

CARREER STRATEGIES IN CAPITALISM AND SOCIALISM: WORK VALUES AND
JOB REWARDS IN THE UNITED STATES AND HUNGARY

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ABSTRACT

This paper compares work values and job rewards in Hungary and the United States, using data from a recent study of workers in these two countries (the 1989 International Social Survey Program). We argue that individuals' career strategies and attainments are shaped by their nation's structures of employment relations. The results indicate that Hungarians placed greater importance on economic incentives and on having more "leisure" time from their main jobs, which they can then presumably use to maximize their earnings in second economy jobs. Workers in the United States were more concerned with promotion and advancement opportunities.

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INTRODUCTION

Analyzing differences between capitalist and socialist economies in the organization of work and individuals' work orientations has proved to be a useful way to evaluate theories of how economic, social and political institutions affect employment relations. The demise of state socialism in Eastern Europe and the Soviet Union has not rendered such comparisons anachronistic. On the contrary, the attempts to transform those economies heighten the relevance of comparisons across social systems. If we are to understand the current changes, we need to know much more about what is being changed. Instead of offering blueprints for how to get from socialism to capitalism (see Stark, 1992, for a critique of "designer capitalism"), we contribute more to an analysis of transformation if we have a better understanding of similarities and differences in work organization and career strategies between socialist and capitalist countries.

Comparative studies of Hungary and the United States have been particularly fruitful in highlighting some of the micro-level correlates of the institutional contexts of capitalism and socialism. Most comparisons of work and workers in Hungary and the United States have relied on intensive case studies of one or a few organizations (Burawoy and Lukács, 1985; Stark,

1986). These studies have proved invaluable for describing and interpreting important differences in labor markets and the labor process between socialist and capitalist firms. Nevertheless, such case studies need to be complemented by quantitative investigations based on broad, representative labor force and organizational samples in order to assess the generality of conclusions about employment relations and work attitudes in these two countries. Insights and evidence from both approaches are necessary to develop and defend theories of work behavior and work organization. This paper seeks to redress the imbalance of previous research on this issue by presenting an analysis of data from national samples of workers in these two countries.

We compare the work orientations and perceived job rewards of labor force members in Hungary and the United States in 1989. The year 1989 is significant in this study less because it was a year of political upheaval than because it was the last year in which the basic features of the socialist economy were still unaltered by changes in the political system. Hungary's first free elections were held in the Spring of 1990, and the "spontaneous privatizations" that occurred before the new non-communist government took office affected only a tiny fraction (one or two percent at most) of Hungarian enterprises (Stark, 1990b).

A central thesis of this paper is that individuals' work values--their "conceptions of the desirable" regarding work--are rooted in, and largely shaped by, the work structures and social institutions in which workers participate and are embedded (e.g., Granovetter, 1985; Kalleberg and Berg, 1987). Structures operating at macroscopic levels (such as the state) and mezzoscopic levels (industries and organizations) affect the kinds of interests that motivate workers and the types of incentives and benefits that

are available through their work activity. Thus, differences in the institutional contexts of employment relations between Hungary and the United States should be accompanied by cross-national diversity in the work orientations and job rewards of their labor force members. The first part of the paper presents an overview of some key structural differences in employment relations between Hungary and the United States that are likely to affect workers' career strategies. Based on this discussion, we generate specific hypotheses about differences in work values and perceptions of job rewards in the two countries. We then test these hypotheses using data from recent national surveys of diverse workers in the two countries.

THE ORGANIZATION OF WORK AND CAREERS IN HUNGARY AND THE UNITED STATES:

HYPOTHESIZED DIFFERENCES IN WORK VALUES AND JOB REWARDS

A basic difference between Hungarian socialism and U.S. capitalism concerns the role of markets as opposed to hierarchies in defining the contexts of employment relations. In the United States, economic decisions are generally made in market contexts, and the organizational structures of capitalist firms largely reflect adaptations to market-driven imperatives such as profit, efficiency, and control. By contrast, Hungary has¹ a state socialist economy in which many aspects of the organization of work and employment relations are more influenced by the system of political control and state-directed planning than by markets.

The relative importance of markets and hierarchies as coordinating mechanisms affects the extent to which there are pressures on managers to structure employment relations efficiently within firms. The majority of

firms in capitalist countries such as the United States are subject to hard budget constraints: their viability is largely determined by their profitability and performance as judged in comparison to other firms with whom they compete in markets. The budget constraints facing socialist enterprises, on the other hand, are "soft" because the firm's survival and growth are not dependent upon its present or future financial situation (Kornai, 1980). In contrast to firms operating in competitive markets--in which sustained losses may result in the firm's exit and profits generate the conditions for growth--firms in soft budget conditions can acquire resources and investments without demonstrating credit-worthiness or ultimately covering costs through the proceeds from sales (Stark and Nee, 1989). The softness of budget constraints in socialist countries removes the pressure on managers to use resources and investments efficiently, since their success is not tied to their competitive advantages in markets, but to their ability to bargain for favorable treatment from the state.

Thus, whereas the capitalist manager's worth is measured by profitability, the socialist director's value is assessed by the size of his/her budget, that is, by the resources under his/her redistributive authority. But if the managers of socialist firms face only soft budget constraints, it does not follow that their actions are unconstrained. And if profitability is not the critical performance indicator, it does not follow that socialist managers can be indifferent to performance altogether. The difference between the socialist and capitalist firm is not one of certainty versus uncertainty but of different forms of uncertainty. Planning (bureaucratic coordination among firms) has not eliminated uncertainty but is, in fact, the source of uncertainty.

In the United States, the major uncertainties for employers involve the market, especially the problematic nature of demand in product markets and employee turnover in labor markets. In socialist Hungary, the major uncertainties for employers (socialist firms) involve bureaucracy, especially the problematic nature of securing supplies under conditions where resources are allocated bureaucratically. The situation in which every firm seeks to maximize the resources allocated to it yields chronic shortages of the major factor inputs across the economy. Consequently, socialist economies tend to be "resource-constrained" (Kornai, 1980). Whereas the firm in a competitive market economy stops production at the point at which demand has ceased, the socialist firm keeps on producing at whatever the cost, stopping only when it runs out of mobilizable supplies. The problem for the socialist firm is that supply failures, far from being exceptional, are an everyday consequence of the chronic shortages typical of a redistributively managed economy (Stark and Nee, 1989).

To cope with uncertainties of supply and changes in output targets, managers of socialist firms hoard labor as a flexible factor of production (Sabel and Stark, 1982). If the capitalist firm tends to lay off or at least stop hiring workers in response to uncertainties of demand, the socialist firm hires more workers to mitigate uncertainties of supplies. Whereas the "reserve army of labor" stands unemployed outside the gates of the capitalist firm, the "labor reserves" of state socialism are underemployed inside the enterprise (Stark, 1989). But although funds for wages are bureaucratically redistributed from central sources, labor itself is not administratively allocated: workers can leave the firm, and their actual labor on the job can never be taken for granted.

Every firm in any advanced industrial economy faces some uncertainties with regard to labor. In the capitalist economy, managers face the uncertainty that workers will take their skills (often acquired on the job) out onto the external labor market. In the socialist firm, this problem is even more acute because the disruptions within the production process (caused, for example, by supply bottlenecks), the need to keep obsolete machinery running during "storming" periods, and the necessity of a flexible allocation of labor (shifting workers from machine to machine or even across shops within a single day) make shop management even more dependent on those workers who have firm-specific skills or who must perform non-routinized tasks.

How do these systemic differences in the organization of work constrain and facilitate the career strategies of workers in Hungary and the United States? In the following section, we identify some distinctive features of employment relations in capitalism and socialism and develop hypotheses about how differences in the structure of careers affect work values and job rewards in our two cases. Our hypotheses refer to five major aspects of work that constitute potentially important sources of motivation and reward in industrial societies: promotions; flexibility; autonomy and control over work; economic rewards; and job security.

Internal Labor Markets and Promotion Opportunities

Within the capitalist firm, one organizational solution to reduce turnover among workers with firm-specific skills and to promote cooperation within the production process is to institutionalize internal labor markets by creating a set of bureaucratic rules governing hiring, promotion, and layoffs. In the United States these rules often take the form of incremental wage and

salary increases organized along bureaucratized job ladders (Althauser and Kalleberg, 1981). Workers have an interest in these internal bureaucratic rules because such job ladders reduce their uncertainties about maintaining employment in labor markets in which labor supply often exceeds demand.

Within the socialist firm, there are a set of institutions performing comparable functions, yet the socialist internal labor market takes a form quite different from routinized promotions. Like the manager in the capitalist firm, the socialist manager hopes to reduce turnover and ensure cooperation from the workers upon whom he/she is dependent to meet the plan targets. But in the socialist firm, bureaucratic job classifications and wage regulations imposed by the central authorities are obstacles to be circumvented rather than instruments for the construction of internal labor markets within the firm.

The result is not collective bargaining but selective bargaining within the socialist firm (Stark, 1986). The bargaining units within these negotiations are informal groups on the shop floor composed of workers who possess the combination of technical skills (human capital), political skills (political capital), and contacts and connections (social capital) necessary to convert opportunities into non-routinized rewards (special bonuses, overtime, and even formalized but non-routine internal subcontracting) (see especially Héthy and Makó, 1989; and Kövári and Sziráczi, 1985). These resources, of course, are not equally distributed. And if they can be acquired through time, they are not automatically conferred by seniority. They are properties not of classificatory rules but of affiliative ties. Across a career, a given worker in the socialist firm can find higher earnings and reduced uncertainty; but it is less through promotion up a job ladder than

by movement from informal bargaining teams with less "weight" (bargaining power) to those with more. It is through the transactive exchanges of this selective bargaining that an internal labor market is constructed within the socialist firm. In short, whereas the market uncertainties facing the capitalist firm are mitigated through internal bureaucratic rules, the bureaucratic uncertainties of the socialist firm are reduced through internal market transactions (Stark, 1986). And whereas careers in the capitalist internal market are structured along the classificatory codes of bureaucratized job categories, wage increments, and routinized promotions, in bureaucratic socialism workers' careers at work are structured far less along the lines of bureaucratized promotions than around the circles of affiliative networks.²

Our conception of fundamental differences in the allocation and reward of labor under capitalism and state socialism and, in particular, of the qualitatively distinctive features of careers and internal labor markets in the two systems, suggest that Hungarians generally have fewer opportunities for routinized career advancement. This results from the lack of performance pressure in Hungarian firms and from the emphasis on bargaining and networking that is produced by chronic shortages. By contrast, in the United States, job ladders are designed to facilitate workers' advancement, thereby helping to overcome uncertainties associated with labor turnover. This reasoning underlies our first hypothesis.

Hypothesis 1: U.S. workers place greater importance on, and have greater opportunities for, promotions than Hungarian workers.

Participation in a Second Economy

Internal market transactions go only so far in mitigating the uncertainties of redistributive bureaucracy. Supply bottlenecks and production breakdowns threaten workers' wages (where tight piece rate systems pass uncertainties on to workers) as well as endanger meeting plan targets. Moreover, central restrictions on wage funds place limits on the use of special bonuses to tie workers to firms and induce them to work. Managers and workers thus look outside the firm to reduce uncertainties through the second economy: managers for flexible supply and workers, more importantly, for means to augment earnings from the socialist firm. This second economy (see Gábor, 1979, for the clearest definition) of informal ties and market relations is extensive in Hungarian socialism, accounting for a third of productive labor time and involving nearly three-quarters of all households (Gábor, 1985; Stark, 1989). In contrast to capitalism's informal economy, where rates of earnings for marginalized workers are typically lower than in the formal sector, second economy earnings are often as good or even higher than in the formal socialist sector (see Stark, 1989, for a fully elaborated comparison) and participation in these marketized relations is not at all marginalizing (Rona-Tas, 1990). That is, whereas workers in capitalist economies differ in the extent to which they are protected from the market, workers in the socialist economy differ according to the extent to which they can participate in the market inside and outside the socialist firm (Stark, 1986; 1989).

The search for second economy opportunities further shapes workers' careers in directions away from routinized promotions. Jobs are evaluated not only on the basis of opportunities for the non-routinized rewards of the

socialist internal labor market, but also on the basis of opportunities for second economy earnings, whether in flexibility of scheduling or in possibilities of gaining access to skills, parts, or clients for second economy activities. Thus, Hungarian workers, like workers in the United States, seek to economize rationally on their efforts, though the institutional contexts of these two countries produce differences in the kinds of behavior that can be considered rational. In particular, many Hungarian workers will choose to trade off working in their main jobs for more "leisure" time, which is not really leisure time at all but rather time that they can use to earn more money in the second economy; the same amount of work often yields higher incomes in the second economy than in the state sector. "Double-status workers" try to obtain a stable wage level with moderate effort in the first economy, since greater efforts would interfere with their income-generating activities outside the firm. The expansion of the second economy has created problems for many firms, since workers are increasingly withholding their labor on their main jobs (Gábor, 1979; Stark, 1986). Such earnings opportunities in a second economy are not as available nor as widespread in the United States, suggesting our second hypothesis.

Hypothesis 2: Hungarians place greater importance than Americans on having more "leisure" time and more flexible work, and they prefer working in contexts that provide them with greater opportunities for combining steady employment in the state sector with participation in the second economy.

Autonomy and Control at Work

Americans highly value intrinsic rewards such as having interesting work and jobs that permit them to work independently and to exercise autonomy (Kalleberg, 1977; Lincoln and Kalleberg, 1990). Their emphasis on autonomy is consistent with the importance they place on individual freedoms and with profit-oriented managers' emphasis on the importance of having workers accept responsibility and show initiative. The work of Kohn and Schooler, in particular, has demonstrated the pervasive importance of self-direction among workers in the United States (see, e.g., the summary in Kohn and Schooler, 1983).

Hungarians also value autonomy, and prefer jobs that provide them with opportunities to work independently. Ethnographic research indicates that independent work is a widespread phenomenon on the Hungarian shop floor (Héthy and Makó, 1989; Kövari and Sziráczi, 1985). Under socialism, workers must act independently but they do so in circumstances largely out of their control; this is a constrained or "forced autonomy" (Lukács, 1986). Workers must take initiative in critical periods: repairing machines themselves without waiting for maintenance workers (Fazekas, 1984); gathering supplies and the necessary tools (Ladó and Tóth, 1985); retooling machines to adjust to unstandardized flow-through during forced substitutions when the firm must produce with inputs that are available rather than those called for in technological prescriptions (Stark, 1990a). Hungarians work autonomously because uncertainties of production are shifted onto them, and they do so under conditions of general disorganization. As one Hungarian machinist told Stark (1990a):

"We are a fire-extinguishing brigade. Things are not organized properly and the technology doesn't look like what a real work technology should look like. We step in, but it's impossible to produce a product of excellent quality at that point."

These considerations related to the relative valuation and availability of autonomy in the two countries suggest our third hypothesis.

Hypothesis 3: Workers in both the United States and Hungary place a high value on having jobs that are interesting and allow independent work. However, workers in the United States have greater opportunities for exercising control on the job than workers in Hungary.

Economic Rewards

Kertesi and Sziráczki (1985) argue that Hungarian workers are instrumentally oriented and seek to maximize their earnings. Despite the attempt to use other prestige symbols (e.g., medals and awards for "exemplary socialist workers"), it is material incentives that are important in Hungary (Héthy and Makó, 1989:11, 26) and these have grown in importance in recent years with the growth in opportunities for consumption. One reason why Hungarians place such great importance on economic rewards is that their earnings are so low. Public opinion polls of the Hungarian population reveal that at the beginning of 1990, 41% reported that they generally run short of money at the end of the month, 9% do so each month, and 81% indicated that their standard of living was reduced in the past year (TARKI, 1990). This situation contrasts with that of workers in the United States, whose earnings

and standards of living are relatively high. This leads to our fourth hypothesis.

Hypothesis 4: Hungarians place greater importance than Americans on economic rewards from work. Workers in the U.S. receive greater economic rewards from their jobs than the Hungarians.

Job Security

Having a secure and stable job is a basic need that workers in all countries seek to satisfy, and so we expect that workers in both countries will highly value job security. Moreover, there are offsetting forces that lead us to hypothesize that U.S. and Hungarian workers will similarly perceive that their jobs are secure. On the one hand, unions in the U.S. constitute a source of workers' power that protects them from the job insecurity that would otherwise accompany a surplus of labor; this differs from the situation in Hungary, where unions are viewed as instruments of management domination (along with the party--see Burawoy and Lukács, 1985). On the other hand, Hungarians' job security is enhanced by the chronic labor shortage that has existed for many years (see Timár, 1985; Stark, 1986), and that results in part from labor hoarding (Sabel and Stark, 1982). The labor shortage in Hungary is reflected in the low unemployment rate in that country, which was less than 1% in the first half of 1990 (TARKI, 1990). Our final hypothesis, then, is:

Hypothesis 5: Workers in Hungary and the United States place equal importance on, and have similar levels of, job security.

DATA

The data analyzed here were collected as part of the 1989 International Social Survey Program (ISSP). Ten countries participated in this cross-national study of work values, attitudes, and job-related experiences. Data were collected by means of self-administered questionnaires; respondents were selected on the basis of household sampling frames, and constitute representative samples of the populations of their respective countries. The U.S. survey (N = 1453; 867 workers) was carried out as part of the General Social Survey, conducted by the University of Chicago's National Opinion Research Center (James A. Davis and Tom W. Smith, principal investigators). The Hungarian survey (N = 1000; 646 workers) was conducted by the Tarsadalomkutatasi Informatikai Egyesules (Social Science Informatics Center, or TARKI) in Budapest (Tamás Kolosi, principal investigator).

Table 1 presents information on the U.S. and Hungarian samples. We present descriptive statistics for several key demographic characteristics (gender, age, education, and marital status), and indicators of persons' locations in the structure of work (authority position, occupation, industry,³ self-employment, and union membership).⁴ These demographic and structural location variables are among the major correlates of work values and job rewards (see, e.g., Kalleberg, 1977; Kalleberg and Berg, 1987), so it is necessary to take them into account in order to specify properly our models. Including these variables in our equations (see Table 2) also helps to control for differences between these two countries in values and rewards that are produced by differences in their occupational and industrial structures, educational distributions, and other central dimensions of stratification.

-- TABLE 1 ABOUT HERE --

Table 1 indicates that workers in the U.S. sample are older, more educated, and less likely to be married than the Hungarians. The proportion of men and women is about equal in the two samples. Moreover, compared to the Hungarians, U.S. respondents are more likely to be supervisors and self-employed (at least on their main jobs), and less likely to be union members. In addition, U.S. workers are more often found in scientific-professional, managerial, and craft occupations, while Hungarians are more likely to be blue-collar workers and farmers. In line with these occupational distributions, Hungarians are more apt to work in agricultural and manufacturing industries, and U.S. workers more often work in "other" industries (a residual classification which is primarily comprised of service industries).

RESULTS

Are there differences between Hungarians and Americans in the importance they place on specific facets of their jobs, and in the incentives or rewards that they perceive they obtain from their jobs? The results displayed in Table 2 address these questions.

The first set of columns in Table 2 presents means on work value and job reward variables in each of the two countries; the second set of columns compares work values and job rewards in Hungary and the U.S. after controlling for the demographic measures and indicators of structural locations described in Table 1.⁵

-- TABLE 2 ABOUT HERE --

Promotion Opportunities

Consistent with the first part of Hypothesis 1, Table 2 indicates that Americans rated having opportunities for advancement more highly than the Hungarians, even after controlling for structural positions and demographic background variables. This conforms to the widely-held view that Americans are particularly highly career oriented (see Kalleberg, 1992), and seek to advance by moving upwards along job ladders within firms and occupations. Table 2 also indicates that Hungarians were less likely to report that they had high chances for advancement; this country difference was also not accounted for by cross-national variation in occupational structures and the other background variables. This result reinforces our description of internal labor markets in Hungary as serving to enhance workers' economic positions but not necessarily providing them with opportunities for promotion to higher level jobs. Rather, career advancement in Hungary is very unroutinized and heavily dependent on workers' networks and connections (see also Stark, 1986).

Participation in Second Economy

Hypothesis 2--regarding maximization of reward per unit effort--is also supported, as we find that Hungarians placed greater importance on having jobs that allow a lot of "leisure" time and on jobs with flexible working hours (see first set of columns in Table 2). The difference with regard to valuation of leisure time remained significant after taking into account the control variables, though the small mean difference in valuation of flexible

working hours disappeared. The initial country difference in valuation of flexible hours (column 1) appeared to be due primarily to respondents in the U.S. sample being older and more likely to be supervisors; both supervision and age were negatively related to valuation of flexible working hours.

However, while Hungarians valued "leisure" time and flexible working hours more than the Americans, the U.S. workers reported that their jobs provided them with more leisure and flexibility than the Hungarians. The American advantage with regard to flexibility (column 1) was due to the greater proportion of self-employed persons in the U.S. sample (whether the respondent was self-employed on his/her main job was the variable most strongly related to having a flexible job).

The importance placed by Hungarians on participation in the second economy is also reflected in respondents' valuation of working in particular kinds of contexts. Also in support of Hypothesis 2, Table 2 indicates that Hungarians were more likely than the Americans to prefer working in manufacturing industries, a result that is consistent with the relatively greater opportunities available to Hungarian manufacturing workers to participate in the second economy. In addition, Hungarians were less likely than the Americans to prefer working in the private sector. This difference may reflect the relative advantages of working in the state sector in Hungary (in which 94% of the labor force worked in 1989 [including the agricultural cooperative sector], despite the rapid growth of the private sector--TARKI, 1990). As Gábor (1985:168) notes: "...despite all the concessions introduced ... from 1981-82, the private small-scale sector in Hungary has still not become an economic institution of equal standing with the socialist sector." Kertesi and Szirácski (1985: 232) also argue that "...behind the differences

in opportunity for drawing income from the second economy, there lie more complex considerations that shed light on the importance of employment in the state sector; more precisely, the intra-firm social positions, connections and information of a large group of workers who carry on some activity in the second economy."

Finally, Hungarians were less likely than the Americans to prefer being self-employed, at least on the main job (to which the question that elicited this information referred). This result, taken together with the finding that Hungarians prefer working in the state sector, suggest that Hungarian workers in 1989 are still acutely aware of the discrimination against the second economy private sector. Full-time employment or self-employment in that sector was a very risky venture and most workers prefer the strategy of maintaining employment in the socialist sector. These findings provide an important benchmark because these data were collected in the final months of communist party rule. Further investigations should examine whether these attitudes change with a government that is explicitly committed to promoting a real private sector.

Autonomy and Control at Work

As predicted by Hypothesis 3, there was no difference between U.S. and Hungarian workers in the importance placed on having jobs that allow independent work (see Table 2). The average importance of having interesting work was higher in the U.S., but this mean difference was accounted for in large part (compare columns 2 and 1) by the greater educational attainments of the Americans (education was the strongest predictor of valuation of interesting work).

Table 2 also indicates that the Americans were more likely than the Hungarians to say that their jobs were interesting. There was a slight tendency for Americans to say that they had greater opportunities to work independently, but this initial mean country difference was explained by the greater proportions of respondents in the American sample who were supervisors, self-employed, older, and had higher levels of education; each of these variables was positively related to having greater opportunities for independent work.

Americans were also more likely to say that they were able to design or plan their daily work (see Table 2), though this difference too was markedly reduced once we controlled for the demographic and structural location variables. (The variables most responsible for explaining the initial country gap in autonomy were supervisory status, age, education, self-employment, and not being a blue-collar worker; all of these variables had higher values in the U.S. sample and were positively related to autonomy.) This survey item allows us to probe more deeply about the content of control on the job. Although workers in both countries value independent work (and have similar opportunities for such work--see second set of columns in Table 2), it is workers in the United States who perceive they are better able to plan or design their daily work. Workers in the nominally planned economy are much less likely to see their main jobs as sites at which they can exercise control over their work. This finding is consistent with the concept of forced or constrained autonomy presented above. The uncertainties of production on the socialist shop-floor require a labor force that can act with considerable discretion, but the disorganized character and the perpetual crisis atmosphere that are its familiar features preclude foresight and design at the point of

production. State socialist "planning"--the attempt to bring an entire national economy under rationalized control at the macro sphere--is an obstacle to planning and design by workers at their jobs in the micro sphere.

Economic Rewards

The results presented in Table 2 provide strong support for Hypothesis 4. Hungarian workers appear to be more motivated than American workers by economic incentives: Hungarians placed greater importance on having a job that provides a high income; and they were more likely to agree that a job is just a way of earning money, no more. Both of these country differences persist after we control for a person's actual earnings on the main job, demographic background variables, and occupation, industry and the other indicators of a person's structural position.

Workers in the United States were also more likely than those in Hungary to report that the incomes from their main jobs were "high" (this difference persisted even after controlling for workers' actual earnings, in addition to the demographic and structural location variables). This finding supports both the commonly held view that incomes in the United States are relatively high and the observation that work in the first economy (to which this question refers) is insufficient to help many Hungarians maintain their standard of living. We note, moreover, that these country differences in perceptions of whether incomes are "high" were mirrored in the actual levels of earnings reported by respondents: the mean annual earnings in the U.S. sample was \$22,203; in Hungary it was 83,946 forints, or roughly \$1,679-\$1,399 (at the 1989 exchange rate of approximately 50-60 forints = 1 USD).

Job Security

Finally, we find that Hungarian workers placed greater value on having a secure job, but, consistent with the first part of Hypothesis 5, this difference vanished when we controlled for the structural location variables (especially self-employment, which was strongly negatively related to job security, and being a blue-collar worker, which was positively related to security). However, contrary to our expectations, U.S. workers were more likely than the Hungarians to feel that their jobs were secure, even after controlling for the background variables (see the second set of columns in Table 2). This result is surprising given the low unemployment rates and chronic shortages of labor in Hungary. Nevertheless, Timár (1985:254) notes that there is no labor shortage among certain kinds of workers in Hungary, such as those in white-collar occupations. Moreover, the apparently lower job security on the part of the Hungarians may reflect their growing anxiety about the uncertainties associated with the transition of Hungary from a socialist to a market economy.

CONCLUSIONS AND IMPLICATIONS

This paper has compared the career strategies of workers in Hungary and the United States. We have sought to explain differences in individuals' work values and perceived job rewards on the basis of variations in the institutional contexts and structures of employment relations between these two countries. Consistent with our hypotheses, we found that Hungarians placed greater importance on economic incentives and on having more "leisure" time in the first economy, which they can then presumably use to maximize

their earnings in second economy jobs. Workers in the United States, on the other hand, appeared to be more concerned with promotion opportunities and career advancement. American workers were also more likely than the Hungarians to report that their jobs provided high opportunities for promotions, and greater economic rewards and job security.

Several limitations have precluded a more rigorous test of our hypotheses. While we found many relevant differences between the U.S. and Hungary to be significant, some were not that strong. We would have liked to have had more and better information on the nature of individuals' jobs, on their immediate work contexts, and on the organizations in which they work. More detailed data would have enabled us to assess more precisely the reasons why American and Hungarian workers differed in their career strategies. For example, we attributed country differences in work values or job rewards to differences between Hungary and the United States in the structure of employment relations (such as whether work is organized primarily by markets or hierarchies), but differences in economic development or in work cultures constitute plausible alternative interpretations. More precise information would also permit a more comprehensive explanation of work values and job rewards within the United States and Hungary. Labor markets within each country are comprised of a combination of firm internal labor markets, occupational sub-markets, and marginal sub-markets, and the influences of these structures on career strategies need to be examined. In addition, our results indicate that workers' aspirations and needs in these countries differ depending on demographic factors (gender, age, marital status, education) and occupational skill level (Kertesi and Sziráczi, 1985).

Future research on these issues must also recognize that individuals' career strategies in both Hungary and the United States are becoming more diverse as these countries' economies change. Hungary is in the midst of a rapid transition from a socialist to a private, market economy. The amount of foreign investment in Hungary in 1991 (\$1.5 billion) was greater than that in all other Eastern European countries (except for East Germany) combined. While most workers still work in state-owned enterprises--and will probably continue to do so for the immediate future--the kinds of contexts in which they work will begin to diverge sharply: some will be employed in new private factories; some in antiquated state-run factories; and some in enterprises with new (e.g., foreign, joint-venture, and hybrid) ownership structures. Individuals' work experiences in these institutional contexts will differ considerably. For example, conditions of shortage will be great in old dinosaurs such as state-run factories that are neither bought up, shut down, nor modernized. In these situations, workers must continue to cope as best they can with obsolete machinery and outdated procedures. On the other hand, Hungarian firms that will be owned and operated by foreign interests are likely to be disciplined by the market and could well develop work structures similar to those that characterize capitalist firms, such as firm internal labor markets and internal promotion practices.

The transition from a socialist to capitalist economy in Hungary has clearly produced an increase in insecurity and uncertainty. Unemployment is now over 10%, and whole industries are being eliminated in some cases. At the moment, the strategy of maximizing effort in the second economy appears still to be prevalent in Hungary. But, as private sector employment increases, opportunities for second economy employment are likely to diminish and, over

time, the dual job strategy will probably decrease, as people will be forced to choose between full-time employment in either the private or state sector.

Changes are also occurring in the U.S. economy. Increased economic competition and anticipated labor force shortages have prompted many firms to downsize their staffs and decentralize decision-making. These changes have eliminated layers of middle management, and increased uncertainty and job insecurity among large segments of the labor force. The flattening of organizational pyramids has resulted in shorter job ladders and has made career strategies based on internal advancement within a single company less viable. Recent employee surveys indicate that Americans are growing increasingly pessimistic about their chances of advancement within their companies (Grey and Gelfond, 1990). At the same time, trends toward decentralization and "employee involvement" in many U.S. companies may increase markedly opportunities for American workers to exercise autonomy and control over their work.

These changes in the institutional structures and employment relations of Hungary and the United States will shape--and be shaped by--changes in individuals' career strategies, as workers seek to adapt to new opportunities and constraints. Assessing how changes in the organization of work affect individuals' work orientations will continue to be an important way to examine the impact of work and industry structures on the experiences of individuals.

FOOTNOTES

1. We use the convention of a present tense throughout the paper, even when we write about Hungary in the years preceding regime change (e.g., in 1989, the year in which the data for this study were collected).

2. Our characterization of promotion systems as more bureaucratic in the U.S. and more affiliative in Hungary does not mean that networks and other informal relations do not play important roles in careers and the organization of work in the United States. Indeed, there is a vast literature that suggests that there is a strong affiliative dimension in workplaces in the U.S. Our first hypothesis is directed specifically at the structure of promotions in the two countries; we suggest simply that job ladders facilitate internal promotions in the U.S., but not in Hungary, where career advancement within the organization takes a very different form (see also Stark, 1986).

3. The occupation and industry classifications used in the U.S. and Hungarian studies differ both in their detail and in their specific categories. We were thus able to match occupation and industry categories between countries only at a fairly aggregated level. Nevertheless, these broad categories are useful for capturing some of the key distinctions between the occupational and industrial structures in the U.S. and Hungary.

4. Unfortunately, detailed information on job characteristics and on mobility experiences and opportunities was unavailable in these data sets. Moreover, inconsistencies between occupational categories (see Footnote 3) and the lack

of comparable occupational information precluded the merging of information from other sources, such as the U.S. Dictionary of Occupational Titles.

5. The following (adjusted) R^2 values were obtained for the regressions reported in the second column in Table 2: promotion opportunities (importance = .120; true of job = .182); leisure time (.194; .073); flexible hours (.039; .088); preference for services vs. manufacturing (.154); preference for government or private sector (.103); preference for wage and salaried vs. self-employment (.089); interesting job (importance = .078; true of job = .101); independent work = .045; .087); ability to design or plan daily work (.212); economic rewards (.081; .191); job is just a way of earning money (.220); job security (.048; .028).

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TABLE 1. DEMOGRAPHIC AND STRUCTURAL LOCATION VARIABLES

VARIABLE	U. S. A.		Hungary	
	Mean	S.D.	Mean	S.D.
DEMOGRAPHIC CHARACTERISTICS				
Gender (0=Female; 1=Male)	.53	.50	.50	.50
Age (In years)	39.2	12.3	37.0	11.1 ***
Education (Years of school completed)	13.5	2.9	11.5	3.1 ***
Marital Status (0=Not currently married, 1=Married)	.58	.49	.77	.42 ***
STRUCTURAL LOCATION INDICATORS				
Authority Position (0=Does not supervise others at work; 1=Supervises others at work)	.40	.49	.16	.37 ***
Self-Employed (0=Works for someone else; 1=Self-employed)	.13	.34	.06	.24 ***
Union Member (0=Not a union member; 1=Union member)	.16	.36	.34	.48 ***
OCCUPATION				
Scientific-Professional	.23	.42	.11	.32 ***
Managers	.22	.41	.04	.21 ***
Clerical	.16	.37	.17	.38
Craft	.13	.34	.05	.22 ***
Service	.12	.32	.13	.33
Blue-Collar	.12	.33	.43	.50 ***
Farm	.01	.12	.06	.24 ***
INDUSTRY				
Agriculture	.02	.15	.17	.37 ***
Manufacturing	.22	.41	.43	.50 ***
Other	.69	.46	.40	.49 ***
N	867		646	

***: $p < .001$; **: $p < .01$; *: $p < .05$.

TABLE 2. WORK VALUES AND JOB REWARDS: U.S.A. AND HUNGARY

MEASURE	MEANS		REGRESSION COEFFICIENTS ^a	
	U.S.A.	Hungary	Unstd Coef.	Std. Error
PROMOTION OPPORTUNITIES				
Good Opportunities for Advancement				
Importance ^b	4.295	3.695***	.634	.098***
True of Job ^c	2.991	2.250***	.791	.113***
SECOND ECONOMY				
A Job That Leaves a Lot of Leisure Time				
Importance	3.100	3.944***	-.825	.098***
True of Job	2.761	2.333***	.232	.115*
A Job With Flexible Working Hours				
Importance	3.568	3.800***	-.205	.119
True of Job	3.200	2.608***	.212	.148
WHICH DO YOU PREFER?^d				
Working in an Office, in Sales or Services (=0), or in a Manufacturing Industry (=1).	.278	.543***	-.211	.061***
Working for the Government or Civil Service (=0), or in a Private Business (=1).	.699	.419***	.327	.063***
Being an Employee (=0) or Being Self-Employed (=1).	.635	.421***	.165	.064**
AUTONOMY AND CONTROL AT WORK				
An Interesting Job				
Importance	4.370	4.073***	.176	.085*
True of Job	3.901	3.591***	.308	.104**
A Job That Allows Someone to Work Independently				
Importance	3.988	3.914	.003	.101
True of Job	3.933	3.739***	.126	.107

TABLE 2 (CONTINUED)

MEASURE	MEANS		REGRESSION COEFFICIENTS ^a	
	U.S.A.	Hungary	Unstd Coef.	Std. Error
(1=My Job Does Not Really Allow Me to Design or Plan My Daily Work; 2=My Job Allows Me to Design or Plan Parts of My Daily Work; 3=My Job Allows Me to Design or Plan My Daily Work)	2.245	1.877***	.184	.085*
ECONOMIC REWARDS				
High Income				
Importance	4.016	4.366***	-.250	.079**
True of Job	2.790	2.277***	1.129	.103***
A Job is Just a Way of Earning Money--No More (1=Strongly Disagree, 5=Strongly Agree)	2.358	3.141***	-.514	.142***
JOB SECURITY				
A Secure Job				
Importance	4.421	4.517**	.073	.075
True of Job	3.910	3.802*	.446	.111***
N	867	646		

***: $p < .001$; **: $p < .01$; *: $p < .05$.

^a Variable coded: 1 = USA, 0 = Hungary. Equation controls for: Authority position; Gender; Age; Education; Marital Status; Occupation (7 categories); Industry (3 categories); Self-employment; Union membership; (log) Earnings.

^b Question was worded: "How important is..." (1=Not Important At All, 5=Very Important).

^c Question was worded: "For each statement about your main job below, please indicate how much you agree or disagree that it applies to your job" (1=Strongly Disagree, 5=Strongly Agree).

^d Question was worded: "Suppose you could choose between different kinds of jobs. Which of the following would you personally choose?"