Quality of Work Life

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In the middle 1970s, American industry began to search for new approaches to management suitable for an emerging world economy characterized by rapid technological change, and for a workforce with increased education, expectations, and willingness to challenge the status quo. The term "Quality of Worklife" (QWL) has been applied to a major subset of these new approaches in which increased employee well-being is an explicit organizational objective. Typical QWL projects focus on organizational communication, on the impact of work and the work environment on people, and on the involvement of employees in organizational decisions which impact their work.

QWL projects are efforts at planned organizational change. They assume a variety of forms in which the scope, target, strategies, and objectives of the change vary considerably. A substantial literature exists concerning these projects, much of it anecdotal and descriptive. Consulting firms, conferences, and journals provide information and consultation helpful to interested organizations, simultaneously providing mechanisms for the dissemination of ideas and techniques. All this has contributed to a flurry of activity with some projects achieving notable success, others fizzling out after a brief period of glory, and yet others never achieving fruition. An important consequence of this activity is recognition that planned organizational change is complex and poorly understood.

QWL as a term may turn out to be a passing fad, but the learnings and experiences of QWL efforts are important to managers and to researchers interested in change. Partly as a consequence of experiences with QWL, many organizations have turned to a different conceptualization of how they need to operate. Some are returning more
adamantly to traditional approaches, focusing on productivity, the
design of high performing systems, and highly instrumented and planned
employee involvement efforts. They are searching for a "controlled"
process for improving their effectiveness. Others consider the needed
change as nothing short of a new world view—a paradigm shift (Mohrman
and Lawler, 1983). These organizations are looking for technologies to
help organizational members make a fundamental shift in values and
assumptions. The techniques associated with QWL are in some cases
subsumed in organizational efforts to bring about a revitalization that
is conceptualized in a more complete fashion as system-wide change.

This paper will provide a brief overview of the conceptual and
empirical roots of QWL and will describe and comment on the
accomplishments of several diverse and widely used approaches to
improving the quality of worklife in American organizations. It will
also discuss the thorny implementation issues faced by organizations
trying to incorporate new goals, structures, and processes. Finally, it
will summarize the learnings of a decade of experimentation and comment
on the current and future directions of research and practice.

BACKGROUND

What is QWL?

Although many organizations are conducting activities which are
referred to as QWL, there is a great deal of ambiguity concerning the
meaning of the term. Some definitions focus on the human consequences
of work, such as safety, satisfaction, and welfare. In this vein, QWL
has been defined as "...the degree to which members of a work
organization are able to satisfy important personal needs through their
experiences in the organization." (Suttle, 1977).
On the other hand, QWL is often defined in terms of a particular value orientation and set of valued organizational conditions, including democratic processes, enriched jobs, and high regard for human development and growth. These values are reflected in both the nature of the projects and the literature about QWL.

Walton (1974) listed eight "conceptual categories" encompassed by the phrase Quality of Worklife: 1) Adequate and fair compensation; 2) Safe and healthy environment; 3) Development of human capacities; 4) Growth and security; 5) Social integration; 6) Constitutionalism and due process; 7) Total life space; and 8) Social relevance and responsibility. Walton points out that since there are individual differences in preferred outcomes (values) in each of these areas, the same organizational conditions will not yield high QWL for all individuals. Increasing the quality of worklife requires concern with and responsiveness to the needs, values, and preferences of organizational members.

Walton's list of categories is a mixture of human outcomes (e.g., compensation) and organizational processes (e.g., constitutionalism). Process and outcome concerns are interwoven in the QWL literature. It is through the establishment of participative processes that individuals in organizations have the opportunity both to make the organizational decision makers aware of their concerns and to impact their own job outcomes. A working definition has been offered by Lawler and Nadler (1983). They define QWL as "a way of thinking about people, work and organizations. Its distinctive elements are: (1) a concern about the impact of work on people as well as on organizational effectiveness; and (2) the idea of participation in organizational problem-solving and
decision making." This definition will be used in this paper. A
discussion of various types of QWL projects follows later. First, we
will focus on the social trends which have resulted in relatively
widespread willingness to try out new approaches, and then we will
briefly cover the conceptual and empirical "roots" of QWL.

Societal and Individual Trends and Values

QWL experimentation has been, at least in part, a pragmatic
response to changing social values and economic challenges. The changes
which have provided much of the energy behind the QWL movement began
building many decades ago. Many of them began to be felt quite strongly
during the 1970s and widespread recognition of them seemed to occur
during the early 1980s. This recognition was a product of multiple
events. First, economic recession and inflation directly affected many
people's standard of living and served to underline the importance of
productivity growth. Secondly, considerable media attention was given
to the topic of alternative management styles and the effectiveness of
American management. Early in the 1980s, attention focused on the
Japanese approach to management and many American managers became
familiar with the different approaches that are taken in Japan (Ouchi
1981). More recently, there seems to be a growing focus on what can be
learned from studying the most successful American companies (Peters and
Waterman, 1983).

Fascination with alternative models of management is not new.
During the 1970s, there was considerable interest in Europe and the work
going on in such companies as Volvo and Saab. However, the depth and
intensity of the interest in Japan and more recently in successful
American companies seems to be much greater. The probable explanation
for this is the convergence of a number of changes in the nature of the work force and in the nature of international business. It's beyond the scope of this paper to review these in detail; however, it is appropriate to briefly highlight some of the major trends that are taking place.

**Changing Nature of the Work Force.** The American work force is the best educated in the world. Since World War II, the United States has invested heavily in higher education, and, as a result, the American work force along with that of Japan has a high proportion of high school graduates and many individuals who have attended college. At the present time, the portion of high school graduates entering college is almost 50 percent, the highest of any industrialized nation. This high level of education has not always led to higher skills, but there is considerable evidence that it leads to increased expectations about the quality of work that a person will do and about the rewards that will be received from the work place.

Related to the issue of increasing education is the view that employees are less willing to simply accept decisions and orders. Public opinion data have tended to confirm the view that employees are no longer as willing to take orders simply because they are given by somebody in authority, and have shown that employees want to influence work place decisions (Lawler, Remwick, Bullock, 1979). Although there is no direct evidence to confirm it, it seems quite likely that the media attention that has been given to participative management, job enrichment, gainsharing plans, and other new approaches to management has contributed to the rising expectation of the work force with respect to the kind of working conditions that they will experience.
The American work force is also becoming increasingly heterogeneous. Women and blacks, for example, have entered the work force in increasing numbers. In addition, the recent influx of immigrants has once again made the American work place a melting pot of different nationalities. This greater diversity in the work place, in many cases, has made supervision more difficult and has increased communication problems for management.

The extensive equal opportunity legislation that was passed during the 1960s and 1970s has also had an impact on the way workers perceive their rights and opportunities in the work place. Employees who feel discriminated against for reasons of sex, race, or age now have available avenues in which to seek corrections of these problems. They can go to court and sue the organization, and in many cases this has resulted in large settlements (e.g., A.T.& T.). Overall, this seems to have created a work force that is more concerned about fairness, equity, and due process. In short, old, secret, top-down decision styles are no longer as acceptable as they once were, particularly where there is the impression that they have resulted in unfair treatment of one or more minority groups.

Some writers have noted that the combined effects of the rising education level, concern for due process, and relative affluence of the 1950s, 1960s, and 1970s has produced a work force that is high on entitlements and low on commitments (O'Toole, 1981). Employees now feel they are entitled to a lot from an organization simply because they work for it, but, in return, they are not necessarily committed to its success or to remaining employed there. This produces a serious problem for organizations because it means that issues of turnover, attraction,
retention of employees, and performance are not solved simply by giving someone a job with a normal array of benefits, perquisites, and decent working conditions. It suggests that if employees are to be psychologically involved to the extent of wanting to do their jobs well, the organization has to do something more than meet the basic needs of the employee.

**Business and Societal Change.** The productivity of the U.S. economy was unequaled anywhere in the world during the period from the end of World War II to the late 1970s. This, along with little international competition for business within the United States, contributed to a high level of confidence in the American approach to management. Some important changes took place, however, in the middle 1970s. American productivity growth slowed to a virtual standstill, while Japanese and other foreign competitors began to effectively market their goods in the United States. This was most noticeable in the areas of cars and electronics, but it also affected steel, rubber, copy equipment, glass, chemicals and others. The combined effect of this slowdown in U.S. productivity growth and strong international competition was to put into question the effectiveness of American management practices. In some respects it was this fundamental questioning of how American businesses operate that spurred the QWL movement in the United States. In particular, it was argued that the way management operates in Japan, and to a lesser degree in Europe, is more in tune with QWL principles and that this "proves" the point that American organizations need to move more in the direction of QWL approaches. Specific examples, such as Japanese firms buying American manufacturing facilities and dramatically improving them, as well as Japanese firms beginning to successfully
manufacture in the United States, have been commonly cited as "proof" that QWL approaches work in the United States (Ouchi, 1981).

The 1970s also saw an increasing recognition that much of the work that will be done in the United States in the future will not be smoke-stack manufacturing work. It began to become clear that the United States can not compete effectively in many traditional manufacturing arenas. The gap between wages in the United States and those in less developed countries is simply too great. In addition, the kind of work environment that often exists in traditional manufacturing situations was increasingly recognized to be discrepant from the expectations and education levels of the American work force. The popular press and books emphasized that the American economy is going to have to shift to one where service work and knowledge work are the key foundations (Toffler, 1980). Knowledge workers, high-tech workers, and service organization workers operate in different situations, typically have a higher education level, and have different expectations about how they are going to be treated in the work place.

The trend away from manufacturing work in the United States has also helped to push organizations toward reexamining their management styles and engaging in more QWL projects. Many organizations seem to recognize that the traditional supervisory and job design approaches simply do not fit in a knowledge work, high-tech environment; although they are not sure what the correct alternative is, they feel a strong pressure to search for a desirable alternative.

In summary, changes in both the nature of the work force and in society provided impetus to the QWL movement in the 1970s and this momentum seems to have carried over into the 1980s. The changes in the
nature of the work force and in the nature of the economy both pushed organizations to think about more participative approaches to management and caused them to be more concerned with the quality of work life that they provided employees. In many cases QWL became an important strategy for attracting and retaining highly qualified employees, and QWL projects became a vehicle for dealing with the rising education and aspiration levels of the work force.

Conceptual and Empirical Background

The QWL literature consists largely of descriptions of techniques and projects, with annecdotal and impressionistic treatment of the accomplishments and results (see, e.g., Rosow, 1981, Simmons & Mares, 1982, Goodman and Lawler, 1977). The popular literature has been largely a-theoretical, and many practitioners who try to implement a QWL project are guided primarily by a strong set of people-oriented values, and by the examples which they have seen and heard about in other organizations. Academic writings on QWL first appeared in the middle 1970s (see, e.g., Walton, 1974; Davis and Cherns, 1975; Hackman and Suttle, 1977). This literature was concerned with defining the field and with reviewing relevant theory and research. Noticeably absent was empirical research.

The technique and value-oriented nature of the popular literature is in some ways misleading. Although clearly driven by a belief and value that organizations can and should better meet the needs of their employees, QWL processes embody principles and theories which are fundamental parts of the academic literature on behavior in organizations. Each relevant stream of literature deals with a potential change lever—an aspect of the organization on which the
change agent can operate directly in order to achieve a change in organizational outcomes (Cummings and Molloy, 1977). A list of change levers appears in Table 1. The theoretical and empirical literature offers a basis for predicting the impacts of changes in these variables on such organizational outcomes as human satisfaction, productivity, and quality. The literature also offers information about contingencies—organizational conditions under which a particular change in a variable may be expected to have the desired impact. A brief review of the literature follows.

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Table 1 about here
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a. Participation in Decision-Making: Providing individuals at lower levels in the organization with opportunities to participate in decisions which impact their work is a key element of most QWL projects. It also has been the subject of a great deal of academic research and theory for several decades (see, for example, Argyris, 1957; Likert, 1961). The academic literature hypothesizes that participation can positively impact individual and organizational outcomes in several ways:

1) Participation can be a source of intrinsic satisfaction. In the process of contributing to organizational decisions, employees are achieving valued outcomes, including self-esteem, sense of accomplishment, and feelings of ownership and involvement (McGregor, 1960; Strauss, 1963; Tannenbaum, 1966).

2) Decisions which are made participatively may be superior because they utilize the knowledge of those closest to the work, whose perspective may be critical to solution of the problem (Maier, 1963;
Vroom and Yetton, 1973;). A commonly heard rationale for a company's decision to embark on a QWL project is "the need to tap the ideas and creativity of the people".

3) Participation can lead to greater acceptance of a decision by employees who have had the chance to contribute and also to develop an understanding of the factors which have gone into the decision. For example, there is evidence that employees are more motivated to achieve goals if they are participatively determined than if they are autocratically set (Vroom, 1964). Various mechanisms are hypothesized to result in greater acceptance of participatively determined decisions. Employees may feel pride of "ownership" over decisions if they have had input. In addition, the decision may be perceived by employees as more equitable. Participative decisions may be better understood and thus are more likely to be correctly implemented (Lawler, 1973; Lawler and Hackman, 1969; Maier, 1963; Vroom and Yetton, 1973).

4) Participative decisions which are made by a group result in mutual expectations of implementation, and invoke the social reward power of the group in the enforcement of the decision. There is strong evidence that many productivity-related behaviors, including level of effort, occur within normative bounds which are determined and enforced by peer pressure (Hackman and Morris, 1975; Lewin, 1947). Decisions made by a group may result in altered group standards and expectations necessary to support new behaviors and practices. Thus, participative strategies are suitable for times when employees are critical in the implementation of change.

5) Participation is a means for employees to secure organizational attention to their needs and goals, thus improving the
chances of these needs being met in their work setting (Abell, 1975). Thus, participation can be used for the express purpose of ensuring that various stakeholders have an opportunity to make their needs and preferences known. This expressly "political" use of participative mechanisms has been more common in European countries than in the United States.

Reviews of the literature on participation find mixed evidence of its success in accomplishing organizational and individual objectives (Locke and Schweiger, 1979; Lowin, 1968). There appears to be a wide range of difference in the interest of individuals in participating. Furthermore, participation is most likely to have positive impact if the decision is both salient and relevant to the participants, and if they have the necessary skills and information to participate effectively (Cummings and Molloy, 1977; French et al., 1960).

b. The design of work: QWL projects often are concerned with the redesign of jobs and of work systems. The creation of semi-autonomous work teams, cross-training of individuals, development of more precise measurement and feedback systems, and the purposeful furthering of work team identity are common activities in QWL processes. At least two streams of theory and research provide information concerning this focus: Job Design literature and Socio-Technical Systems theory (STS).

Practitioners of QWL have learned from job restructuring efforts such as Job Enrichment, which were common in the 1960's and were based on theory which can be traced to Herzberg (1966), Turner and Lawrence (1965), Hackman and Lawler (1971), and Hackman and Oldham (1974). The basic proposition of this theory is that the motivating potential of
work depends on its ability to meet the needs of people for meaningfulness, knowledge of results, and personal responsibility for work outcomes. The job attributes which are believed to contribute positively to these psychological states are variety, identity, significance, autonomy, and feedback. Sometimes jobs are redesigned so that the scope and significance of the individual's job is increased. In other projects, complete tasks are assigned to a team, with individuals rotating tasks, receiving cross-training, and sharing responsibility and goal accomplishment.

Alterations in the design of jobs to enhance their motivational attributes has been found to positively affect task accomplishment, quality, and job satisfaction under certain conditions. Specifically, individuals with high growth and development needs respond more positively to enriched jobs. The nature of the technology also appears to be crucial. Certain technologies simply are not as conducive to job restructuring as are others (Hackman and Oldham, 1974). Technology also seems to be a key factor in whether individual job enrichment or work teams are the most appropriate approach. Individual job enrichment seems to be most appropriate where individuals have strong needs for accomplishment and skill utilization, and the technology allows for the assignment of a whole, meaningful piece of work to an individual.

Some QWL efforts have utilized the socio-technical systems framework. This approach involves the systematic participative design or redesign of work systems using principles and steps which address both the technical demands of the work and the social needs of individuals and work-groups, and which relate the system to the environment in which it operates. It is based on a substantial
theoretical and empirical base (e.g., Rice, 1958; Trist and Bamforth, 1951; Emery and Trist, 1965; and Cummings and Srivastva, 1977; Pasmore et al., 1982). Early use of this design technique occurred mainly in Europe where it was a natural outgrowth of a political environment which stressed the need to attend to the human outcomes of work, and to provide workers the opportunity for meaningful influence on their task environment (Davis and Cherns, 1975).

In the socio-technical systems (STS) framework, both the technical and social systems are viewed as variable. The design process seeks to jointly optimize social and technical outcomes, and embodies values of human growth and development, and organizational learning and evolution. Work is designed so that variances are controlled as close to the source as possible, thus reducing inefficiencies of coordination and contributing to productivity. Responsibility for many task-related decisions is placed with a relatively autonomous work team. Reviews of STS experiments conclude that such an approach to designing work generally results in gains in productivity and human outcomes. It has been found to be a particularly useful approach in production systems involving a process technology, high task flow interdependence, and workers with high growth and social needs.

c. Organizational Structure and Design: QWL projects may impact the structure of the organization in several different ways. Levels of hierarchy are sometimes eliminated as decisions are moved down closer to where the work is done. Link-pin structures, relying on overlapping membership, are created to integrate various levels of the hierarchy (Likert, 1961, 1967). Parallel or collateral organizational structures, such as task forces, quality circles, business teams, and
union/management committees, are often established to attend to communications and problem-solving functions which are not adequately addressed in the primary structure (Zand, 1974). According to the organizational design literature, these adaptive organizational structures offset the dysfunctions of such traditional bureaucratic attributes as heavy reliance on hierarchical power, departmentalization, and narrowly defined jobs. Bureaucratic forms can result in suboptimization and resistance to change as people pursue strategies which enhance their own job advancement and security, and which stress the needs and goals of their own organizational unit at the expense of other parts of the organization.

Opportunities for lateral interaction, multi-directional communication, integrative mechanisms, such as task forces or coordinative roles, and temporary structures to identify and implement changes are examples of "organic" structural mechanisms which are believed suitable for an organization in a changing and uncertain environment (Lawrence and Lorsch, 1969; Burns and Stalker, 1961; Duncan, 1972). The challenge is to structure organizations to support behaviors necessary to the attainment of organizational objectives, and to create behavioral norms which result in effective functioning of the organic structures.

More recently, the organization design literature has pointed out the need for units performing work to be able to flexibly self-design around the task at hand (Weick, 1977). The argument for such an approach is that self-design permits on-the-spot adaptation to change and to the needs of the social unit at any given time. This is particularly useful in situations where the technology or environment is
uncertain, and it is impossible to specify in advance all steps which will be necessary to get the task done. Part of the rationale for moving decisions down in the hierarchy is to enable individuals to adjust to unpredictable and, therefore, unprogrammable aspects of their task. QWL strategies often provide workers with the information and training so that they can make day-to-day decisions which impact on the quality and efficiency of their work.

A related literature on the adoption of innovation suggests that ideas for adaptive change are as likely to emanate from the technical core of the organization as from the administrative and managerial components. Organizations in a rapidly changing environment need mechanisms for the identification of needed change at lower levels and for efficient processes by which the managerial and institutional levels of the organization can legitimate and resource those ideas (Rogers and Shoemaker, 1971; Zaltman and Duncan, 1977).

d. Reward Systems: There is extensive literature, dating back to the 1930s, on the relationship between reward systems, participation, productivity, and employee satisfaction (See Lawler, 1971). The part of this literature that is particularly pertinent to QWL is dominated by discussions of the concept of sharing the financial outcomes of productivity improvement with those who have contributed to it. Recently, the term gainsharing has been used to capture this concept. The early literature makes many references to the Scanlon Plan, which was developed in the 1930s by Joe Scanlon, a union leader. Although the literature on participative management contains many favorable references to the ideas inherent in the Scanlon Plan and to the idea of gainsharing, few plans were tried prior to the 1970s and
little systematic research on the Scanlon Plan was done (an exception is Frost, Wakeley, and Ruh, 1974). Still, there is some evidence that it can increase both organizational effectiveness and the quality of work life of employees when it is combined with structured problem-solving opportunities for employees. There is also considerable mention in the literature of the limitations of the gainsharing concept. Specifically, it is stressed that it doesn't work as well in large organizations, in situations where there is frequent technological and product change, and in situations where a financial formula is difficult to develop because of a poor history of performance measurement.

The literature also contains some important studies of the effects of piece-rate and engineered incentive plans (Whyte, 1955). These studies rather clearly demonstrate that individual piece-rate plans often have a negative impact on the quality of work life in organizations. Although they often increase productivity (see, e.g., Locke, 1979), they tend to create an autocratic, adversarial relationship between management and the worker, and, as a result, have declined in popularity for several decades. This literature seems to rather clearly rule out individually oriented incentive plans as being part of a QWL thrust in corporations.

Finally, there is some literature on the effects of employee participation in the development and administration of pay plans and reward systems (e.g., Lawler, 1982). This research evidence suggests that under certain conditions, employee participation in the development and administration of reward systems can have a positive impact on both organizational effectiveness and the quality of work life. As might be anticipated from the earlier review of participation, it can lead to the
development of better plans and to a stronger commitment to the implementation of these plans.

In summary, the research on reward systems suggests that they are a key influence on both organizational effectiveness and the quality of work life employees experience. The research also suggests that certain approaches to reward systems development and administration are more compatible with QWL philosophies and values than are others. In particular, group gainsharing plans and participative approaches to reward systems development seem to fit well with the goals, objectives, and values QWL programs.

e. Data Feedback: The literature on organization development has, as one of its focuses, research on information feedback in general and on survey guided feedback and development in particular. Much of this literature focuses on the effects of gathering questionnaire data and then returning them to work teams as a basis for stimulating problem-solving discussions. The literature points out that this can be an effective approach to improving both employee job satisfaction and organizational effectiveness (Bowers and Franklin, 1972; Nadler, 1977). This approach has an element of participation in it since individuals are given the opportunity to discuss improvements and changes. It also has elements of both upward and downward communication since employee attitudes are sought, fed up the organization, and then ultimately reacted to by people in higher levels of the organization. The results suggest that survey feedback technologies are particularly useful when data can be collected at a number of points in time and are used to evaluate progress toward a desired end state or objective. Like most organization development interventions, survey feedback is not an easy
approach to utilize. It requires an extensive investment in training, the use of a valid and reliable survey instrument, and considerable process facilitation when work groups discuss the results of the survey (see, for example, Bowers and Franklin, 1972). Nevertheless, the generally favorable results suggest that systematic data collection of this type can be an important part of the quality of work life program, and, indeed, survey data has often been used in QWL efforts.

f. Group and Intergroup Norms: The QWL literature relies heavily on the normative organizational theories of Argyris (1957), Likert (1960, 1967), and McGregor (1960), which address the need to create organizational settings where the needs and goals of people are more fully integrated with those of the organization. The implementation of QWL has drawn heavily on traditional organizational development (O.D.) techniques for norms concerning interpersonal behavior and task accomplishment. These techniques, including team building, process consultation, third party conflict resolution, inter-group exercises, and goal-setting processes, are designed to foster trust, open information exchange, cooperation, goal directedness, and problem-solving capability in individuals and groups (see, for example, Argyris, 1964, Schein, 1969, Walton, 1969). During the past several decades, these techniques were used primarily in top-down organizational development processes, and were rarely applied below management ranks. Often they were used as stand-alone change strategies, with the objective of establishing more humane and productive behavioral norms in individuals and groups. In the context of QWL projects, these techniques are used to develop increased effectiveness of the existing groups and structures in organizations,
but also to provide the organizational members with the capacity to design and implement new structures and formal systems, and to formulate and work toward new objectives. Frequently they are applied in the development of teams at the bottom of the organization as well as at the top.

Organizational development (O.D.) interventions are particularly useful in the establishment of common goals. A common conceptualization of purpose, and image of the desired future mode of operating is important in organizations where attention to QWL has not been a salient part of the organizational culture. O.D. techniques have the biggest potential impact if there is interdependence between individuals, and if there is commitment to the concept of team-based management in the organization.

g. Training: A wide variety of sophisticated training methods have been utilized in conjunction with QWL projects to develop knowledge and skills and to change the attitudes of organizational members. Organizational emphasis on the growth and development of employees implies a commitment to provide training and other development opportunities. Training in interpersonal processes, group dynamics, and problem-solving techniques is critical if an organization is planning to invest time and resources in increased group and intergroup problem-solving activities. QWL interventions often lead to the participation of individuals in areas where they have incomplete knowledge and understanding. Thus, content-oriented education in basic business concepts and techniques helps these individuals to become more effective participants. Participation in the absence of knowledge and skills may result in poor ideas, inefficient problem-solving processes

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and feeling of frustration and exploitation as people see their efforts leading nowhere, and as lower-level participants feel at a disadvantage because of unequal distributions of expertise (Mulder and Wilke, 1970). Finally, being a manager or supervisor in an environment where one is expected to contribute to the growth and development of one's subordinates and to be concerned with human as well as organizational outcomes demands a different orientation and set of skills. Leadership and supervisory training is often a central component of QWL projects (Schlesinger, 1982).

Experiential learning, role playing, and behavioral modelling approaches, which are both skill-oriented and theory based, have been developed for and adapted to QWL processes. Utilizing up-to-date theories of adult learning, the training tends to be problem-focused, and to rely heavily on learning through experience (e.g., role playing) and imitation (e.g., behavioral modeling) to supplement traditional cognitive approaches (Walters and Marks, 1981).

Training is most likely to be an effective intervention if individuals are able to practice the learnings and apply them in an environment which supports and reinforces the acquired behaviors. Thus, training efforts most likely to improve QWL and organizational goal attainment are those which focus on skills which are either currently needed or are going to be required to support changes in job design, organizational structure and and decision-making. Furthermore, training individuals without training the key people in their environment with whom they are interdependent often results in no change of behavior because group norms and standards do not change.
Summary

The recent focus on QWL is occurring in an environment in which employees have increased expectations, and organizations are facing a need to increase their operating effectiveness and become more adaptive to a rapidly changing world economy. It comes at a time when the organizational literature has established theory which is helpful in understanding the relationship of many organizational variables to human outcomes and to organizational effectiveness. The next section will examine the major approaches that have been utilized in QWL projects.

QWL AS PLANNED ORGANIZATIONAL CHANGE

QWL projects are efforts to purposefully change organizations. Since many aspects of an organization have implications for the quality of working life, and, since the population of employees differs considerably between organizations, numerous diverse strategies have been utilized toward the same general goal. In fact, most QWL efforts have used multiple change levers simultaneously. They may ultimately entail alterations in the systems and policies of an organization, as well as changes in the goals, values, and behavior of the individuals in the organization. This section will examine several of the more common strategies for increasing QWL, the change levers which they utilize, and their strengths and weaknesses.

QWL efforts are frequently labeled "projects," a term which acknowledges a departure from the normal organizational routine and the application of resources to the accomplishment of something "special." In this case, the desired accomplishment is a new mode of organizational functioning. The project is really a transition from a traditional mode of functioning to one which embodies new values, assumptions, and
behavior. QWL projects utilize a variety of implementation strategies which are described in the literature on planned change (Bennis et al., 1976; Havelock, 1971; Rogers and Shoemaker, 1971; Zaltman and Duncan, 1977).

We will focus on four types of projects: 1) Participation Groups; 2) Union/management Cooperative Projects; 3) Gainsharing Plans; and 4) New Design Organizations. The four types are not intended to be exhaustive, but rather to demonstrate some of the strategic choices which are possible. In practice, the four approaches overlap. In particular, participation groups are generally part of each of the other approaches. Nevertheless, there is an implied hierarchy in the extent to which the strategy represents a departure from traditional management approaches.

**Participation Groups**

The establishment of participation groups is the most common approach to QWL (NYSE, 1983). A particular variety of participation group, the Quality Circle (Cole, 1980; Yeager, 1980; Munchus, 1983), has been adopted by American organizations so frequently that it may be remembered as the fad of the decade. In fact, the prevalence of the Quality Circle concept has led many managers to equate participation with this particular form of participative group. However, there are many options in the design of participation groups.

**Design Options.** Table 2 illustrates the possibilities for design of participation groups ranging along two continua: the scope of issues with which they deal and the role of the groups in relation to the traditional organizational structures and decision making practices.
Table 2 about here

Issue Domain. Participation groups differ in the scope of their issue domain. This dimension is portrayed vertically in the table. They may be designed to focus on workgroup issues, intergroup issues, or organizational issues. Groups which focus on workgroup issues usually have membership from that workgroup. Representatives of other groups may become involved as resources to the group. Participation groups which deal with intergroup issues are composed of members of at least two groups which are task interdependent. Participation groups which deal with organizational issues such as policies and aspects of the work context are composed of a representative cross section of organizational members. If the domain of the group activities is intergroup or organizational in nature, it becomes imperative that membership in the group include individuals high enough in the organization to commit multiple organizational units to a course of action and/or that sanctioning groups be established with the ability to make such a commitment.

The three levels of groups are useful in different ways, and can be expected to impact organizational and human outcomes differently. The majority of current participation programs are in the bottom left box—workgroup level suggestion groups. The members are frequently volunteers from a workgroup and are charged with analyzing problems and coming up with ideas for their solution. Quality circles are such a program.

Workgroup level structures offer the greatest number of people opportunities for direct participation. Intergroup and organizational
level structures will most likely offer representational participation. Only direct participants have been found to experience a positive attitudinal impact as a result of participation programs (Macy & Petersen, 1981; Novelli and Mohrman, 1982). Workgroup structures deal with daily task-related issues, and employees are likely to be able to impact these issues with a minimal amount of outside assistance, red-tape and political hassle. To the extent that the concerns of the workgroup involve other groups, however, and if the solutions require resource allocation, the group must depend on cooperation from members of other groups and/or managers higher in the hierarchy to address their issues. Often higher level participation groups are established to respond to suggestions and requests from workgroup-level participation groups. In other cases, members of support groups are asked to serve as resources to the group. The responsiveness of these other groups depends on the extent to which they perceive it to be in their best interests to respond to the group's requests.

Intergroup participation structures address the need for integration of organizational units which are interdependent and which might otherwise work at cross purposes as each group pursues its own objectives (Lawrence and Lorsch, 1969). For example, two workgroups which interact in the process of task accomplishment may get together to iron out problems. Groups addressing departmental issues may be composed of representatives from the various sub-groups which make up the department. Issues involving two or more departments may be addressed by inter-departmental task groups.

Organization-wide structures which address global organizational issues are able to address some basic cultural issues, such as
communication patterns, and can tackle policies and procedures which impact on the relationship of the individual to the organization. Workgroups can have very little impact on these global issues, and workgroup-level structures often become very frustrated in addressing them (Novelli and Mohrman, 1982). Such issues as reward and promotional systems and training and development opportunities are highly related to employee satisfaction and motivation, and can only be addressed by groups which have an organizational focus. Participation programs which have no mechanisms for responding to employee concerns about these issues can lead to dissatisfaction and disillusionment as employees see the organization unwilling to respond to such personal concerns as career and equity issues.

Organizational Role. Participation groups may perform one of three organizational roles, which are portrayed along the horizontal dimension of the table: 1) They may be a source of ideas for change and improvement; 2) They may solve problems and implement changes; and 3) They may have ongoing responsibility for decision making and execution of decisions within a well defined domain. These three roles represent a continuum of involvement. Groups which generate ideas have limited involvement in the management process: responsibility for approval and implementation lie within the standard management hierarchy. Groups which solve problems and implement changes have more extensive involvement, but the involvement is limited to the particular problem-area with which they are dealing. They may have the authority to actually decide and they may have the resources to implement the decision. More likely, they submit their ideas and plans to the management hierarchy for approval and resource allocation. The third
kind of group actually manages certain responsibilities within the organization. Within a particular domain of decisions, it has the ability to address events, concerns, problems and opportunities, and to make and execute decisions. In short, it has an ongoing role in the management of the organization.

Change Levers Used in Participation Group Projects. The location of the participation groups on this continuum is a limiting factor in the potential impact of the participation process on individual and organizational outcomes. Groups which are in the left hand column represent little departure from the traditional management style. Very few of the change levers which were discussed earlier are directly impacted by such processes. Participation programs which establish groups having problem-solving and implementation responsibility can more directly produce changes. Finally, those which have ongoing organizational responsibility directly entail systematic change in these key organizational variables. A brief review of how different organizational features are typically affected by participation groups will highlight the point that different processes have different impacts.

Structural change. All participation groups represent structural change. Those in the left column, however, are likely to be perceived as temporary structures, which are "parallel" to the real organizational structure. Such structures may be perceived by other members of the organization as a drain on resources. Their ability to effect changes in the organization is dependent on the responsiveness of other groups. Furthermore, if parallel groups are at the lower levels of the organization, other structures (e.g., steering committees) are often
created to support their activities. As committees are set up to support other committees, a cumbersome, time-consuming process is established, which has questionable impact on the adaptiveness of the organization. Indeed, these groups often die out when it becomes apparent that they are unable to receive the necessary support from the rest of the organization to get their ideas implemented.

Task-teams and other problem-solving structures are generally temporary in nature. If given a clear mandate to deal with a particular aspect of organizational functioning, clear understanding of the constraints within which they are operating, and an organizational "client" to whom they are linked, who has the authority and resources to implement change, these groups can be successful. Such temporary groups are useful in tackling issues which are not addressed by the permanent organizational structure.

Self-managing groups are generally permanent groups with responsibilities which are not viewed as extra or parallel. They generally have both the authority and resources. Because these groups are ongoing, have a clear mission and do not have to rely on approval for every decision from other higher level groups, they relieve the workload of other parts of the organization. They are doing tasks that would otherwise lie in the responsibility of the traditional hierarchy. To that extent, they represent a true transfer of decision-making responsibility to participation groups. For example, semi-autonomous work groups (Cummings and Srivastra, 1976) assume responsibility for managing key aspects of their work group functioning as scheduling, training, inspecting work, disciplining members, and maintaining inventory, which were previously the responsibility of first-line
supervisors, special support groups, or managers. Rather than draining the supervisors' and managers' time, these groups actually free up their time to perform other functions. Furthermore, self-managing groups avoid the large time drain which is imposed on a system by the establishment of groups which have to continually rely on persuading others to allow them to take action or to implement the changes which they suggest.

Decision-Making. "Suggestion" groups have very little decision making responsibility. The reality is that decision-making authority in many American organizations rests above the work group level, and that the group has little ability to impact anything other than relatively trivial issues. Thus, the extent to which such groups lead people to feel involved and to experience the intrinsic satisfaction of being able to participate in decisions is highly dependent on whether or not their suggestion is accepted by others.

Members of problem-solving groups are able to experience more subjective "ownership" and involvement because the group follows through with all the stages of the process, and because it is dealing with areas which are important to organizational functioning. Involvement and "ownership," however, are most pronounced if the groups are in the third column, and have clear areas where they can experience subjective responsibility for tasks which are central to organizational functioning.

Job Design. Suggestion group and problem-solving group membership represents little change in one's day-to-day job. Participation in such groups is a temporary break in daily routine, and is typically not considered a part of the job for appraisal and reward purposes. Unless
the problem-solving group is specifically charged with altering the
design of jobs and the distribution of work, it is unlikely that the
participation program will result in major job redesign. Membership in
self-managing work groups, on the other hand, represents a major change
in job design. Such workgroups typically have responsibility for the
whole task, have relative autonomy in getting the job done, and are able
to experience subjective satisfaction from the achievement of goals
(Hackman and Oldham, 1980).

Rewards. Membership in suggestion groups and problem-solving
groups generally does not impact on the pay of the individual, unless
overtime work is scheduled. The participation groups may be able to
receive a pay-out according to the terms of an organizational suggestion
system. Again, however, such payout depends on evaluation, approval,
and implementation by other groups. On the other hand, the delegation
of responsibility to participative groups such as self-managing teams
usually is reflected in the pay rate of individuals. As individuals
become cross-trained and teams begin to perform tasks that were
previously performed at higher levels, the value of the employee and
consequently the pay scale is raised. Often this is done through a
skill based pay system which relates pay to the number and kind of
skills an individual has (Lawler, 1981).

Communication and Information Sharing. The establishment of
suggestion groups and/or problem-solving groups does not necessarily
result in greater sharing of relevant organizational information. In
fact, it is common to see a decrease in such information. Managers
become busy responding to groups, and concentrate their information
transmission toward the team members. They do not find the time to
effectively communicate general information to the workforce. Individual groups frequently collect a great deal of information about the particular issues with which they are dealing, but that does not always generalize to other areas. In some cases participation groups do not have and cannot get the necessary information to solve the problems they are interested in tackling.

A basic premise of self-managing groups, on the other hand, is that they must have the necessary information to carry out their responsibility. Information is the integrative glue in an organization composed of many self-managing teams (Emery, 1980). Such groups are continually judging themselves based on information about how well their group is achieving its goals and how well it is meeting the needs of other groups in its environment.

Training and Organizational Development. Special training sessions are frequently provided to support suggestion and problem-solving groups. Leaders of teams often receive several days of instruction in group process and problem-solving and then are expected to work with a facilitator to train the group. These groups rely heavily on facilitation, often from individuals in specially created roles. The creation of self-managing groups generally entails considerable ongoing training in group process, in task and technical skills and in business principles and economics. The teams learn to function as goal-directed business entities. Each group is developed as a team, using such OD techniques as team building and process consultation. The goal is for the team to be self-sufficient, and not to require a special facilitator. An organization which stresses delegation of responsibility to self-managing groups requires ongoing development of the
interfaces between groups, and often convenes and creates task forces to
deal with issues which are organizational in nature. Thus, internal OD
skills are critical to the organization, and are generally found in such
organizational settings (see, e.g., Perkins, Nieva and Lawler, 1983).

**Summary.** As was highlighted in Table 2, participation groups vary
widely in their decision making roles. Any general conclusion about
their effectiveness is impossible. What little evidence there is
suggests that their potential effect on organizational outcomes depends
on the extent to which they assign decision-making responsibility to
those closest to the work. Participation group processes which are
designed to utilize the ideas of those closest to the work can be
expected to have the greatest impact on the quality of employees'
worklives and on the desired organizational outcomes. Typically this
means turning over some important decisions to the individuals who do
the work. Group processes which simply lead to suggestions are limited
in their impact and as a result may be relatively short lived.

Participation groups are a fundamental part of most QWL projects.
The remaining three strategies which will be discussed in this paper all
embody such groups in some form. Each contains a level of development
that goes beyond the introduction of participative group processes into
the organization. Union/management projects address head-on the fact
that there are two institutionally distinct entities which co-determine
fundamental aspects of the relation of workers to their employment: the
labor union and the employing organization. Projects which are based on
formulas for returning gain or profit to employees start with the
assumption that increasing worker contribution to the economic
performance of a company depends on an equitable sharing of the gain
with those who made it possible. "New design" organizations are created to embody fundamentally different values and assumptions about people, management, and the design of work. Each represents a departure from traditional management practices and beliefs in the United States.

**Union/Management Cooperative Projects**

During the last ten years a number of joint union/management projects have begun. They typically have been called QWL projects although they also have been called "Employee involvement" and "Quality of Work." The first large effort was that begun by General Motors and the United Auto Workers in the early 1970s. About the same time eight projects were begun as part of the University of Michigan's Quality of Work program (Lawler, Nadler and Cammann, 1981; Seashore, Lawler, Mirvis and Cammann, 1983). These programs have increased greatly in popularity so that by 1982 the Department of Labor was able to identify over one hundred.

In these projects, unions and managements agree to create special joint structures to explore areas in which their cooperative efforts can result in changes which benefit the workforce, the organization, and the union (see, e.g., Goodman, 1979; Seashore, 1981). This approach recognizes three aspects of union/management settings: 1) the adversarial nature of traditional union/management relations spills over into daily events and seriously impacts the quality of worklife of all employees as well as the performance of the organization; 2) there are certain areas of concern (e.g., safety) where the interests of the management and those of the workforce are congruent and where a cooperative approach rather than an adversarial approach makes sense; 3) meaningful change in the unionized work setting can be accomplished
most effectively through the joint activity of representatives of union and management.

Both management and union leadership is generally involved from the beginning. They jointly explore the concept of a cooperative project, and establish a joint high level steering committee to establish guidelines and objectives (Lawler and Ozley, 1978). Following this, a parallel structure of joint committees is generally established to involve union and management representatives at the national/international levels, regional levels and local levels (see Figure 1). At the local level, the joint steering committee determines an approach which fits the local context, issues, and concerns. This generally involves the establishment of a pilot area to experiment with workgroup level participation, and usually involves the establishment of one or more problem-solving groups. A typical sequence of steps in a union management process is shown in Figure 2.

The "third-party" external consultant is critical to the initial stages of joint cooperative processes. For most unionized locations, the implementation of cooperative activities entails the development of a new pattern of interpersonal relationships, and the development of sufficient trust to try out new behaviors. The parties wade through numerous situations where the identification of common interests and overcoming of adversarial habits is difficult even with process assistance from a neutral third party. In addition, the consultant must
have expertise to guide the parties toward the accomplishment of a diverse set of goals, depending on the mutually determined focus of the cooperative activities.

Joint unionmanagement projects are generally open-ended, in that the union and management together work out the focus of the cooperative activities. One change lever which is directly impacted is the organizational structure. Unionmanagement committees are an effort to create integrative links between two groups which have previously interacted in an adversarial manner. The structures which are established are generally parallel and temporary in the sense that either party may terminate the cooperative process and withdraw from the structures if continuation does not seem to be in its best interests.

Unionmanagement projects also create opportunities for union officials and members and management representatives to be involved in steering committees and problem-solving groups which have the potential to initiate change and to alter the work climate. To the extent that these committees address issues that are salient to organizational members and muster the power and resources to implement changes, individuals may experience an increased level of involvement, and changes may be more easily and effectively implemented. In practice, much of the activity remains in the steering committees and in the pilot areas, and the feelings of involvement and interest in the project are often limited to direct participants (Goodman, 1979). This can lead to the demise of the cooperative effort, especially when the majority of the rank and file do not experience or have accurate knowledge of the joint activities, and mistrust the process (Nadler and Lawler, 1983). It can also result in problem-solving activities which are out of touch.
with the feeling and preferences of the rank and file, thus leading to a confrontation between the rank and file and the leadership. This can potentially lead to the unseating of the current leadership and probable termination of such activities (Ledford and Lawler, 1982).

Union/management processes in settings with strong unions and secure union leadership are more likely to survive the political testing process (Nadler, Hanlon, and Lawler, 1980; Guest, 1979). On the surface, cooperation between union and management to improve QWL appears to many union members to threaten the premises of unionism. Similarly, management and supervisory personnel may fear the erosion of management rights and the loss of discipline in the workplace as a result of a process which requires that they listen more attentively to the viewpoint of the rank and file. Strong guidance and direction from well-respected top leaders is a key ingredient of successful projects. In addition, the third party consultant should work toward an environment where there is wide-spread exchange of information and where parties jointly steer and direct the activities. If the energy, direction and goals are supplied by an external party, both the union and management are likely to feel that they are being led down a path with irreversible and unknown consequences.

Union/management cooperative structures may initiate change in other organizational action levers as a result of the problems on which they focus and the solutions which they initiate. In practice, many projects do not go beyond relatively straightforward environmental improvements (Ledford and Lawler, 1982). These changes are easily implemented because they do not question traditional practices and management style. On the surface they appear to be highly related to
the QWL of the workforce. Projects which focus exclusively on such 
environmental concerns, however, are likely to be abandoned because of 
lack of impact both on the bottom line and on the relationship of the 
employee to the organization.

With skillful third party facilitation, concerted effort to create 
a high trust environment, careful diagnosis, and creative problem-
solving, union management structures can initiate changes in aspects of 
the organization which have a potentially significant impact on 
organizational outcomes. Projects have focused on job design, 
organizational measurement and standard-setting, and the pay and reward 
structure (Goodman, 1979). A special application of union/management 
cooperation has been in the cooperative design of innovative plants 
(see, for example, Davis and Sullivan, 1979). These efforts will be 
described later.

Union/management efforts generally include training and 
organizational development activities. The exchange of information 
between union members and management generally points out managerial and 
supervisory weaknesses, and often sets in motion a long-needed effort to 
train these groups. In addition, the cooperative teams themselves 
frequently receive both team development facilitation and skills 
training. Likewise, it has become clear that union/management 
cooperation is most readily implemented when there are supporting team 
development activities within the management ranks to create common 
objectives and understanding of the cooperative process. Projects 
involving development within union ranks are rare, but such development 
is probably no less critical.
Summary. Many cooperative union/management efforts die out or stabilize in the form of a joint committee which serves an information-exchange function. These efforts have little lasting impact on QWL or productivity. The structures which are established are parallel to the organizational hierarchy and do not achieve a legitimate role in the organizational decision-making process. Progress is often slow, and the efforts are allowed to die. In general, there has been a tendency to underestimate the amount of unlearning of long-standing adversarial patterns of behavior and learning of new behaviors which must occur to support cooperative activity (Mohrman and Cummings, 1983). No good summary of the success rate of union/management projects exists. The literature is full of stories of successful projects (see e.g., Rosow, 1981; Simmons and Mares, 1983). Most people have heard of the success G.M. has had (e.g. at Tarrytown, NY (Guest, 1979; Hofer, 1981)), but most reports of success contain little objective data. Those cases which have been subject to rigorous evaluation (e.g. Goodman, 1979; Ledford and Lawler, 1982) suggest that change is difficult to bring about and that success may not be the norm.

Economic Formula-Based Approaches

Gainsharing plans are approaches which distribute economic gain to employees and the company according to a predetermined formula (Lawler, 1981). Such approaches embody a philosophy that financial rewards should be linked to results, and that employees appropriately should benefit from improvements in the performance of their operating unit. Although bonus plans and profit-sharing have been utilized extensively as motivational tools at the management levels, the sharing of gains
with lower-level employees represents a radical departure from the traditional compensation philosophy of many organizations.

Gainsharing is appropriate in situations where employees have mechanisms to improve organizational performance. Gainsharing interventions go far beyond traditional incentive programs, in that they generally include provisions for the development of the organization's participative problem-solving capacity (Doyle, 1982). Development of a philosophy stressing cooperation, teamwork and participation, and establishment of participation structures are often required (Bullock and Bullock, 1982). Alternatively, the gainsharing plan may be implemented as a second or third stage intervention into a system which has already experienced structural change and organizational development activities (see e.g. Lawler and Olsen, 1977).

Gainsharing plans such as the Scanlon plan have been utilized with high success rates for several decades (Lawler, 1981; Doyle, 1983; Bullock and Lawler, 1980). They include a series of committees which allow the consideration of employee suggestions for productivity improvements and implementation of changes which are determined to have high potential. Motorola's gainsharing plan includes participation groups to generate solutions to operating problems, and groups composed of administrative and managerial personnel to consider the solutions and take responsibility for the implementation of change (Simpson, 1982).

The financial pay-out formula is a key ingredient of gainsharing plans. The Scanlon, Improshare, and Rucker formulas are among the best known. The development of a formula requires careful attention to historical performance levels and to the adequacy and accuracy of the measurement system. The formula provides for return of some portion of
gain to employees and for the retention of a portion for financial periods in which there is no gain. Development of the formula is a technical and complex process which requires accurate and historical trend information, an understanding of how the factors of production combine to result in organizational performance, knowledge of the key-impact variables and how they are reflected in the measurement system, and knowledgeable consideration of the likely impact of events and developments outside the control of the local operating unit. Formulas which do not retain enough of the gain to meet capital development and profitability needs, or which stress indicators which are not amenable to employee initiated improvements, may have negative effects on organizational performance.

The technical excellence of the formula is only one half of the development challenge. Effective gainsharing plans align the interests of management and of the employees in the improvement of organizational performance through the establishment of an equitable sharing of gain (Frost, Wakely and Ruh, 1973). Equity is sought and attained primarily through the involvement of both parties in the development of the formula and the implementation of the plan. The design and implementation of the gainsharing effort is a cooperative process, which is often achieved in the context of a much larger effort to develop the cooperative problem-solving capabilities of the organization. In unionized settings, formal institutional cooperation between the union and management is generally required, both in the development of the gainsharing formula and in the planning and implementation of the organizational development process (Lesieur, 1958; Lesieur and Puckett, 1969). This is particularly important because gainsharing deals with
financial return, an area that has traditionally been handled in a negotiation setting.

**Change Levers Used in Gainsharing Projects.** One reason for the relative success of gainsharing interventions in impacting on both the profitability of the organization and the human outcomes is that they typically alter multiple change levers simultaneously, as will be described below.

**Structural change:** Problem-solving teams and implementation teams are part of most plans. They may be thought of as temporary, but they often achieve a legitimacy of functioning which surpasses most participative groups which remain parallel to the main organization. In the context of a gainsharing effort, the participative groups may have a budget to work with, and have responsibility for cost justification of ideas, which makes implementation more likely. Other groups may be assigned explicit responsibility for the implementation of promising ideas from the problem-solving teams. Cross-departmental groups are created to facilitate implementation of ideas involving more than one department. Thus, a variety of participative groups are created to address issues of varying scope and to attend to different stages in the change process.

**Decision-making:** Involvement in decision-making is attained as early as the development stage of the program, when employees are involved in making fundamental decisions about how to distribute financial gain. Through the cooperative exercise of responsibility on this high stakes issue, a foundation of trust is established, and a precedent of joint problem-solving, design is set. This provides a climate ripe for input from employees on issues which have previously
been defined as management prerogative. The participation groups generally are able to attain both the information to make informed decisions and the resources for implementation of high promise ideas because of the organizational emphasis on improvement.

Rewards: Gainsharing plans embody the principle of increased financial rewards to employees as a direct result of improvement in the performance of the organization. They are designed to stimulate group-based suggestion processes, and to turn the attention of the entire workforce toward increasing organizational performance. The ideas which are generated often lead to more effective inter-group relations. The rewards which are paid out go to the entire workforce according to a pre-determined formula. Gainsharing is not a substitute for an equitable and competitive base pay system.

Communication and Information Sharing: The success of gainsharing depends on the total workforce having accurate and timely information about the financial performance of the unit. The workforce must have sufficient understanding of the measurement system and the cost structure to solve problems in a manner which is likely to impact the bottom line of the unit. Gainsharing plans generally include explicit provision for regular sharing of such information. Part of the design process is a participative examination of the adequacy of the measurement system, and a close scrutiny of the various factors which impact on the measures. This provides the workforce with a greater understanding of how organizational performance can be impacted. The openness about financial information often has a spillover effect on general information openness in the unit (Bullock and Bullock, 1982).
Training and Organizational Development: Many successful gainsharing plans have been installed in organizations which have already done considerable development of the organization's capacity for teamwork, cooperative problem-solving, trust and openness. In others, the gainsharing process is the focus of the development efforts, and the economic formula and payout component is but one of several equally important aspects of a comprehensive organization development process (Bullock and Bullock, 1982). Training in group process, communication skills, and basic business understanding is critical to the long-term success of the gainsharing process. Ultimately, the teams must have the sophistication to go beyond obvious surface problems which show quick return and tackle some of the underlying issues of design, structure, and procedure which promise to yield longer-term improvements in performance. There is little evidence on how often this actually happens.

Summary. Overall, there is an impressive amount of evidence attesting to the success of gainsharing plans. In general, they provide a foundation for greater employee involvement in the organization— involvement that is both financial and psychological. Existing gainsharing plans do not fit all organizations. Organization size, stability, and data base are just a few of the conditions which may influence the effectiveness of a gain sharing plan.

High Involvement Organizations

A number of well-known companies have experimented with the start-up of innovative plants which embody high involvement design features (e.g., General Motors, Procter and Gamble, TRW, and General Foods). These plants are commonly referred to as "new-design"
organizations. Theoretically, start-up situations, or "greenfield" sites, offer the opportunity to create a consistent approach to the management of people which does not require gradual chipping away at the structures, practices and expectations which have become embedded in a traditional hierarchical organization. Although there is not a great deal of systematic measurement of these facilities, published accounts indicate that when implemented in a relatively complete form, these new-design plants have achieved an impressive level of success in attaining productivity and human goals (Lawler, 1978; Perkins et al., 1983; Walton, 1972; Davis and Sullivan, 1980; Jenkins and Gupta, 1983).

Change Levers Used in High Involvement Organizations. The practices and systems in new-design plants aim to maximize the involvement of employees in their jobs and their organization. The most complete new-design plants embody innovations in every one of the organizational change levers. These will be discussed below.

Participation: Employee input begins as early as the design phase of the organization. Particularly in unionized settings, employees often have input into layout and job definition decisions. Where a socio-technical systems approach is utilized, the technical system itself is treated as variable, and the design team makes fundamental decisions involving both the technical process and the social systems which are set up to support it.

The social systems are designed to encourage employees' participation in day-to-day decisions. This is generally achieved by moving decisions to the lowest possible level. Semi-autonomous work teams make decisions regarding workflow, scheduling, goals, and standards. The members of a team make personnel decisions, such as hiring,
disciplining, evaluating performance, and determining levels of proficiency (Nieva, Perkins and Lawler, 1979). Organizational level decisions are generally made by convening a representative cross-section of employees and by building in communication processes which ensure responsiveness of the representatives to the viewpoints of their co-workers.

Organizational Structure: New-design plants minimize divisions within the organization by reducing the number of hierarchical levels and functional groups in the organization. Responsibility for quality assurance, maintenance and administrative support is frequently given to the work team, thus reducing the need for large support groups in the plant. Physical and symbolic differences between groups are minimized by removing hierarchical perquisites, creating common spaces such as parking, cafeteria, and restrooms for all employees, and establishing common personnel practices for all employees.

Job Design: Jobs are designed to embody the characteristics which have been found to enhance satisfaction and motivation. A work team has responsibility for a large variety of tasks, which together comprise a relatively "whole" portion of the workflow of the organization. In addition, the team has responsibility for measuring and evaluating its own work, which builds in feedback and a sense of responsibility for results. Team members also assume responsibility for many of their own personnel functions such as training, hiring, and evaluating one another. Individuals gradually become proficient in this wide variety of tasks and functions, making it possible for the team to flexibly assign tasks, and for the individual to rotate between a range of responsibilities.
Rewards and Compensation: All employees in new-design plants are generally salaried, with salary level dependent on skill level. Thus, as employees learn more aspects of their workgroup's responsibilities, they become more flexible and valuable to the workgroup and their salary progresses. Team members often have responsibility for evaluating and certifying mastery of new tasks for salary grade-increases. It is generally possible for an individual to transfer to a new workgroup to continue to expand his/her skill base. This system encourages individuals to expand their skills and knowledge base, but it can also promote transiency in workgroup membership (Jenkins and Gupta, 1983).

Some new-design plants have moved toward plant-wide gainsharing or profit-sharing plans. These plans are consistent with the underlying participative philosophy, and with the team-based work structure. There is some evidence that as the new design matures, individuals move toward the top salary grades, and productivity increases, gain-sharing is a suitable way to enhance the team commitment to organizational performance.

Communication and Information-sharing: Information sharing is central to the fiber of new design plants (Emery, 1980). The transfer of traditional management responsibilities to the work team, the reduction of levels in the hierarchy, and the blurring of functional divisions make it important to maintain worker awareness of the levels of performance of the organization, and of environmental changes which will impact on plant operations. The work team is in fact the unit of response to change, and requires a continual information flow in order to respond appropriately. In addition, the members of the work team must receive sufficient training to interpret and use the information
which it receives. A good understanding of the business is vital to the effective functioning of work teams.

Group and Inter-group Norms: Even in "greenfield" locations, individuals bring with them norms and expectations based on traditional settings with which they have had previous experience. The establishment of norms of constructive interpersonal behavior, teamwork, openness, cooperation, and trust requires a considerable amount of O.D. effort. The personnel function often assumes responsibility for building the teams which are the fundamental unit of the organization and for providing the third-party assistance necessary to work through the conflicts which emerge between groups. As the organization grows, new teams must be developed and integrated with the rest of the organization. In addition, teams must be given guidance in the introduction of new members into their social structure.

Training. New-design plants are set up to foster growth and development of employees. In a new design plant, training goes beyond the traditional cognitive approaches and focuses on the learning, immediate application, and reinforcement of new behaviors. Much of the learning must occur in teams, as many of the necessary skills are group skills. Team members learn as they progress through the various skill blocks of their work teams. In addition, teams learn to perform more of their own social maintenance and task functions.

Managers in these plants must learn to be effective participative leaders. The role of the management and support groups changes from one of daily monitoring and directing of the production system to one of facilitating the work of teams and managing the interface with the environment. Clearly these new roles require both the development of
new skills and abilities and the unlearning of old practices and attitudes (Schlesinger, 1982). A tension can develop between the need for technical leadership and interpersonal skills (Jenkins and Gupta, 1983).

Because this form of organization is relatively new, the organization must be able to learn as it goes. Very few managers have experience managing high involvement settings. New design organizations often stumble over the nature of participation. Participation is often confused with permissiveness and managers often fail to steer activities in a direction congruent with organization goal attainment (Perkins, et al., 1983). On the other hand, it is hard for individuals to detect incongruities between their daily behavior and the basic participative premises of the organization. One of the key activities of the consultant is to establish a learning community, where the members develop the skills and understandings necessary to examine their social system and make refinements necessary for goal attainment and value congruence (Cummings and Mohrman, 1983). This often conflicts with a deep-seated managerial belief that the consultant is an expert who can tell people what has to be done.

**Summary.** New design or high involvement plants have an apparent high success rate. They change multiple systems in an organization and they change them in a congruent manner. They also have one additional feature which seems to contribute to their success: their newness. Because they are new most innovative practices can be put in place from the beginning and people who are comfortable with a participative management style can be hired. It is important to note, however, that the new design model has been implemented primarily in manufacturing
settings. In some respects it is not clear how this model fits in other types of work settings. Thus, although it is likely to continue to spread to other manufacturing settings it is not certain how if at all it will be applied to other settings.

IMPLEMENTATION AND INSTITUTIONALIZATION ISSUES

A close look at the literature describing the implementation of QWL projects reveals little hard evidence of long-term impact on human and organizational goal attainment (Mohrman, 1983). A common pattern is a great deal of fanfare surrounding their initiation, and the "quick" successes which they sometimes achieve. This is followed by a gradual sobering of attitudes as individuals become aware of the difficulty of institutionalizing the patterns of behavior which are implicit in the design of these innovations, and a fading away of of the structures and behaviors which were established (Goodman, 1982). This pattern is especially true in projects which concentrate on the establishment of participation groups, such as quality circles. Likewise, with notable exceptions, such as the Sarnia chemical plant in Canada (Davis and Sullivan, 1980), many union/management projects have not achieved long-term viability (Ledford and Lawler, 1982). Gainsharing plans and new design organizations appear to have a greater likelihood of success. This section will examine some of the factors which inhibit the implementation and institutionalization of these innovative management approaches. At the same time, it will define the implementation challenges which must be met by organizations.

Four factors seem to us to be especially salient in the decline of QWL projects: 1) failure to recognize the need for systemic change;
2) inadequate preparation for significant changes in the roles of managers and supervisors; 3) inability of the organization to learn from its initial implementation attempts; and 4) failure to establish an information system which provides a basis for integrative efforts in the organization.

Systemic Change

The organizational theory literature has long recognized the systemic nature of organizations. Over time, various subsystems adjust to one another, resulting in patterns of activity which are predictable and which are highly interdependent. Although various theorists focus on different components of the organization, many stress the need for "fit" or congruency between the subsystems of an organization (Katz and Kahn, 1966; Nadler and Tushman, 1977; Tichy, 1983). This also suggests that an effort to change one subsystem of an organization no matter how well intentioned and designed will set up an incongruity in the organization, which may detract from the ability of the organization to achieve its objectives, at least in the short run. A sufficiently powerful intervention may result in adaptation of the remaining subsystems to the new conditions which have been created. More likely, however, is that the innovative subsystem will revert to its previous state, as it experiences pressures for congruence from the remaining parts of the organization.

As a general rule, the more aspects of the organization that are altered to be congruent with the desired endstate, the more likely it is that the change will take hold and that other subsystems will adapt to the innovative subsystems. This suggests that most change efforts
should be designed to change multiple organizational systems and that these changes should be congruent with each other.

Table 3 examines the four kinds of QWL interventions which have been discussed above and compares the number of change levers which are purposefully utilized in a typical intervention. Participation group interventions generally create new structures and provide limited training in the skills necessary to have those structures function in a problem-solving manner. They may provide increased opportunity for participation in decision-making for those who are direct participants. They often leave untouched, however, other aspects of the context, such as the reward structure, the information system, and the design of jobs. It is doubtful that the existence of or membership in a participative group is a sufficiently powerful intervention to evoke new behavioral responses from individuals when all the other contextual determinants of behavior are untouched (Klein, 1981). Indeed, many participation programs die out because the other forces in the setting all work in the direction of hierarchical control, low risk-taking, and centralization of decision-making.

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Table 3 about here
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Most union/management cooperative processes are variants of participation group programs. They generally involve the creation of new formally agreed to parallel structures and give direct participants an opportunity to participate in decision-making. Union/management cooperation generally involves some organizational development activities and training by an experienced third-party interventionist. These relatively minor structural changes and development efforts often
are not sufficient to make a lasting QWL process. Cooperative processes resulting in changes in other aspects of the organization, such as the reward structure, the design of jobs and/or the information flow, have a greater likelihood of resulting in increased QWL.

Job design is the only organizational change lever which is not routinely altered by gainsharing interventions. These projects operate on the principle that economic job outcomes should be dependent on organizational performance and that groups in the organization should have the opportunity for meaningful participation in decisions regarding the way work is done. A traditional division of labor is often maintained in other arenas.

New design organizations are characterized by congruent non-traditional designs for most available change levers in the organizational unit. A testimony to the effectiveness of such total-system change is that new-design plants are often found to function effectively within the context of a traditional corporate context if the plant can be buffered from the policies and impacts of that larger structure. Even when they are not well buffered there is some reason to believe they can survive once they are up and running (Lawler, 1982).

In summary, most organizations are designed in a traditional bureaucratic manner, embody systems, policies and practices which are congruent with one another, and have an efficiency-oriented, scientific management approach to the design of work. They embody assumptions regarding the motivation of people which are incompatible with notions of high-involvement and self-motivation. Individuals have built careers on dealing effectively with the traditional organization. Introducing
QWL oriented change into such organizations is difficult because of this systemic congruency. The intervention must simultaneously alter enough aspects of the organization to prevent the new practices from being rejected by a system which is overwhelmingly oriented toward the status quo. Many QWL projects have not been institutionalized, partially because they have not impacted enough aspects of the organization.

Changes in Roles

QWL projects have implications for the management style and the roles of supervisors and managers in an organization. The emphasis on QWL implies improvements in interpersonal relations, and improved daily management practices. Increased emphasis on participative problem-solving requires managers to become responsive to the requests and suggestions of groups of subordinates and to develop a facilitative rather than a directive role toward such efforts. It also requires managerial attention to growth and development of employees. In short, QWL demands highly skilled managers, who direct time and attention to the creation of the conditions for effective participation and task accomplishment.

Much attention has been directed to the first line supervisor, who is in a particularly vulnerable position relative to the initiation of QWL efforts (Walton and Schlesinger, 1979; Schlesinger, 1982). These individuals are generally held responsible for output but have very little authority to change any of the conditions under which their subordinates are functioning. They frequently have had little training in or reinforcement for appropriate supervisory practices. QWL entails a substantial shift in the way many supervisors understand their role and view their subordinates. Typically they have developed practices
which conform to a top-down, directive control of work. Their attitudes
toward subordinates have been formed in a system which has fragmented
work, maintained information and decision-making at the top of the
organization, and has not given employees (generally including
themselves) the opportunity for meaningful input into organizational
decisions. They are suddenly asked to be responsive to their
subordinates, to improve their supervisory skills, to reverse negative
behavioral cycles which may have developed in their worker/supervisor
relations and at the same time to maintain productivity in the unit.
Furthermore, supervisors have generally not participated in the decision
to adopt a QWL approach to begin with.

The challenge in changing the role and behavior of management goes
well beyond the training of skills. Before they can engage in QWL
practices with their subordinates, they must experience these practices
in their own ranks. For instance, they must become part of the
information and decision-making loop. Their jobs and roles must be
examined and perhaps altered, and the reward structure under which they
function must be made congruent with the new practices and values they
are being asked to adopt. Many QWL projects have overlooked the needs
of these groups and have failed to gain their cooperation.

A Learning Community

There is no well-defined body of knowledge which makes it possible
to anticipate all of the changes which might be implied by the adoption
of a new philosophy of management nor is it possible to predict how
specific changes will impact the organization. Changing an established
congruent system is a long-term challenge which involves ongoing
refinement and modification by the organizational members.
QWL projects typically begin with an orientation program that stresses values and principles, and with an intervention which attempts to change a limited aspect of organizational functioning. The intervention provides experience from which the organizational members can learn what this new approach implies for their own behavior, what aspects of the organizational context make it difficult to function in a different way, and what will be necessary to make it work. Many projects die out precisely because the organizational members have learned these things and don't like the large amount of effort which is implied.

For a QWL transition to survive, organizational members must develop the capacity to learn from their experiences and to tailor, refine and expand QWL activities to adapt to organizational constraints. They must also aspects of the context which are incongruent with the change. Only if the organization learns to effectively apply the new techniques and approaches will ingrained traditional attitudes begin to change.

The development of a learning community in and of itself represents a radical change for most organizations. Traditional norms do not support admissions of lack of knowledge or expertise, and new projects must succeed because careers are on the line (Campbell, 1969). Furthermore, the traditional organization responds to need for change by hiring an expert to tell it what to do. QWL "experts" often can impart design principles and share the behaviors necessary to get the process started, but they are not a substitute for the learning process in which members of the organization must engage. Most organizations which embark on a QWL process far underestimate the amount of learning which
must occur, and the time which that learning process will command (Mohrman and Cummings, 1983).

**Information System**

One of the first areas which is tackled by participative groups in many QWL processes is the communication adequacy of the organization. This is not surprising, since most organizations do not have an adequate system for the sharing of information which impacts people's lives, jobs and task performance. Inadequacies in the communication system permeate the organization and impact on every one of its sub-systems. Meaningful participation in decision-making, enrichment of jobs, task accomplishment, problem-solving and the integration of efforts of individuals, workgroups and departments all depend on the sharing of information. QWL projects which attempt to put new practices in place but fail to establish on-going communication systems to support those practices have very little impact on either individual or organizational performance outcomes. Nor are they likely to persist, for the simple reason that almost all of the QWL change levers depend on adequate information exchange.

Many organizations embarking on QWL fail to address their communication inadequacies. Some organizations purposefully keep information at the top of the organization, either because of lack of trust or for competitive reasons. Others do not have systems and processes for communicating information. In others, relevant information is not collected in a form which is useful to employees. Information sharing takes time and money. However, the cost of not sharing information may be both the goodwill of employees and effective task accomplishment.
In short, organizations which embark on a QWL process should be prepared to address communication inadequacies, to reinforce good communication practices in their managers and supervisors, and to be responsive to communication of information from the bottom.

**Overview: Implementation and Institutionalization**

Perhaps the best way to summarize what has been said so far about implementation and institutionalization is to repeat the point that QWL projects must ultimately change the organization or it will change them. In a very real sense they must become the fabric of the organization, the standard operating procedure, the reflexive response, or the organization will revert back to what it knows best, operating in a traditional top-down manner. In order for QWL approaches to become the way the organization reflexively operates most of its systems must be changed because most of them were designed to be congruent with a different way of operating. In addition there needs to be a change of mind, what others have called a paradigm shift, toward a new way of thinking about work organizations. As was suggested earlier there is reason to believe this is taking place at the societal level and to the degree it does this should make organization level change easier.

Placed within the context of multi-system change the issue of implementation becomes a question of how to create a situation where multiple changes will take place and a question of where and how to start. Unfortunately, little research or theory exists which suggests where to start. Perhaps the best way to think of this issue is as one that needs to be answered after a diagnosis of the situation. As far as institutionalization is concerned it should naturally happen as more and more systems are changed. In essence institutionalization should be an
issue only when a change program is limited to a few systems or when a mult
system change effort is in its early stages.

SUMMARY and CONCLUSIONS

The last ten years have seen organization theory significantly impact management practice. As was pointed out in the beginning of this chapter, the general philosophy of QWL is strongly rooted in theory and research which dates back decades. Until recently, however, the conditions for change simply weren't present and as a result, theory was not converted into practice. The environment changed in important ways that made organizations more receptive to change and specific models of participative management were developed. As a result participative approaches became both desired and practical.

The experience so far with QWL approaches suggests some general conclusions about when and how they will work. Briefly, it seems that:

1. It is easier to start a new participative organization than to change an existing one.
2. Change is often slow in existing organizations and threatening to many people.
3. Many systems or levers need to be changed in order for QWL principles to work effectively in organizations.

There is every reason to believe that the adoption of QWL approaches will continue. In some respect, the "action" has moved from the
research arena to the workplace, from theory to practice. This is not to suggest that there is no need for further theory or research. Quite the opposite is true. In many cases, theory is sketchy or nonexistent. Particularly necessary is good descriptive research on the various QWL approaches. Because of the lack of research, it is difficult to reach conclusions about what works, where things work, and what needs to be changed. The lack of theory hinders the understanding of why things happen as they do. What is needed is field research and theory building which captures the realities of what is happening in the work place. It is no longer a matter of theorizing about the possible effects of various new management practices. Many of them are being tried. The need is for research that evaluates them and guides their development.
MULTIPLE COMMITTEE MODEL

"CORPORATE"

QOW COMMITTEE

DIVISION

QOW COMMITTEE

DIVISION

QOW COMMITTEE

SITE LEVEL

WORKING COMMITTEE

SITE LEVEL

WORKING COMMITTEE

*Usually characterized by overlapping membership.
FIGURE 2
TYPICAL EVENTS IN A
UNION/MANAGEMENT COOPERATIVE PROJECT

Education of Union
Education of Management
Agreement to Participate

Team Building: Identification of Joint and Separate Goals

Letter of Agreement
Creation of Joint Structure
Training in QWL

Diagnosis

Identification of Experimental Changes/Change Areas

Assessment of Changes
Institutionalization of Changes
Institutionalization of QWL Committee Structure
TABLE 1

A Partial List of

ORGANIZATIONAL CHANGE LEVERS

a. Participation in Decision Making
b. Work Design
c. Organization Structure and Design
d. Reward Systems
e. Data Feedback
f. Group and Intergroup Norms
g. Training
<table>
<thead>
<tr>
<th>Domain of Group:</th>
<th>SUGGESTION GROUPS</th>
<th>PROBLEM SOLVING GROUPS</th>
<th>SELF-MANAGING GROUPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ORGANIZATION</td>
<td>Advisory Groups</td>
<td>Task Forces</td>
<td>Worker/Manager Councils</td>
</tr>
<tr>
<td>(Interdepartmental)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INTERGROUP</td>
<td></td>
<td>Intergroup Task Teams</td>
<td>Liaison Groups Business Teams</td>
</tr>
<tr>
<td>(Departmental)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WORKGROUP</td>
<td>Suggestion Circles</td>
<td>Problem-Solving Groups</td>
<td>Autonomous Work Groups</td>
</tr>
</tbody>
</table>
### Table 3

**Change Levers**

<table>
<thead>
<tr>
<th>Type of QWL Project:</th>
<th>Participation in Decision Making</th>
<th>Job Redesign</th>
<th>Reward Systems</th>
<th>Organizational Structure</th>
<th>Information Feedback</th>
<th>Group Norms/O.D</th>
<th>Training</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Participation Groups</td>
<td>Potentially, if properly designed</td>
<td>Probably Not</td>
<td>Probably Not</td>
<td>Yes</td>
<td>Potentially, especially in Survey feedback</td>
<td>Probably</td>
<td>Yes, Usually in Problem-Solving</td>
</tr>
<tr>
<td>II. Union/Management Cooperative Projects</td>
<td>Potentially, for direct participants</td>
<td>Sometimes</td>
<td>Sometimes</td>
<td>Yes</td>
<td>Sometimes</td>
<td>Yes, Usually</td>
<td>Yes, Usually</td>
</tr>
<tr>
<td>III. Gainsharing</td>
<td>Yes</td>
<td>Probably Not</td>
<td>Yes</td>
<td>Yes, Usually</td>
<td>Yes</td>
<td>Yes, Usually</td>
<td>Yes, Usually</td>
</tr>
<tr>
<td>IV. New-Design, High-Involvement Organizations</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

*Change Levers that are typically involved in QWL interventions*
REFERENCES


