



**CSAC Monographs 14**

**Power and Institutional Change**

**in**

**Post-Communist Eastern Europe**

**Edited by Birgit Müller**

**Centre for Social Anthropology and Computing  
University of Kent at Canterbury**

**1999**



**CSAC Monographs 14**

**Power and Institutional Change**

**in**

**Post-Communist Eastern Europe**

**Edited by Birgit Müller**

**Centre for Social Anthropology and Computing  
University of Kent at Canterbury**

**1999**

## 11. Adaptation and Distinction: the Management Politics of two East German Production Managers in a Multinational Combine

Birgit Müller

In 1993 the international elevator company HOCHINAUF executed what some managers jokingly called the German unification on a small scale. HOCHINAUF united the enterprise it had bought in East Berlin in 1990 with the production and service company it already owned in West Berlin. The production of luxury elevators mostly in glas and chrome was transferred together with its workforce and engineering from West to East Berlin and it was fused with the elevator production there. This fusion was intended by management to speed up the process of assimilation of the East Berlin workforce to the model of the multinational combine – a process that had begun when the enterprise had been taken over by HOCHINAUF. The reorganisation – it was hoped – should make the production more efficient and competitive in the face of growing competition from cheaper production units in Eastern Europe that were part of the combine.<sup>1</sup>

The enterprise was in the former Democratic Republic of Germany the place on which political indoctrination was concentrated and where political decisions about the planned economy were not only carried out, but also officially commented and unofficially resisted. The enterprise was the field where the ways of life in the two Germanies before the fall of the Wall were most clearly distinct. The unification of the West and East Berlin production lines went along with an intense campaign by the West Berlin management for promoting the 'philosophy' of the multinational HOCHINAUF combine. The effort of the combine to transpose a system of meanings and values and to reshape the identity of the East Berlin workforce has many elements in common with the efforts of training and reeducation by the West German government of East German citizens on all levels of society. The multinational combine promoted in a condensed form the values of growth, competition, responsibility of the individual for his/her own success that also characterize the expressed aims of German government politics in East Ger-

many. Unaffected by the widespread questioning of modernist certainties in sociological and philosophical writings (e.g. Beck, Latour, Touraine) an official discourse prevailed that claimed adaptation and submission to the values and the dominant ideology of modern competitive market society.

The German unification was promoted by the political forces first in the West and after 1989 also in the East as a 'natural' right of the German people to a single and undivided nation. On the grounds of a concept of national identity as based on free consent and a shared past (*Renan*) the political unification of the two German states was rapidly pushed through. However, already since the spring and summer of 1990 a growing feeling of otherness, of incommensurability between East and West Germans, was to be felt. The dominant discourse in the West underlined the necessity for a rapid and total assimilation of the East Germans to the West German culture. In the West German reinterpretation of the past the 'two black periods' of German history, the Nazi rule and the Communist regime, should be overcome as fast as possible and nothing should remain of them in the new strong united Germany. The prevailing discourse in the East on the other hand claimed that the East Germans had developed their own cultural specificities in the forty years of real existing socialism that should be respected and some even claimed that these were incompatible with the West German ones.

How can the essentialist cultural discourses in the East and the assimilationist claims from the West be interpreted? How do they fit in with debates about culture and power that rage in the social anthropological discipline? Through a detailed analysis of the nature of the cultural model of the multinational combine HOCHINAUF and the mechanisms of adaptation and resistance of only two members of the East Berlin personnel I will analyse the complexities of the process of their cultural assimilation and differentiation and I will enquire into the link of 'culture' to 'power'.

I will now examine how, in the case of the take over of an East Berlin enterprise, the multinational buyer firm attempted to encourage the emergence of an enterprise culture that should/would lead to the self-discipline of the workforce and how two production managers from East Berlin used and responded to this model. The production manager of the West Berlin enterprise – I call him Wolpert, who had previously come from East Berlin in 1988 – returned in 1993 to take over the entire mounting section from his East Berlin colleague – I call him Oswald –

who was left with the machine section, the cutting and preparing of materials and the building of elevator platforms. The experiences of the two managers since the fall of the Wall pose the question of the nature of the processes of acculturation that took place when the enterprise became part of the multinational combine. Acculturation as Nathan Wachtel defines it rests on two characters: on the encounter of heterogeneous cultures and on the domination of one of these cultures over the other. I will examine the management strategies and discourses of the production managers in respect to the specific enterprise-internal model for the 'successful manager in a successful enterprise'. I will show how this dominant western model becomes part of the power relationships in the enterprise without however entirely eliminating the old patterns of attitudes and strategies that had developed in the planned economy.

### **From losing to winning: the HOCHINAUF model**

HOCHINAUF is a successful company that operates worldwide with production and service units all over the world. Since 1989 it started to invest heavily in Eastern Europe. Its success is based on the flexible production of large series of elevators that allows to adapt to a large variety of customers' specifications for the single item. HOCHINAUF is attempting to introduce fabrication in flexible production cells all over the world. Growth, technological innovation, customers service, high product quality, productivity and the recruitment of the most qualified personnel are the expressed aims of the 'strategic plan' that HOCHINAUF set itself for realising its 'vision for the future'.

As the glossy brochure that is distributed worldwide to all the HOCHINAUF firms states: 'well informed staff members who are encouraged to use their energy and initiative', should work together in 'real teams', they should attempt to realize the HOCHINAUF visions for the future as if they were 'independent entrepreneurs' ready to confront the competitors. The HOCHINAUF model not only sets the aims for economic practices and management choices in the company, it is also expressed and specified in a code of conduct that sets standards for the attitudes and behaviour of the members of staff. The code of conduct is summed up on a brightly coloured poster that has been distributed to all the members of medium and upper management in East and West Berlin. It states six rules of conduct illustrated by little humorous drawings: from losing to winning. It states:

### *From losing to winning*

*The losers are always part of the problem –  
The winners are always part of the solution*

*The losers say: 'This is not my responsibility' –  
The winners ask: 'How can I help you?'*

*The losers see a problem in each solution –  
The winners see a solution for each problem*

*The losers say: 'It is possible but much too difficult.' –  
The winners say: 'It is difficult, but possible.'*

*The losers see the others as part of the problem –  
The winners see the others as part of the solution*

*The losers always have an excuse –  
The winners always have a plan*

The model presents itself as the guide to success and happiness. The drawings show the winners with happy faces. They all smile brightly. Those who contribute to problem solutions, cooperate with others and see their colleagues in a positive way and confront difficulties with optimism have no problem. Nothing can stand in their way for fulfilling the aims that the company sets itself. The winners – the model promises – reach an optimistic state of mind, a positive attitude to their colleagues and towards making an active contribution to the achievements of the company.

The presentation on the poster side opposite shows the menacing side of the model. The losers on the left side sit with unhappy faces, their hair sticking in the air, the head resting on their hands. Their facial expression shows fear, anguish, stress. The message is, those who do not follow lose. Those who see problems everywhere, push responsibilities away from them, avoid difficulties and risks and constantly search for excuses for their shortcomings those will be the losers. It is left open to the contemplator to imagine the consequences that might await the loser: stagnation in the career or at worst loss of the job.

Although this poster may appear superficially as a friendly humorous advice to the staff members it is clearly linked to the exercise of power inside the enterprise. To think and act in a positive optimistic way is the norm that the enterprise sets for its staff, the mental and psychological self-discipline required. A West German manager of the firm commented on these expectations:

When you are sitting together in the circle of department chiefs and you say: 'We need productivity. We have to improve. You on the shopfloor you have to contribute to it, now!' And then, if you get five

or ten times the answer: 'But what is going to happen if we cannot do it?' and if you answer ten times: 'Then we close the shop...' and if they don't understand this, then I don't know, how often you want to tell them that, I always maintain that for me this is not an acceptable statement if someone says: 'This does not work! I cannot do that!' I don't accept that. I only accept, if somebody says: 'O.K. The aim is clear. I will think about, how to get there,' then it is legitimate that he makes his claims.

The aims are given. The autonomy of the enterprise members does not consist in the fact of questioning them, but to think about the way how to achieve them. Also, the possibility of not reaching the aims should not even be considered. If they hesitate and doubt in the possibility to succeed, 'then', as Stolz commented 'something is wrong in their heads!' 'People have to believe in success', is his philosophy and he is ready to 'preach, preach and preach' it all over again 'this is the way and now do it! If you don't want then its over!'.  
The cultural model of the enterprise is on the one side a legitimating ideology and on the other side a disciplinary code of conduct. The legitimating ideology explains why the enterprise in order to be competitive and to survive on the world market has to be tough and demanding towards the inside. The HOCHINAUF 'family' has to eliminate the non-performing members because of the pressure of outside market forces.

The disciplinary code is geared towards social and economic practice. The modern enterprise requiring flexible responsible members needs, that they discipline themselves. It is not so important what people think and what their political convictions are, it is important how they behave. The winner may doubt in the rationality of market economy as long as he behaves like the winner. The cultural model sets a frame of parameters that cannot be ignored but to which the enterprise members can resist or adapt themselves.

The HOCHINAUF model provides a complete worldview, ready to fill the gap that the ideological model of real existing socialism might have left. In a moment of individual disorientation and social and economic upheaval the ideological model of the enterprise tends to give a 'home' to the 'homeless mind' Marcus talks about. It is the American model of the self-made-man transposed on the level of the firm that is giving the direction, advocating an unlimited belief in the strength of the individual will. As Stolz so strongly claimed to have this belief was not a possibility, it was the only correct state of mind accepted in the firm.

Of course this model was also conceived against what the western managers saw as the rationale of the planned economy. The image of the loser sketches out certain strategic attitudes that could have been rational for a manager in the planned economy in order to protect his position and his firm. On receiving the plan obligations at the beginning of the year it was useful for the manager in the planned economy to stress how unrealistic, problematic and not feasible they were because this would prepare the field for asking for a plan correction later in the year. In the socialist competition each brigade declared the efforts it made to fulfil the plan and pointed to the shortcomings of the other sections that hindered their achievements. In the face of a lack in material, workers and of the bad quality of the production machines all supplementary effort was presented as a improvisation full of good will that cannot be perfect. In the face of all these difficulties all the sections of the enterprise agreed that help and support could only be exceptionally expected from a neighboring section and that it was only granted as a special favor that was to be reciprocated.

For the modern competitive enterprise it is not sufficient to control its members through the imposition of body discipline that Foucault referred to as 'a type of power which is constantly exercised by means of surveillance...' (Foucault, 1986:239) Rather, the modern enterprise needs members of staff who actively strive towards the model of the winner proposed. Not obedience to the objectives of the firm was the aim but rather the animation of the individual competitive spirit. The members of staff were to confound their measure of personal success with the contributions they made to the success of the enterprise. Their identity was to be confused with the one of the firm. It is a supreme form of the normalisation of discipline that is required – the active self-disciplination. Foucault describes this mechanism of power as transforming individuals into subjects (Foucault 1987:246). The subject is subdued through control and dependency and at the same time he is tied to his identity through conscience and a specific interpretation of the self. This does not mean, however, that the impact of this mechanism of power is complete. It encounters opposition and is met with struggles for the status of the individual, for his identity, against the privileges of knowledge and the concrete tangible consequences of power (Foucault 1987:246).

### The HOCHINAUF model in Practice

The decision to fuse the two production sections in 1993 was taken only one week before the move took place. Initially the management of HOCHINAUF in West Berlin had planned to move the production from

West to East Berlin but to keep it separate at first from the already existing production there. The reason for that lie in the different tariffs for East and West Germany. The West German staff that was to move to East Berlin successfully defended its right to be payed according to the West-ern tariff while their counterparts in East Berlin earned about half this income in real terms. A change in the direction of HOCHINAUF however brought with it a change in management strategies. The new production director decided to abandon the concept of his predecessor and fuse the two production lines in spite of the differences in tariffs.

Wolpert became head of the entire mounting department of elevators and thereby responsible for ten workers and one foreman who had previously worked under Oswald. Oswald became responsible for the machine section and the mounting of elevator platforms. Two CNC machines from West Berlin and five workers who had handled them were integrated in his section. The five workers earned considerably more than their foreman and probably more than Oswald himself. Most of the fourteen members of staff who came from the West Berlin branch, were initially from East Germany and had started to work with HOCHINAUF in West Berlin after the fall of the Wall. They were all paid according to the West German tariff.

When I visited the two production managers, Wolpert and Oswald, after the unification of the two production lines two small details struck me when I entered their new offices. Both had arranged their desks and the adjoining conference table in the way habitual to all the offices I have visited in enterprises of the planned economy. Similar to the office that Lenin had arranged in the Kremlin the desk of the chief was placed with its back against the head end of the conference table. The chief of the office was thus able to overlook sitting behind his desk the members of staff he had assembled for consultation. This disposition of tables had already existed in the office that Oswald had used previously. Wolpert, however, had not used it while directing the production in West Berlin. He had chosen this arrangement only on his return to East Berlin. On the wall of Wolpert's office hang as the only decoration framed the colourful poster I have already described in detail. In Oswald's office the poster had no prominent place. He used it as a blotting pad. These small details hint at the ambiguities felt by the two managers in respect to their role in the firm.

Both managers had different experiences of the economic and political changes after the fall of the wall. Wolpert had chosen to leave the planned economy for the market economy in 1988, when he left East Berlin to rejoin his girl friend in the West. He found a job with HOCHI-

NAUF in West Berlin and rapidly learned to adapt to the requirements of the company. The performance oriented style of work suited his ambitions. He felt at ease in the cooperation with his western colleagues and especially appreciated – as he said – that they were much more ready to respond to his problems and to take over responsibilities than this had been the case in the enterprises he had worked in East Berlin. 'There is less competition and more cooperation in the West than in the East', he stated. Among the workers in West Berlin he was known and contested for the enormous work-pressure he put on them. Increasing the output of elevators by one and a half times was the result of his first few months in office in West Berlin. However the role he saw for himself before moving to the East Berlin enterprise was less to exert strong pressure but rather to bring in 'a fresh wind' and to change the working climate to more openness and friendliness.

Wolpert did not hide his contempt for Oswald whom he wanted to replace as manager. Only one month after he had arrived in East Berlin he claimed that the entire elevator production should come under one management to remedy to the problems of coordination between the section Oswald was responsible for and his own. He even considered to abandon the idea of the production cell, integrating production, disposition of materials and engineering, in favour of a more centralized model that he considered more adapted to the situation in East Berlin. While Oswald envied the relationship that Wolpert was able to have with the production director in West Berlin, Wolpert felt that he had no direct influence on the director any more now that he was 'far away' in East Berlin. After the move he felt with regret that he had become 'tougher' than ever before and that the move back to East Berlin had been more difficult for him than the move to West Berlin in 1988. The decision to fuse production, however, rapidly levelled the productivity of the mounting section. The ten East Berlin workers adapted very quickly to the pace given by their West Berlin colleagues and showed them that they were able to be equally productive and that the difference in income was therefore unjustified. The workers from West Berlin began to speak in a more positive way of Wolpert and started to rally around him while they rarely sought help and support from their East Berlin colleagues.

Wolpert brought to bear the pressure for more productivity directly on his staff. He constantly supervised, advised and controlled what was going on the shopfloor where he spent at least half of his working day. It was often him who saw shortcomings of production and mistakes in the manufacturing and handling of equipment before even the foremen saw it. With his meter ready at hand he proved his points to the workers in

the minutest details. The foremen were discharged from responsibilities by this attitude. The East Berlin foreman who had previously worked under Oswald was happy to be protected from the sight of upper management and to get Wolpert's support in solving authority problems on the shop floor.

Wolpert saw his work in East Berlin as a mission. When he talked about it he used terms such as 'to form the conscience' of his staff, to show them the ideals and the precise aims of work in the market economy. Criticizing members of staff in East Berlin, and especially Oswald, he used terms that a superior could use criticizing somebody who depends on him, such as: 'I would expect a leading member of staff to be conscious of the fact that a customer as a person stands behind the deadline. This means money, jobs etc.' He wanted his staff to relate the services they give to their customers to the services they expect to receive from others in the market economy. The give and take of the exchange economy – the idea of the just exchange – became in his discourse a dimension with an almost universal bearing.

Aware of the fact that the production of elevators in Berlin was working at a loss, and was therefore inside the multinational combine in a precarious situation, he showed pragmatic optimism: 'I think it is simply my job to solve problems; I can never say, "this does not work!"' Working twelve hours a day he tried to set the example that his staff should follow. He however constantly hurtled himself against the resistance of the East Berlin colleagues. 'They are immensely proud and they don't want to understand, that it really had not been that marvellous here.' The workers responded to what he tried to present as the innovations of market economy with slogans from the planned economy. When he emphasized quality and responsibility as the new ideals from the West they answered: 'We know that from the old times: Take part in the ruling, take part in the thinking!'

Wolpert posed the logic of the market economy as the ideal to follow. His discourse and attitude clearly corresponded to the model of the winner proposed by the company. However, in an interview he admitted, that he did not regard market economy as a perfect system and that he felt himself exploited by it in a subtle way. He explained that 'something' drove him to sit in the enterprise for twelve hours every day and to neglect his private life. 'It is somehow a refined sort of exploitation, that I can personally no longer really control or direct...'

Oswald had an entirely different entry into the multinational combine than Wolpert. He became active in the workers council of the East





the functioning of market economy that was in many points opposed to the model of the combine. However when the West Berlin workers' council presented itself and the firm to the colleagues in the East they fell back into the discourse of the dominant model of the winner, showing up in front of their Eastern colleagues the achievements and the productivity of their firm.

The relationship between the East German workforce and West German management is certainly one of domination. Especially in the economic domain this domination is not accepted as positive or in their interest by many East Germans. The efforts to mask this domination through a hegemonic ideology that gave the responsibility for success back to the individual did not totally succeed. However economic differences – due also to different incomes – established boundaries and created solidarities that now go across the West-East German division. The fact of belonging to a privileged group in the East German enterprise made of someone a 'Wessi' in the eyes of his colleagues and made him obey to the Western model more easily than his less privileged colleagues. He may however still use elements of reasoning of the former system.

There is no 'typical East German' behaviour however there are arguments and defence strategies East Germans as a group can fall back upon if under pressure from outside. In spite of the fact that the GDR was a relatively isolated political and economic system the individuals in the system did not simply partake in its cultural model. Both Wolpert and Oswald contested it while functioning inside it. Oswald constructed his East German identity *a posteriori* when confronted with the Western model with which he was unable to comply. When under attack the political culture of the social actors still have remnants of the competition between social and political systems that can be activated. However, even those Germans who pose their culture as essentially different now partake in innumerable cultural facettes of life in the West. It is not the question of whether there are two German cultures today or not, it is rather the question who gets included and who gets included into the highly competitive modern German society.

## Notes

1. A qualified worker from HOCHINAUF in West Berlin was guaranteed in 1993 27,- DM, while a worker with similar qualification would earn 5,- DM an hour in the Czech Republic.