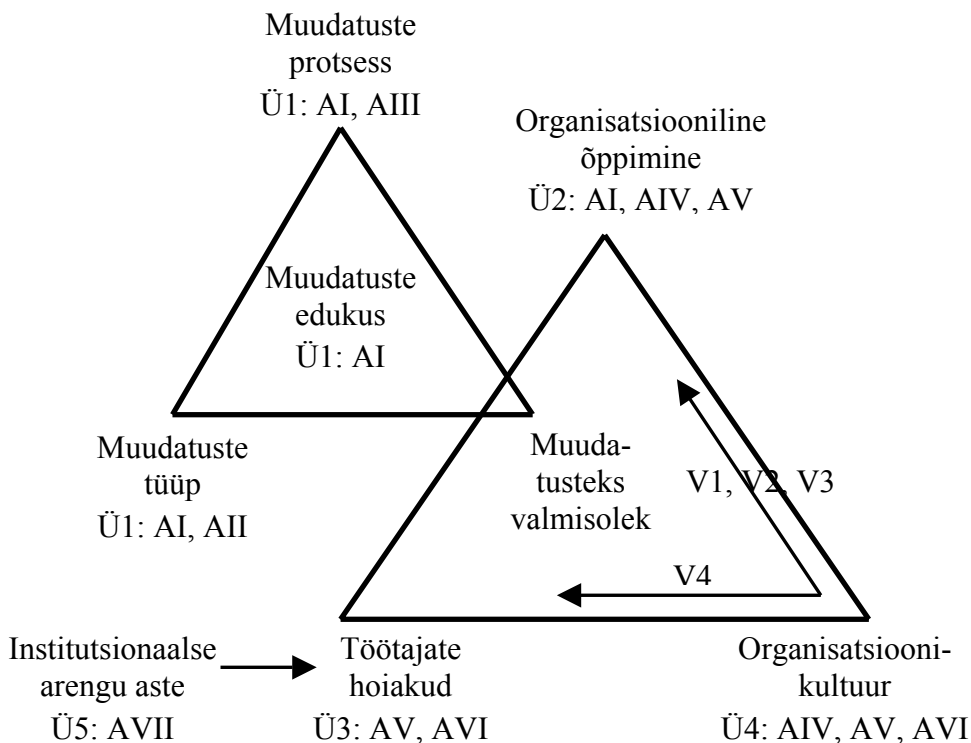
V1. Mõlemad organisatsioonikultuuri orientatsioonid – nii ülesande orientatsioon kui suhteorientatsioon – ennustavad organisatsioonilist õppimist.

V2. Organisatsioonikultuuri suhteorientatsioon ennustab paremini organisatsiooni staažikamate töötajate koosõppimist kui vähem staažikate oma.

V3. Organisatsioonikultuuri ülesandeorientatsioon ennustab juhtide organisatsioonilist õppimist paremini kui suhteorientatsioon.

V4. Organisatsioonikultuuri suhteorientatsioon mõjutab Nõukogude Liidu tingimustes töötanud inimeste hoiakuid muudatuste suhtes rohkem kui hiljem tööle asunutel.

Joonisel 1 on autor seostanud töö teoreetilise raamkontseptsiooni uurimisväidete, uurimisülesannete ja artiklitega.



Joonis 1. Uurimisväited (V), uurimisülesanded (Ü) ja artiklid (A) töö teoreetilises raamkontseptsioonis.

Esimese kolme uurimisväite arvutused on tabelis 1 IV artiklis lk. 107. Esimesed kaks väidet leidsid kinnitust. Mõlemad organisatsioonikultuuri aspektid võimaldavad ennustada organisatsioonilist õppimist. Organisaatsioonikultuuri suhtemõõde ei ennustanud ei individuaalset ega koosõppimist nendel töötajatel, kes on töötanud organisatsioonis alla 5 aasta. Tulemus oli erinev vähemalt 5 aastat töötanutel. Organisaatsioonikultuuri suhteorientatsioon ennustas pikema staažiga töötajatel mõlemat õppimise skaalat. Kolmas väide ei leidnud kinnitust, ehkki juhid olid spetsialistidest enam ülesandele orienteeritud. Juhtide organisatsioonilist õppimist ennustas ainult organisatsioonikultuuri suhteorientatsioon.

Neljas väide leidis kinnitust (VI artikkel). Need inimesed, kes omandasid esimesed töökogemused vabaturumajandusele ülemineku tingimustes, kujundasid oma hoiakud muudatuste kasulikkuse kohta lähtudes ainult organisatsioonikultuuri

ülesandele suunatusest. Nad ei kasutanud suhete mõõdet. Seevastu need inimesed, kes omandasid esimesed töökogemused institutsioonide stabiilsuse ajajärgul sotsialistliku plaanimajanduse tingimustes, lähtusid ka suhtemõõtmest.

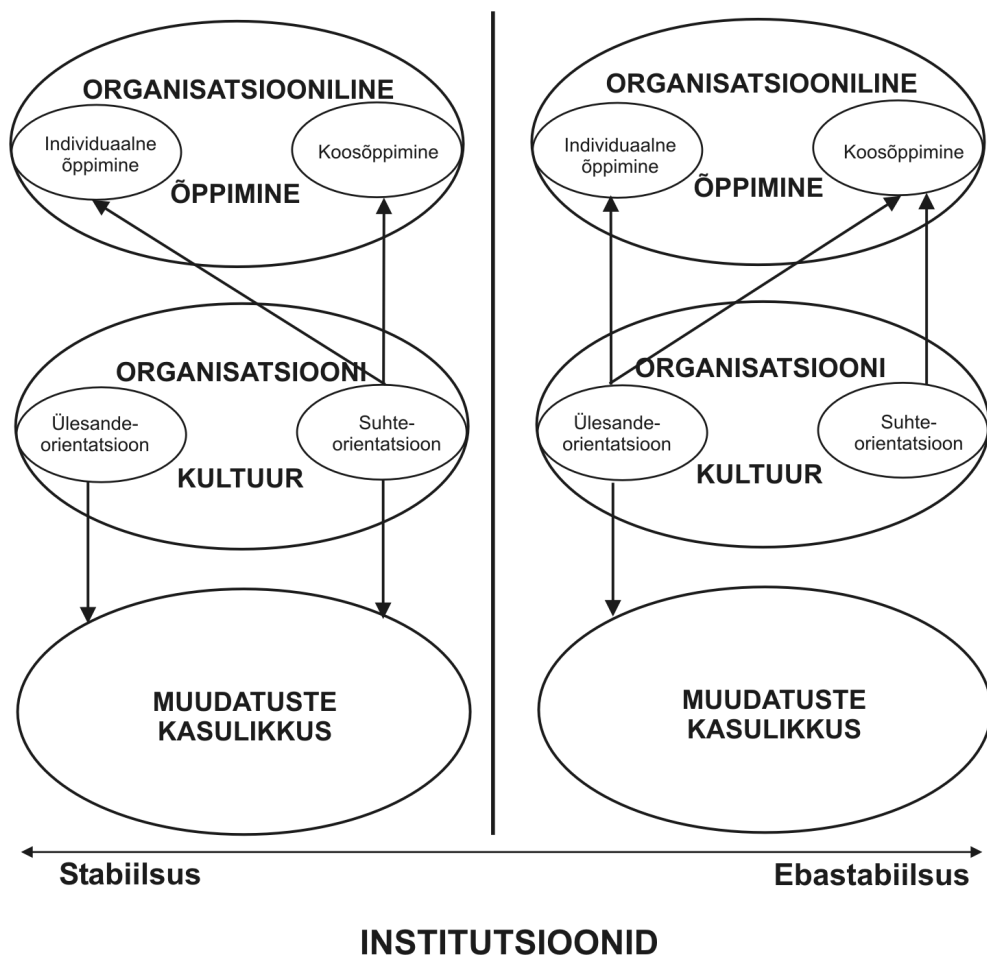
Tulemuste analüüs institutsionaalses kontekstis

Autor lähtus seisukohast, et sellist sotsiaalset fenomeni nagu organisatsioonilised muudatused saab mõista ainult organisatsioon ümbritsevat institutsionaalset keskkonda arvesse võttes. Seetõttu on läbiviidud uurimuste peamisi tulemusi käsitletud just institutsionalismi perspektiivist.

Eesti ajalugu analüüsid on autor institutsionaalse arengu seisukohalt murrangulistena käsitletud aastaid 1940, 1980, 1987, 1991 ja 1995. 1940. aastal toimus Eesti Vabariigi okupeerimine ja tsiviliseeritud maailmale omaste institutsioonide likvideerimine või restruktureerimine (Taagepera, 1993: 65). 1980-ndate aastate algul Eestis läbiviidud uuring näitas väärtushinnangute muutumist, see on institutsionaalne muutus sotsiaalsest aspektist. Infoblokaadi murenedes oli inimestel võimalus võrrelda väljaspool Nõukogude Liitu valitsevat materiaalse heaolu taset majandusliku seisakuga Nõukogude Eestis. See tõi kaasa väärtuste ümberhindamise (Saarniit, 1995). 1980-ndate aastate teises pooles anti ettevõtetele järk-järgult autonoomiat ning väikeettevõtete ja ühissettevõtete loomist lubati seadusega, seadustati eraomand ja isegi välisomand ettevõtetele (Venesaar ja Vitsur, 1995). Radikaalsed reformid algasid 1987. aastal IME-projektiga, mis kasvas majandusliku autonoomia taotluselt üle üldrahvalikuks liikumiseks Eesti poliitilise iseseisvumise eest (Taaler, 1995). Peale Eesti taasiseseisvumist 1991. aastal tekkinud majanduslik langus õnnestus peatada 90. aastate keskpaigaks. Riik oli väljunud sotsiaalsest üleminekust, kus toimus tsentraalsele plaanimajandusele omaste institutsioonide likvideerimine ja ümberkujundamine vabaturu majandusele iseloomulikeks institutsioonideks nii struktuuraalsest kui sotsiaalsest perspektiivist. Seda aega iseloomustas ebakindlus ja määramatus, enamusele kodanikest oli turumajanduse olemus ebaselge. 1995. aastaks oli inimestel tekkinud arusaam turumajanduse toimemehhanismidest.

Eesti ettevõtetes toimunud uuringu tulemused näitasid seost organisatsiooniliste muudatuste liikide ja institutsionaalse arengu astme vahel. Autor eeldas, et sotsiaalne üleminek ühiskonnas kutsub esile radikaalse ümberkujundamise organisatsioonides. Uuring näitas, et 90% uuritud ettevõtetest oli läbi viinud seda tüüpi muudatusi, muutes kas strateegiat, missiooni, organisatsioonikultuuri või juhtimisstiili (II artikkel).

Empiirilise uuringu tulemused näitavad, et erinevatel institutsionaalse arengu staadiumitel karjääri alustanud inimesed kujundavad oma hoiakud muudatuste suhtes erinevalt (Joonis 2).



Joonis 2. Organisationsioonikultuuri mõju muudatustega seotud hoiakutele ja organisationsioonilisele õppimisele institutsionaalses kontekstis.

Need töötajad, kes asusid tööle institutsioonide lagunemise ja kiire ülesehitamise ajal (sotsialistlikult plaanimajanduselt vabaturumajandusele ülemineku tingimustes) erinevad teistest, kujundades hoiakud muudatuste kasulikkuse kohta, lähtudes ainult organisationsioonikultuuri ülesandele suunatusest, suhete mõõdet kasutamata. Seevastu institutsioonide stabiilsuse ajajärgul, sotsialistliku plaanimajanduse tingimustes esimesed töökogemused omandanud töötajad lähtusid ka suhtemõõtmest (VI artikkel). Seda võib seletada valitsenud totalitaarse režiimiga, mis ei võimaldanud avameelset suhtlust kõigil tasanditel (Taagepera, 1993). Seetõttu kujunes välja mitmetasandiline mõtlemine, mida lapsed õppisid juba perekonnas (Nurmi and Üksvärav, 1994). Organisationsioonides oli levinud ametlike teadaannete tõlgendamine kolleegidelt mitteformaalseid kanaleid pidi saadud info alusel (Üksvärav, 2001). Käesolev uuring näitab, et inimesed on selle harjumuse

tänapäeva organisatsioonidesse kaasa toonud ja otsustavad muudatuste kasulikkuse üle selle põhjal, mida kolleegid neile ütlevad.

Oma arvamuse kujundamisel muudatuste kohta olid kõige sõltumatumad suurimate institutsionaalsete muutuste ajal karjääri alustanud töötajad. Ajal, kui olemasolevad institutsioonid lagunesid ja uued ei olnud jõudnud veel välja kujuneda, polnud kellelgi millelegi tugineda. Seega olid kõik võrdses olukorras, keegi ei omanud teistest enam infot. Peale 1995. aastat, juba stabiilsemal ajajärgul karjääri alustanud inimesed tuginesid nii organisatsioonikultuuri ülesande- kui suhtemõõtmele: nemad said infot küsida juba turumajanduse tingimustes kogemusi omandanud kolleegidelt.

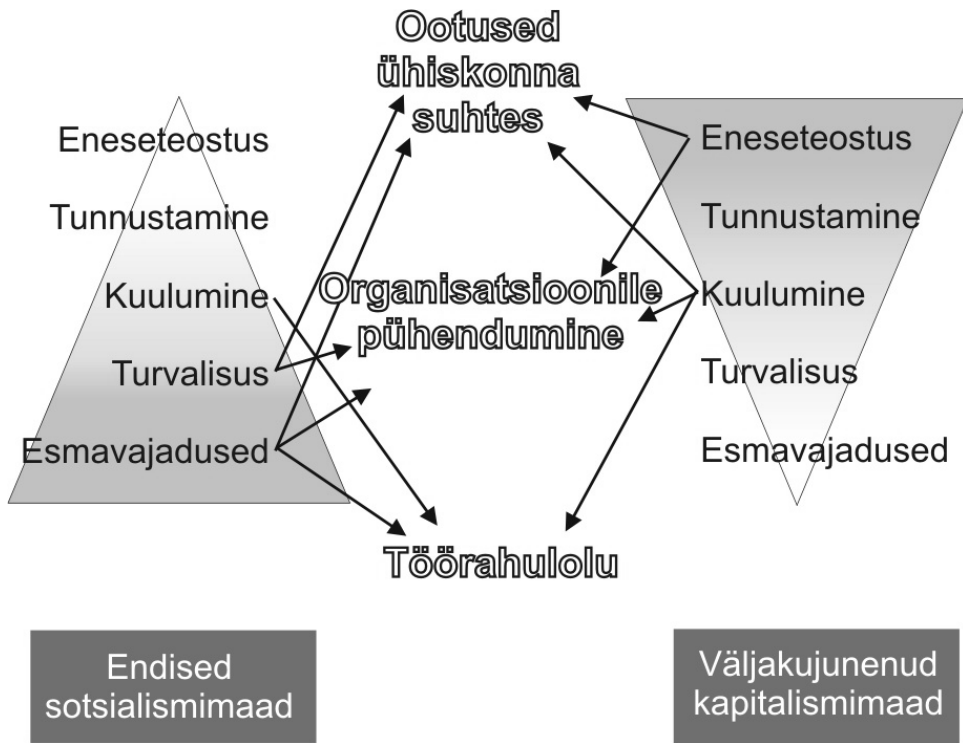
Hoiakute kujundamisel õppimise suhtes jagunesid töötajad samuti vastavalt karjääri alustamise ajale (Joonis 2). Selle grupi individuaalne õppimine, kes alustas tööd uute institutsioonide loomise ajal, seostus ainult organisatsioonikultuuri ülesandemõõtmelega. Samas koosõppimine sõltus mõlemast organisatsioonikultuuri orientatsioonist: nii ülesande- kui suhetemõõtmest. Viimane on kooskõlas varasemate uuringutega. Sotsialistliku plaanimajanduse ajal stabiilsete institutsioonide ajajärgul tööleasunute individuaalset ja kollektiivset õppimist prognoosib ainult organisatsioonikultuuri suhete mõõde. Samal ajal nende töötajate individuaalset õppimist, kes asusid tööle ajal, kui juba loodi uusi institutsioone, prognoosib ainult organisatsioonikultuuri ülesandele suunatus ja nende koosõppimist mõlemad organisatsioonikultuuri dimensioonid (IV artikkel).

VII artikli peamisi järeldusi on kujutatud joonisel 3. Uuringu tulemused näitasid, et erineval institutsionaalse arengu astmel olevate riikide töötajad erinevad oma hoiakute poolest ühiskonna, organisatsioonide ja töö suhtes. Kõrvutades ootusi ühiskonna suhtes, joonistub selgelt välja muster, mis asetab erineva poliitilise minevikuga riigid Maslow (1954) vajadustepüramiidi erinevatele astmetele. Endiste sotsialismimaade töötajad ootavad eelkõige materiaalsete vajaduste rahuldamist ja kuritegevuse vähendamist, samal ajal kui varem kapitalismi teele asunud riikide töötajad on keskendunud püramiidis kõrgemal asuvate vajaduste rahuldamisele: koostöö arendamisele ja kõigile inimestele enesearendamiseks võimaluste loomisele.

Töörahulolu mõjutavad samuti erinevate vajadustasemetega seonduvad faktorid. Endistes sotsialismimaades omasid palk ja soodustused üldises rahulolu indeksis suuremat osakaalu kui teises riikides, kus hinnati rohkem töö huvitavust ja suhteid töökaaslaste ja otsese ülemusega. Pühendumus organisatsioonile sõltus arenenud kapitalistlikes riikides juhtkonna poolt pakutavast äriinformatsioonist, juhtkonna kompetentsusest ning usaldusest töötajate ja juhtkonna vahel. Erinevalt nendest faktoritest määras organisatsioonile pühendumise endistes Idabloki maades töötingimused, palk ja suhted kaastöötajate ja juhiga.

Autor järeldab, et ebastabiilse institutsionaalsusega üleminekuühiskonnas on hoiakute kujunemisel riigi, organisatsiooni ja töö suhtes määrava tähtsusega ellujäämise tasandi vajadused. Samal ajal on väljakujunenud stabiilsete institutsioonidega kapitalistlikes riikides ellujäämise tasandi vajadused juba rahuldatud ning

hoiakuid kujundavad valdavalt koostöö ja eneseteostusega seonduvad kõrgema astme vajadused (VII artikkel).



Joonis 3. Motiveerivad vajadused erineva sotsiaalpoliitilise taustaga riikides.

Põhitulemused ühiskonna, organisatsiooni ja indiviidi tasandil

Järgnevalt on esitatud väitekirja mõningad põhiseisukohad. Ühiskonna tasandi mõjud organisatsioonidele:

- Üleminekuajal ühiskonnas, institutsioonide lagunemise ja taas-ülesehitamise perioodil toimusid 90% uuritud organisatsioonidest ümberkujundavad muutused, mille käigus muutus organisatsioonide missioon, organisatsioonikultuur või juhtimisstiil (II artikkel).
- Hinnang muudatuste edukusele ja organisatsioonilisele õppimisele sõltub organisatsiooni asutamise ajast. Enne 1995. aastat rajatud ettevõtete juhid hindasid muudatusi vähemedukaks ja vähem õppiva organisatsiooni

- kriteeriumitele vastavaks kui hiljem rajatud ettevõtete juhid. Töötajate madal individuaalne aktiivsus enne 1995. aastat rajatud ettevõtetes võib tuleneda töötajate initsiatiivi mahasurumisest sotsialistliku korra tingimustes (I artikkel).
- Kõige edukamaks hinnati toimunud muudatusi ja õppiva organisatsiooni arengut aastatel 1995—1997 loodud ettevõtetes. Seda ajavahemikku iseloomustab institutsionaalse arengu stabiliseerumine ja majanduskasv (I artikkel).
 - Pärast 1997. aastat asutatud ettevõtted on õppinud elama pidevalt muudatusi läbi viies. Need ettevõtted on teinud varem asutatutest rohkem muudatusi organisatsioonikultuuris, juhtimisstiilis ja tööülesannetes (II artikkel).

Ühiskonna tasandi mõjud indiviididele:

- Erineval institutsionaalse arengu astmel olevate riikide töötajad erinevad oma hoiakute poolest ühiskonna, organisatsioonide ja töö suhtes: ebastabiilse institutsionaalsusega üleminekuühiskonnas on nimetatud hoiakute kujunemisel määrava tähtsusega ellujäämise tasandi vajadused. Samal ajal on väljakujunenud stabiilsete institutsioonidega kapitalistlikes riikides ellujäämise tasandi vajadused juba rahuldatud ning hoiakuid kujundavad valdavalt koostöö ja eneseteostusega seonduvad kõrgema astme vajadused (VII artikkel).
- Muudatustega seonduvad organisatsioonikultuuri aspektid (ülesande orientatsioon ja suhete orientatsioon) mõjutavad Eesti ühiskonna erinevatel institutsionaalse arengu staadiumitel karjääri alustanud inimeste hoiakute kujunemist muudatuste suhtes erinevalt. Need töötajad, kes asusid tööle institutsioonide lagunemise ja kiire ülesehitamise ajal (sotsialistlikult plaanimajanduselt vabaturumajandusele ülemineku tingimustes) erinevad teistest, kujundades oma hoiakud muudatuste kasulikkuse kohta, lähtudes ainult organisatsioonikultuuri ülesandele suunatusest, suhete mõõdet kasutamata (VI artikkel).
- Hoiakute kujundamisel õppimise suhtes jagunesid töötajad samuti vastavalt karjääri alustamise ajale. Sotsialistliku plaanimajanduse ajal stabiilsete institutsioonide ajajärgul tööleasunute individuaalset ja kollektiivset õppimist prognoosib ainult organisatsioonikultuuri suhete mõõde. Samal ajal nende töötajate individuaalset õppimist, kes asusid tööle ajal, kui juba loodi uusi institutsioone, prognoosib ainult organisatsioonikultuuri ülesandele suunatus ja nende koosõppimist mõlemad organisatsioonikultuuri dimensioonid (IV artikkel).

Mõningaid muudatuste elluviimise aspekte organisatsioonide tasandil:

- Organisatsioonilise õppimise tase sõltub muudatuste sügavusest. Nendes ettevõtetes, kus viidi läbi radikaalseid ümberkujundavaid muudatusi, hinnati nii individuaalset kui organisatsioonilist õppimist kõrgemalt kui neis, kus süsteemi ennast ei muudetud (I artikkel).
- Hinnangud organisatsioonilisele õppimisele ja muudatuste edukusele sõltusid firma suurusest ja omandivormist. Juhid hindasid muudatusi kõige vähem edukaks ja organisatsioonilist õppimist kõige vähem arenenuks 26—100 töötajaga ettevõtetes. Riigiettevõtete juhid hindasid muudatusi vähem edukaks kui eraettevõtete juhid (I artikkel).

- Muudatuste läbiviimise protsess uuritud ettevõtetes kujunes neljasammuliseks: (1) vajaduse tunnetamine muudatuste järele, (2) visiooni loomine, (3) visiooni teatavakstegemine töötajatele, (4) töötajate kaasamine muudatuste elluviimisse. Kõige suuremaks puuduseks võib pidada muudatuste lõpetamata jätmist: ainult 25% ettevõtetest oli tegelnud organisatsioonikultuuri muudatuste kinnistamisega (III artikkel).
- Organisatsioonilist õppimist mõjutas positiivselt visiooni loomine, millega kaasnes tavaliselt muudatusi toetava koalitsiooni loomine ja muudatuste kinnistamine. Visiooni loomise ja töötajate kaasamisega õnnestus strateegiat muutnud ettevõtetel saavutada ka uue kultuuri väljakujunemine (I artikkel).
- Organisatsiooniline õppimine arenes enam firmades, kus olid muutunud strateegia ja kultuur ning kus juhid hindasid toimunud muudatusi edukamaks (I artikkel).
- Uuringus osalenud Eesti juhid seostasid õppiva organisatsiooniga eelkõige organisatsiooni ümbritseva keskkonna jälgimist, avatust, enesearendamisvõimaluste loomist kõigile organisatsiooni liikmetele ning õppimist soodustava keskkonna loomist organisatsioonis, samuti õppimist nii minevikukogemustest kui parimatest praktikatest. Vähem mainiti selliseid õppiva organisatsiooni põhilisi omadusi nagu teadmiste jagamist, säilitamist ja ülekandmist tagav infosüsteem, loovus ja koos õppimine. Harvem mainiti süsteemset lähenemist probleemide lahendamisele ja töötajaid otsustamisse kaasavat juhtimisstiili (I artikkel).

Tagajärjed indiviidi tasandil:

- Kõige suuremateks takistuseks muudatuste käigule pidasid juhid töötajate mõtteviisi inertsust ja selge tulevikuvisiooni puudumisest tulenevat kartust uue, tundmatu olukorra ees (III artikkel).
- Sotsialistliku plaanimajanduse tingimustes tööelu alustanud töötajad pidasid muudatusi vähem kasulikuks ja olid vähem ülesandele orienteeritud kui nende kolleegid, kes alustasid tööelu turumajanduse tingimustes (VI artikkel).
- Vanemad inimesed näitasid kõrgemat töörahulolu ja organisatsioonile pühendumist, nooremad pidasid muudatusi vajalikumaks. Töörahulolu oli kõige kõrgem nende inimeste seas, kes olid samas ettevõttes töötanud 11–15 aastat. Muudatusi pidasid kõige vajalikumaks organisatsioonis esimest aastat töötavad inimesed (V artikkel).
- Töörahulolu ja organisatsioonile pühendumine ennustasid organisatsioonilist õppimist paremini kui muudatuste vajalikkuse tunnetamine ja muudatustest informeeritus (V artikkel).

Antud tööst tulenevalt on autoril mõned soovitused Eesti juhtidele:

- Autor soovib muudatuste läbiviimisel pöörata senisest enam tähelepanu ümberõppimise vajadusele. Neljasammuline mudel koosneb järgmistest sammudest: (1) muudatuste vajaduse ja ümberõppimise vajaduse määramine, millele järgneb visiooni loomine; (2) muudatuste läbiviimist ja ümberõppimist takistavate tegurite kindlakstegemine ja töötajate muudatustes

osalemise saavutamine; (3) toimub ümberõppimine ja muudatuste elluviimine; (4) muudatuste kinnistamine (III artikkel).

- Kuna organisatsioonikultuuri ülesande- ja suhtemõõde võimaldavad prognoosida töötajate hoiakuid muudatuste suhtes, peaksid juhid senisest enam tähelepanu pöörama organisatsioonikultuurile kui strateegia osale ning regulaarselt läbi viima organisatsioonikultuuri ülesande- ja suhtemõõdme hindamist (VI artikkel).
- Tugevama ülesandeorientatsiooni saavutamiseks tuleks kasutada erinevas institutsionaalses keskkonnas töökogemusi omandanud töötajate gruppide informeerimiseks ja kaasamiseks erinevaid meetodeid ja infokanaleid (VI artikkel).

Läbiviidud uuringute tulemustele tuginedes on autoril mõned soovitusel juhitud õpetamise täiustamiseks Eestis (V artikkel):

- muuta paradigmat, nihutada fookus tehnilistelt süsteemidelt eelkõige organisatsioonile kui sotsiaalsele süsteemile.
- asetada senisest suurem rõhk inimressursside juhtimise õpetamisele, sealhulgas tööjõu mitmekesisusega seonduvatele aspektidele.
- garanteerida muudatuste juhtimisele kindel koht õppekavades.
- õpetada individuaalset ja organisatsioonilist õppimist puudutavaid teooriaid, rõhutades seejuures õppimist mõjutavate faktorite mitmesugust mõju erinevate sotsiaaldemograafiliste tunnustega rühmadele.

Kokkuvõtvalt, käesolevas doktoritöös on näidatud, kuidas institutsionaalse arengu aste organisatsioonikultuuri vahendusel mõjutab inimeste hoiakuid ja hoiakute kujunemist muudatuste ja organisatsioonilise õppimise suhtes. Töötajate hinnangud omakorda mõjutavad muudatuste käiku ja tulemusi nii organisatsiooni kui ühiskonna tasandil. Doktoritöö tulemusel saadud uusi teadmisi saavad juhid kasutada personalivaliku ja koolitamise ning organisatsiooni arendamise protsessis oma organisatsioonide konkurentsivõimelisemaks muutmiseks.

CURRICULUM VITAE

First name and family name: Ruth Alas
Place and date of Birth: Türi, August 5, 1960
Nationality: Estonian
Civil status: Married, husband Priit Alas, daughter Teele Alas (1985); daughter Liina Alas (1987)
Present Position Chair of Management,
Management Institute, Estonian Business School
Address: Lauteri 3, Tallinn 10114, Estonia
Telephone: +372 665 1346
Fax: +372 631 3959
E-mail: ruth.alas@ebs.ee

Education:

1978–1983 Undergraduate study, Department of Economy, Tallinn Technical University
June 1983 Diploma in economical engineering, Tallinn Technical University
1983–1987 Undergraduate study, Department of Psychology, University of Tartu
June 1987 Diploma in psychology, University of Tartu
1995–1997 Graduate study (master's level), Estonian Business School
December 1997 Diploma: Master of Business Administration (MBA), Estonian Business School
1998–2002 Graduate study (doctoral level), Estonian Business School
June 2003 Diploma: Doctor of Business Administration (DBA), Estonian Business School

Professional Experience Record:

1981–1991 Economist, Computer Center of Estonian Ministry of Agriculture
1991–1993 Consultant, Mainor-Konsultant
1993–1995 Consultant, Ariko Reserv
1995–1996 Lecturer, Estonian Business School
1996–2003 Acting head of Chair of Management
Lecturer, Estonian Business School
2003– Professor, Chair of Management, Estonian Business School

Studies abroad:

1997 Management department, Bentley Colledge, USA
1999 International Faculty Development Program, IESE, Spain

Other administrative work experiences:

2000 – Member of EBS curriculum council master program and bachelor program
Chair of The First International HRM Conference in Estonia “People Friendly Management” 6. november 2003, Tallinnas.

Membership of professional bodies:

Member of Academy of Management

Member of European Academy of Management –EURAM in years 2002–2003

Member of Cranet (Cranfield Network on International HRM)

Member of GLOBE society

Member of Denki Ringo research group

CURRICULUM VITAE

Ees- ja perekonnanimi: Ruth Alas
Sünniaeg ja -koht: 5. august 1960, Türi
Kodakondsus: Eesti
Perekonnaseis: Abielus, abikaasa Priit Alas, tütar Teele Alas (sünd. 1985); tütar Liina Alas (sünd. 1987)
Töökoht: Juhtimise õppetooli juhataja, Juhtimise instituut, Estonian Business School
Address: Lauteri 3, Tallinn 10114, Eesti
Telefon: +372 665 1346
Fax: +372 631 3959
E-mail: ruth.alas@ebs.ee

Haridus:

1978–1983 Põhiõpe, majandusteaduskond, Tallinna Tehnikaülikool
Juuni 1983 Majandusinseneri diplom, Tallinna Tehnikaülikool
1983–1987 Põhiõpe, psühholoogia osakond, Tartu Ülikool
Juuni 1987 Psühholoog-õpetaja diplom, Tartu Ülikool
1995–1997 Magistriõpe, Estonian Business School
Detsember 1997 MBA diplom, Estonian Business School
1998–2002 Doktoriope, Estonian Business School
Juuni 2003 Doktorikraad ärijuhtimises, Estonian Business School

Teenistuskäik:

1981–1991 Insener, Eesti Põllumajanduse Arvutuskeskus
1991–1993 Konsultant, Mainor-Konsultant
1993–1995 Konsultant, Ariko Reserv
1995–1996 Lektor, Estonian Business School
1996–2003 Juhtimise õppetooli juhataja kohusetäitja, lektor, Estonian Business School
2003– Professor, juhtimise õppetooli juhataja, Estonian Business School

Erialane enesetäiendamine:

1997 Õpe magistriõppe kursustel, juhtimise osakond, Bentley Colledge, USA
1999 Rahvusvaheline õppejõudude täiendkoolituse programm, IESE, Hispaania

Muud administratiivsed kohustused:

1997 – EBS senati liige
2000 – EBS ärijuhtimise magistriõppe ja bakalaureuseõppe õppekava nõukogu liige
Korraldaja ja eesistuja konverentsil The First International HRM Conference in Estonia “People Friendly Management” 6. november 2003, Tallinnas.

Muu teaduslik organisatsiooniline tegevus:

Juhtimisakadeemia (Academy of Management) liige

Euroopa juhtimisakadeemia (European Academy of Management -EURAM) liige
aastate 2002–2003

Rahvusvahelise personalijuhtimise uuringutega tegeleva võrgustiku Cranet
(Cranfield Network on International HRM) liige

GLOBE uurimusrühma liige

Töötajate hoiakuid uuriva Denki Ringo uurimisgrupi liige

DISSERTATIONES RERUM OECONOMICARUM UNIVERSITATIS TARTUENSIS

1. **Олев Раю.** Экономическая ответственность и ее использование в хозяйственном механизме. Tartu, 1994. Kaitstud 20.05.1991.
2. **Janno Reiljan.** Majanduslike otsuste analüütiline alus (teooria, metodoloogia, meetodika ja meetodid). Tartu, 1994. Kaitstud 18.06.1991.
3. **Robert W. McGee.** The theory and practice of public finance: some lessons from the USA experience with advice for former socialist countries. Tartu, 1994. Kaitstud 21.06.1994.
4. **Maaja Vadi.** Organisatsioonikultuur ja väärtused ning nende vahelised seosed (Eesti näitel). Tartu, 2000. Kaitstud 08.06.2000.
5. **Raul Eamets.** Reallocation of labour during transition disequilibrium and policy issues: The case of Estonia. Tartu, 2001. Kaitstud 27.06.2001.
6. **Kaia Philips.** The changes in valuation of human capital during the transition process in Estonia. Tartu, 2001. Kaitstud 10.01.2002.
7. **Tõnu Roolaht.** The internationalization of Estonian companies: an exploratory study of relationship aspects. Tartu, 2002. Kaitstud 18.11.2002.
8. **Tiia Vissak.** The internationalization of foreign-owned enterprises in Estonia: an extended network perspective. Tartu, 2003. Kaitstud 18.11.2002.
9. **Anneli Kaasa.** Sissetulekute ebavõrdsuse mõjurite analüüs struktuurse modelleerimise meetodil. Tartu, 2004. Kaitstud 15.09.2004.