

Development of Work and Organizational Psychology in Latvia

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Abstract

This article describes the development of Organizational Psychology (OP¹) in Latvia from the time of their first independence, through the communist period to the time of regaining independence. The current work situation and challenges for OPs is described along with information about The Latvian Society of Industrial and Organizational Psychologists (LSIOP). Further development of OP in Latvia is discussed.

Introduction

Organizational psychology (OP) development in Latvia can be divided into three periods: (a) from Latvia's first independence – 1925 until 1940 when a few institutions related to OP were created; (b) after World War II until the middle of the century when there was no OP in Latvia at all. Starting from 1956 there were chances for the development of OP although only in a strictly ideological communist frame; and (c) following regaining independence in 1991 OP started to re-develop and now mainly consists of academically oriented OP and practically oriented Human Resources (HR) activities.

From Latvia's 1st Independence, before World War II

The first psychological institution related to OP was Riga Municipal Youth and Vocational Research Institute (the Institute). It was established in 1925 and was created from an alliance of the Psychotechnology cabinet of the Ministry of Education and the Nerve Ambulance of Pupil of Riga city. At that time psychotechnology was practical, applied psychology, covering industrial psychology, personnel selection, and vocational guidance (Drillis, 1957). The Institute was concerned with preparation of job descriptions, administration of vocational aptitude tests, assessment of vocational interests, and study of physical and psychological conditions of job efficiency. The Institute had different kinds of clients; private entities as well as governmental institutions. More than 64,000 individuals were tested in the Institute up to 1940.

¹ There is a need to differentiate the abbreviation OP into the term used for Organizational Psychology in Latvia (OP); and Occupational Psychology (Occ P); the term used for the equivalent practice of Work and Organizational Psychology in the UK.

After World War II and in the times of the USSR

The soviet occupation of Latvia in 1940 interrupted the functioning of the Institute and the development of applied psychology in Latvia; as well as in the rest of the USSR. OP practically stopped until 1956. From the beginning of Khrushchev's "thaw" period (1956 - 1963) chances for OP development returned although in strictly ideological communist frames.

Research was carried out in different fields of psychology; and psychology started to be a subject in the Universities. But psychology had to go in line with the ideology of communism. In certain ways the traditions of work psychology initialised in the period before the occupation were continued. The profession of a psychologist was officially recognised in Latvia at the beginning of 1970s but a university degree was not available until 1989 (neighbouring countries of Estonia, Lithuania and Russia had university education for psychologists twenty years before this date).

Prior to 1989 psychological research was conducted by psychophysicists, medical practitioners, and sociologists. Research was undertaken by other specialists because of the lack of professionals in psychology. Examples of this work were: examination of the impact of work conditions on work efficiency; opportunities for improvement of work procedures; and problems of professional orientation.

The first research into "management psychology" emerged at the end of 1960s exploring leadership styles (mostly according to the work of Kurt Levin) and the psychological conditions for effective preparation of managers. This work was undertaken by economical and technical specialists and focused more on practical application than scientific development. For example, there were attempts to estimate which leadership style (authoritarian, authoritative, liberal, or democratic) could characterise managers of appropriate organizations and what could be done to improve those leadership styles.

The first USSR Symposium on social psychology of management was held in Riga in 1974. The event had a great significance as it facilitated further development of work and OP in Latvia and was one of the main contributing factors to the emergence of the profession of the "industrial psychologist". "Industrial psychologists" were primarily employed for "departments of the scientific organization of work" in governmental entities (there were no non-state owned institutions in USSR); but these professionals did not always have an education in psychology. By then, graduates from Leningrad and Moscow Universities of Psychology had just started to work in Latvia. This was the first wave of OP (with a scientific basis) after World War II in Latvia.

At the end of 1970s the core issues studied by industrial psychologists were: labour turnover (with recommendations on how to prevent it); and climate and leadership style (with recommendations on how to improve it). Sociologists graduated from University of Latvia were now more active in this research than psychologists (although there were only a few psychologists in Latvia at that time). The largest industrial enterprises established their own psychology departments mainly under the direction of the district communist party (the Party) committees; rather than by the initiative of the companies. At that time the politic of the Party was to raise labour productivity with the focus on personnel factors. Changes occurred as a result of this research but there was little discussion or debate about any of the topics. Once the top of the Party (the Central committee) had made a decision this had to be carried out at all levels of organizational management. As there was no competition among companies, management of organizations were interested neither in motivation of employees or in the rise of personnel productivity. Nevertheless, Psychology departments aimed to improve social and psychological methods of management although this work was highly confidential and was not allowed to be published.

Before and after regaining independence

Gorbachov's "perestroika" in the second part of 1980s started a new stage in Work and Organizational Psychology in Latvia. New initiatives, such as the "election" of managers were initialised in many organizations where previously managers had been chosen by the communist party committee. This created the need for psychological assessment of the candidates. At this time psychological tests were used for assessment; although these tests

were not officially forbidden they were not generally supported. The number of psychologists in Latvia was growing due to graduates from Russian universities. Psychologists took active roles in the selection of candidates, their development as managers and conducted training programmes. It was noticeable at this time that there was wider practical usage of intelligence tests and personality profiling along with new training methods such as “business” games (e.g., the use of the in-basket and group discussions as part of the selection process).

After World War II Latvia had maintained a well-developed educational infrastructure and developed specialists. For this reason Moscow decided that some of the Soviet Union's most advanced manufacturing factories would be based in Latvia. New industries were created in Latvia including a major machinery factory (RAF), electro-technical factories, food and oil processing plants. After Latvia regained independence in 1991 the state owned companies were chaotically privatised and unfortunately most of them ceased to exist (examples being: the State Electro-technical Factory, a leading commutation producer in the Soviet Union; Red Morning, a leading knitted fabric producer; and Riga Radio-technical Factory, a leading sound technique producer). The reasons for the failure of these companies varied. Some were producing products for military purposes and these were no longer needed anymore. Others were just not competitive in the new markets.

The impact of the liquidation of state owned manufacturers resulted in steep rise in unemployment in Latvia, along with a fall in the economic and psychological well-being of a significant part of the population. As a knock-on effect of this situation, the demand for psychological studies in organizations drastically dropped. The work of psychologists in organizations became limited to conducting seminars on psychological issues of work motivation and management and the practice of psychological counselling. Roles were limited to management consulting, mentoring and coaching; being the only services in demand by management.

However, the entrance of foreign companies into Latvia in the middle of 1990s caused the demand for personnel selection to rise gradually. More attention was given to different courses and seminars and in particular issues of OP such as team building, effective leadership, and effective motivation. The rise in demand for OP by foreign companies was initially led by specialists from USA, Germany and Scandinavia, but gradually Latvian psychologists engaged in this process.

By the middle of 1990s the market economy had stabilised and a more serious interest in OP began. Particularly, interest was expressed in “management psychology” but as this discipline was created in soviet times it was absolutely inapplicable to the free market economy. The term “Organizational Psychology” in Latvia was first officially mentioned in 1992 as the title of a lecture course for the students of psychology at the University of Latvia. At that time the first working places for psychologists educated in Latvia appeared with international consulting companies.

Until the end of 1990s first year students of psychology as well as historians, teachers, medical doctors and representatives from other professions often worked as organizational consultants looking at psychological issues in Latvia. Employers had very little idea of what kind of help to expect from the consultant psychologist, and what professional knowledge and skills they had. Usage of unprofessional psychological tests was wide spread in personnel selection. Due to easy accessibility, tests were used by people without appropriate knowledge of the methods for their use and interpretation of results. Furthermore these tests were not adapted to the local conditions in Latvia; often violating the copyright conditions of the test developers. The main impact of the inappropriate usage of selection tests was the low validity and reliability of the test results. Poor selection decisions were being made and this resulted in a low credibility of the discipline of psychology in society.

Development of OP as we know it today

Fifteen years ago in Latvia there were only few professionally specialised Organizational Psychologists with the appropriate university qualifications. In 1996 a Master's programme of Psychology was created at the University of Latvia. Specialists in OP are prepared in the University of Latvia and by teachers from the Riga Training and Education Management

Academy. Similar programmes have appeared in some of the other universities in the country. However, there are currently several hundreds of psychologists working in organizations in Latvia; but only fifty of them have a Master's degree in OP.

Now-a-days standardised, adapted tests are used in personnel selection and research, and the conditions of copyright are observed. People with the appropriate background and experience are using test materials as well delivering psychological training and development programmes. Compared to beginning of the rise of psychology in Latvia (10 – 15 years ago) organizations are now more aware of the quality standards and requirements, necessary knowledge and competences of professional psychologists.

However, while the Master's degree in OP is offered by the University of Latvia it should be noted that OP is not included in the list of sub-sectors of science of psychology prepared by the Council of Science in Latvia. The Latvian occupational classification is likely to be the only official document recognising the profession of Organizational Psychology. Unfortunately, Latvia is one of few countries in the world and the only country in European Union (EU) where OP does not have official status as an occupation. Sadly this is indicative attitude towards OP that results from insufficient understanding of psychology as a science which is still dominant in Latvian society. This problem increases the responsibility and the necessity of each Organizational Psychologist in Latvia to explain to people, organizations and society the objectives and strengths of the role of the Organizational Psychologist. From experience, each year management and employees come more and more to recognise the opportunities and gains offered by OP. Indeed, all over Latvia people are becoming more open to the new disciplines of science.

Currently research in OP is undertaken by master's students and this work is mostly practically oriented. The current topics of research are: job satisfaction (and the association of personality traits, organization type, status and personality values, locus of control, and relationship with work efficiency); organizational culture (and the differences in various organizations); burn-out at work; the association of personality and organization values; the impact of personality traits on decision-making; the relationship of leadership style to psychological climate; organizational and professional commitment (in relation to personality traits, organization type, seniority, personality values, locus of control, compensation, job satisfaction); attribution errors in personnel selection; gender stereotypes of managers, significance of locus of control in work (and differences among managers and employees in locus of control), and the notion of learned helplessness.

Latvian psychologists are currently involved in practical work related to Human Resource (HR) issues (such as personnel selection, career planning, preparing job descriptions, developing remuneration system, and training). Frequently performing these tasks does not ask for a deep knowledge of OP and the work may be completed by economists, lawyers and representatives of other professions. There are different explanations of the reasons why psychologists are doing HR work. It may be that there is a lack of understanding and demand for the organizational services of OPs (Jānis Dzenis). Or, organizational psychologists are adjusting their behaviour to work in non-demanding organizational environments and are do not showing initiative for psychological activities such as research (Viesturs Reņģe).

The Latvian Society of Industrial and Organizational Psychologists

The Latvian Society of Industrial and Organizational Psychologists (LSIOP) was created in 2000. Currently LSIOP brings together 40 members; organizational psychologists with different professional backgrounds. The statutes of the Society have two grades of membership: associate members (psychologists with a Bachelor's degree) and ordinary members (psychologists with a Master's degree). In terms of affiliation LSIOP is member of Union of Latvian Psychologists and co-operates with Latvian Association of Personnel Management. In 2007 LSIOP joined the European Association of Work and Organizational Psychology (EAWOP). Until now cooperation between different associations has given the possibility for LSIOP members to find local contacts and information (such as exchange of experience) and the opportunity to attend workshops and conferences at reduced fees.

LSIOP's main activities are the organization of workshops and annual conferences.

The topics cover both HR and OP. Two large conferences have been organised by LSIOP recently. In 2007 the annual conference was about the theoretical aspects of the Person and Organization Fit. In 2008 the annual conference focused on Organizational Effectiveness and was held in cooperation with a local business newspaper *Dienas Bizness*. In addition, LSIOP has held several workshops and seminars over the last two years including: Employee leasing; the psychological aspects of head hunting; psychological support programmes for employees; employee motivation; effective remuneration systems; knowledge management, the organizational efficiency mode; and change management. The workshops are organised by Board members of LSIOP and are mostly held in the working premises of LSIOP members. Presenters or moderators of workshops mostly are members of LSIOP who contribute their time with no fee.

The number of participants is dependent on the content of workshop but on average it is about 15 participants per workshop. Most participants are LSIOP members but workshops are open to other interested persons (for example, members of Association of Personnel Management). Workshops are for free for members and for symbolic fee (3LVL, about five EUR) for external visitors.

Currently LSIOP is working in co-operation with Educational and Clinical psychologists to develop the Law of Psychologist's Practice. As there is no legal act in Latvia which regulates professional activities of psychologists there is high risk for clients to receive unqualified psychological services. Experience from European and other Western countries shows that the Law of Psychologist's Practice helps to prevent this risk.

The future

Over the last 18 years until 2007 we have seen a gradual increase in the Latvian economy; particularly with joining the European Union. There has been an increase in the number of professional psychologists in Latvia and there is a growing understanding of the importance for managers to have psychological competence. This situation had encouraged us to think that OP in Latvia will continue to strengthen and become an independent branch of science. Unfortunately, the current international economic downturn and local economical recession has decreased and possibly erased these optimistic scenarios for the development of OP in Latvia.

In terms of economy Latvia has been hit the most among EU countries. Additionally it has loaned several billions EUR to maintain its financial situation at a satisfactory level. This means that the next decades will be spent on the repayment of these credits; not a bright picture for the state of the economic future. Because of the economic climate there have been several layoffs in HR departments; but these are not as painful as in the School of Psychology where many professionals has lost their jobs due to layoffs. From the European and US experience it can be seen that OP develops together with economic development. Large corporate companies have opportunities to invest in research, development of methodologies and practical implementation. Unfortunately, Latvia is currently lacking such investment. But nevertheless, development as we all know is just a matter of time. Based on our 18 years of development experience, one could forecast that it may take the same amount of time until OP in Latvia will be at the same level of development as in other Western countries.

In conclusion, we hope that this short paper has given you some insight into the development of the field of OP in Latvia. Authors would be pleased to answer additional questions and hear your comments on this article. Contact information – Viesturs Reņģe: viesturs.renge@lu.lv and Jānis Dzenis: janis.dzenis@lop.lv, mobile phone - +371 29691095

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