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**QUALITY OF WORK LIFE
AND
EMPLOYEE INVOLVEMENT**

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ABSTRACT

The introduction of Quality of Worklife and Employee Involvement approaches to the organization of human resources has implications for most human resource systems, including the design of jobs, selection, training, appraisal, rewards and the conduct of labor relations. Traditional approaches to these systems have been based on the findings from the field of industrial/organizational psychology, a field which has been based on the measurement of individual differences, individually defined jobs and job evaluation systems, and the design of reward systems based on "objectively valid" appraisal systems. More participative approaches require alteration of all these systems toward more emphasis on teams of people, and employee participation in the job definition, appraisal and reward process. These changes are described in more detail in this paper.

QUALITY OF WORK LIFE AND EMPLOYEE INVOLVEMENT

Industrial/organizational (I/O) psychologists have conducted research in two topic areas that are relevant to the relationship between Quality of Work Life (QWL) and personnel practices. Industrial psychology (IP) has focused on personnel systems such as training, compensation, selection, and placement. Organizational psychology (OP) has focused on QWL issues, such as motivation, employee involvement (E.I.), and job satisfaction. Although the name I/O psychology implies that these two foci are part of the same discipline, there has been little communication and integration between them. In fact, the field, rather than being characterized as an integrated body of research, might best be characterized as a field with two personalities that are different in their research interests, theoretical perspectives, and methods of study.

IP is based on individual differences measurement and human development. Measurement skills are used to find individuals who fit particular organizational tasks, to assess employee performance, and to measure the value of the tasks for compensation purposes. Critics of work in IP (see, e.g., Argyris, 1976) have pointed out that it uses a correlational research perspective. They go on to note that it accepts management's definition of organizational objectives and the criteria for success, and has largely devoted itself to helping management implement its strategies and structures. In essence, industrial psychologists have accepted the status quo as the way to do things in organizations and have supported it.

OP stresses research methods and conceptual models that are change-oriented. Since the early work of Argyris (e.g., 1957), Likert

(e.g., 1961), and MacGregor (e.g., 1960), the focus has been on fundamental changes in the way organizations are run and managed. Organizational psychologists have recommended new styles of leadership, methods for increasing employee satisfaction, and have developed normative models of how organizations should be managed. Their research accordingly has emphasized experimentation. Critics have argued that the advocacy position of OP often leads to inadequately rigorous research as well as to greatly inflated claims about research findings (e.g., Yorks and Whitsett, 1985; Locke and Schweiger, 1979).

To a substantial degree, those psychologists interested in IP and those interested in OP have operated independently. They have largely stayed off each other's turf, pursuing different research issues with different research methods. In fact, virtually the only things that have unified them are their psychological background and their interest in doing research in organizations.

In recent years, however, organizational psychologists have begun to look at the issues which used to be part of industrial psychology. The impetus for this concern with such issues as selection and placement, training, reward systems, and industrial relations has come at least as much from the development of management practice as from previous lines of research. During the last fifteen years, a number of human resource management innovations have been adopted because they are congruent with an emerging QWL/EI paradigm (Mohrman and Lawler, 1985; Walton, 1985). This paradigm suggests prescriptions for action that, in many cases, challenge the approach of industrial psychology.

In this chapter, the focus will be on the prescriptions arising from the QWL/EI approach to designing and managing organizations.

Before the discussion turns to this, a few words are needed about two issues: the nature of the QWL/EI paradigm and congruence.

The QWL/EI Paradigm

A paradigm has three main characteristics (Mohrman and Lawler, 1985): ways of viewing the world (values and beliefs), ways of acting in the world (methods and their embodiment in exemplars), and a social matrix that provides a supportive institutional environment. These characteristics permit an inclusive construction of social reality, so that the paradigm can largely be taken for granted by its adherents; alternative paradigms seem "unreal."

IP was born during the heyday of the traditional management paradigm. Thus it is not surprising that personnel practices prescribed by industrial psychologists are highly congruent with traditional management practices. Indeed, the personnel practices prescribed by IP represent exemplary methods of managing human resources according to the traditional paradigm. These practices reflect the traditional value placed on technical efficiency and rationality, and the traditional belief that hierarchical control is needed to insure efficiency and control.

The QWL/EI paradigm has not yet become a well-established or completely coherent alternative to the traditional management paradigm. The original contributors to its development were Lewin, Likert, Argyris, and a host of others who focused on issues of leadership and decision making. Although organizational psychologists deserve partial credit for the genesis of the QWL/EI paradigm, since the mid-1970s the QWL/EI movement has had a life of its own. There has been a rapid diffusion of it and a growing body of literature, much of it in the

popular and business press. Indeed, one of its most striking aspects has been the degree to which practice recently has outpaced theory and research.

Perhaps the single most important tenet of the QWL/EI paradigm is the view that power should be shared with the lower levels in organizations. This tenet comes out of the research literature on leadership and the work on job design by Herzberg, Hackman, Lawler, and Oldham (e.g., Herzberg, 1966; Hackman and Lawler, 1971; Hackman and Oldham, 1980). A common theme in this work is that individuals at lower levels in organizations need to be given some autonomy if they are to be motivated and satisfied in the job setting. Most advocates of QWL/EI also stress the importance of open communication in organizations and moving operating information to lower levels.

As in traditional IP, advocates of QWL stress the importance of developing the skills and abilities of people. There is a difference, however, in the kinds of skills that they advocate developing. IP has accepted limited job definitions and role prescriptions for lower-level jobs. As a result, it has focused on jobs skills training that allows employees to carry out their prescribed tasks better. QWL/EI advocates have emphasized providing training in management skills. Finally, in some approaches to QWL/EI (such as the Scanlon plan), there is a strong emphasis on moving rewards based on organizational performance to the lower levels of the organization.

The QWL/EI paradigm has one other feature that needs to be considered. Traditional definitions of the stakeholders in an organization have focused on the owner as the key stakeholder. The QWL/EI paradigm, however, broadens that viewpoint to include customers

and employees as important stakeholders in the business. A precursor of this approach is the early work that was done on job satisfaction. Originally this work focused primarily on how organizations could be made more effective through making employees happier. In the 1970's this turned into an argument that employees had a legitimate right to demand satisfying and meaningful work situations (Lawler, 1982).

Subsystem Congruence

The theoretical work of Leavitt (1965) and others emphasizes that organizations are made up of different subsystems. In essence it argues that organizations are effective partially as a function of the degree to which their multiple subsystems are internally congruent or consistent. Human resource management practices are one of the most important subsystems, and as such need to fit with other major subsystems, including the organization's structure, job designs, and culture.

The congruence issue is also important in some of the recent writings concerning QWL. The clear suggestion is that an effective QWL/EI organization needs to change more than just its job design or its communication policy. It needs to change every thread of its fabric, including its human resource practices. Partly for this reason, the most powerful exemplars of the QWL/EI paradigm are successful new high involvement plants in which numerous congruent human resource practices and other organizational innovations are installed more or less simultaneously (Lawler, 1978, 1982; Walton, 1980).

Job Design

The design of jobs in traditional organizations is guided by principles that were developed and codified by industrial engineers (for

example, Taylor, 1911) and classical management theorists (for example, Gulick and Urwick, 1937). These perspectives suggest that organizational efficiency is best attained by the greatest possible work simplification and specialization in the division of labor; clearly defined responsibilities for jobs at all levels of the organization; an unambiguous chain of command; and centralized control over decision making. To insure that employees perform their assigned tasks, and perform them in the correct manner, a variety of external forms of control are imposed, including close supervision, the use of extrinsic rewards, and detailed rules and procedures. No single alternative perspective on job design is dominant in the emerging QWL/EI paradigm. However, there appears to be a high level of agreement on certain general principles concerning the nature of good jobs and on how innovative job designs can be developed.

Emphasis on Intrinsic Motivation. The QWL/EI paradigm suggests that jobs designed according to traditional principles of specialization, fractionation, and external control are undesirable primarily because they do not provide intrinsic motivation. Employees, as major organizational stakeholders, are entitled to work that is intrinsically rewarding. Highly specialized, tightly controlled, repetitive, and low-skilled work has long been held to be unsatisfying (for example, Walker and Guest, 1952; Herzberg et al., 1959). In addition, external forms of control are ineffective when employees cannot be closely monitored or when employees must quickly respond to changing conditions.

The exact definition of "intrinsically rewarding" varies somewhat with different theoretical orientations. One prominent model, proposed by Hackman and Oldham (1976), indicates that internal work motivation

will be high when there are high levels of skill variety, task identity, task significance, autonomy, and feedback from the job. There is a recognition that individual differences play an important role in job design. Some employees prefer constrained and tightly controlled jobs (Cummings, 1982). Hackman and Lawler (1971) suggest that growth needs moderate the relationship between job characteristics and internal work motivation. However, in practice proponents of the QWL/EI paradigm rarely use psychological tests. Employee participation is the preferred method of discovering relevant differences; employees can help design for themselves the job that best meets their needs.

Job Enrichment. This approach was originally developed in the 1950s and 1960s by Herzberg and his associates (Herzberg, Mausner, and Snyderman, 1959; Herzberg, 1966, 1968, 1974). Job enrichment theory challenges the traditional approach to job design by emphasizing the importance of intrinsic motivation and by advocating that employees should be given information and control that previously were reserved for management. Although the research evidence has not supported the two-factor theory of motivation that was the basis for Herzberg's job enrichment approach (Griffin, 1982), concern with the relationship between job characteristics and intrinsic motivation represented an advance.

More recent research on individual job enrichment has tended to use the Hackman-Oldham framework. Techniques for enriching jobs with this approach include combining previously separate tasks, forming natural work units, establishing relationships between employees and clients, vertically loading (that is, adding management responsibility to) the job, and opening feedback channels (Hackman and Oldham, 1980).

Self-Regulating Work Teams. This strategy for designing work is a major contribution of socio-technical systems theory. This perspective originated at the Tavistock Institute, and served as the basis for research in such diverse cultures as Great Britain, India, and Scandinavia during the 1950s and 1960s. In the U.S., interest in the sociotechnical systems approach increased greatly during the 1970s. (See Trist, 1981 for an important historical overview of this perspective). Autonomous work groups have been tried in a wide variety of settings, including coal mines, textile mills, auto factories, paper mills, shipyards, oil refineries, paint factories, and pet food plants. In recent years, one of the most important uses of such work teams has been in new high involvement plants, where they tend to be the design of choice (Lawler, 1978).

Self-regulating work groups, also termed autonomous work groups or self-managing work teams, receive little direct supervision, engage in job rotation, receive extensive training, are paid in innovative ways, often assume responsibility for hiring and firing of members, and so on. They contain a multifaceted array of changes that are intended to be mutually reinforcing. Together these changes can touch on nearly all of the innovative QWL/EI practices reviewed in this chapter. Oldham and Hackman (1980) and Trist (1981) indicate that job designs are particularly sensitive to the surrounding subsystems, and argue that failures often result from the inability to create congruent changes both within the organization and in the surrounding environment.

A number of successful cases of work redesign using both individual job enrichment and self-managing work teams have been reported, although the research has conceptual and methodological flaws (for reviews, see

Cummings and Molloy, 1977; Griffin, 1982; Hackman and Oldham, 1980; Nicholas, 1982; and Roberts and Glick, 1981). The choice between individual job enrichment and work teams needs to be based on such considerations as the nature of the technology, the social needs of employees, and the availability of resources needed to develop effective groups (Cummings, 1982; Hackman and Oldham, 1980).

Implementation Processes. In traditional organizations, it is the responsibility of management to design work. Organizations behaving in ways consistent with the QWL/EI paradigm engage employees in the design or redesign of their own work. This is done mostly as a result of the value placed on participation, and the belief that employee involvement will enhance commitment and improve decision quality. Employee involvement in job design is not the result of compelling evidence of its effectiveness, although some suggestive studies exist (for example, Seeborg, 1978; see Huse and Cummings, 1985).

Certain approaches are more likely than others to imply employee involvement. Job enrichment, as originally practiced by Herzberg and others, was top-down. Of 13 job enrichment studies reviewed by Nicholas (1982), only three reported a substantial level of employee involvement. On the other hand, sociotechnical systems theorists are notable for their strong normative views favoring employee participation in the design of changes.

Organizational Technology. In traditional job design, the technology of the organization was accepted as a given. Frequently industrial engineering principles were applied indiscriminately, whether or not the technology dictated high levels of specialization and external control.

To the extent that technology was considered at all, it was as a set of constraints.

The increasing prominence of the sociotechnical systems perspective has led to greater awareness of technology. This approach has stressed developing work designs that represent the best match between the social system and the technical system, or designs that "jointly optimize" both systems (Trist, 1981). Options in the design of jobs can be severely constrained by machine pacing, tight sequential interdependence, and many other conditions. Cummings (1982) argues that particular technological conditions may indicate the desirability of any type of job design.

A more recent trend is to treat technology, not as a set of constraints, but as a variable that can be changed in order to make EI/QWL job designs practical. The most impressive examples of this are in the auto industry. Volvo and Saab in the 1970s and General Motors in the 1980s have built new plants from the ground up around self-regulating work groups and in the process have abandoned the traditional assembly line. The relative success of these plants offers convincing evidence--to those willing to be convinced--that technology is a variable rather than a fixed imperative.

Summary. Table 1 summarizes some of the ways in which job design practices need to change in order to move from the traditional paradigm to the QWL/EI paradigm. The motivational potential of work, the principles and techniques used to design jobs, the methods of implementing changes in job design, and the technology all need to change in order to generate changes congruent with the new paradigm. As we shall see, it

is precisely because this change is so dramatic that it leads to a reforming of a host of topics that have been pursued by IP.

Table 1 goes about here

Job Evaluation

Prior to the development of the job enrichment approach, IP did not have its own theory of work design. Rather, IP provided a set of tools that were intended to support the design of work according to traditional principles. Several of these tools, including selection testing and job skills training, are considered elsewhere in this chapter. Here we will consider job evaluation techniques.

Job evaluation is a family of techniques, including job analysis point systems and job grading procedures, that permit careful specification of the behaviors required of an individual job incumbent. An assumption of job evaluation is that clear specification of the job is desirable from a management standpoint in order to establish external control and accountability for job performance. Another assumption is that employees prefer relatively tight specification of job requirements, so that they know what is expected of them and so that they can be assured of equitable treatment. Job evaluation techniques are based on the study of task requirements; they generally do not suggest modification of particular jobs to fit particular individuals.

The assumption is that employees can be hired to meet the job requirements.

Job evaluation is quite congruent with traditional management practices. It can be used in conjunction with industrial engineering studies, which specify the most efficient methods of performing tasks. There is a natural pull toward job fractionation and specialization in the job evaluation approach, because the technique breaks jobs down into tasks. The job evaluation approach also facilitates the creation of status differences within the organization; the procedures are often used to create numerous gradations in rankings of different jobs. Finally, job evaluation and analysis can be used to establish job-based pay levels, to define criteria for selection testing, and to suggest the content of job training.

Job evaluation, however, does not fit the QWL/EI paradigm. It has no meaning if the job description is emergent rather than fixed (a possibility explored later in this chapter). When job responsibilities are assigned to a work team rather than to individuals, it becomes more difficult to evaluate "the" job. Employees may perform any of a number of different tasks depending on current needs and skills of the employee and other team members, patterns of job rotation, and current organizational needs. Finally, when organizational conditions are changing rapidly, job evaluations, job descriptions, and pay rates associated with many separate classes of jobs can act as barriers to needed changes. Employees may see existing evaluations as the basis for deciding what is just and fair, and may resist changes on equity grounds. This is most evident in heavily unionized firms that, in the face of changing technology and stiffer foreign competition, are

attempting to break down the ossified job classifications of previous collective bargaining agreements.

Selection Processes

The IP perspective emphasizes the use of scientifically validated procedures to increase the odds of hiring employees most suited to specific organizational positions. Control over the recruitment and hiring process rests with the organization, and especially with the personnel function. For example, Glueck and Milkovich (1982, p. 285) define selection as "the process by which an enterprise chooses from a pool of applicants, the person or persons who best meet the selection criteria for the position available."

The ideal selection process begins with an analysis of the tasks to be performed. A battery of selection tests relevant to the job is devised and administered to new applicants for the position. After some period of time, researchers investigate the ability of the tests to predict job performance. Tests that are significantly related to job performance then may be used in the hiring process to select potential employees most likely to be successful on the job.

Until the last fifteen years or so, the selection procedures traditionally recommended by industrial psychologists received relatively little public or top management visibility. Since about 1970, however, traditional selection procedures have come under attack from several fronts. Selection test validity became a major legal issue with the discovery that tests may unfairly discriminate against minority and female job applicants. Perhaps of greater concern in the long term is the relatively low payoff associated with following the costly and

time-consuming prescriptions of the traditional model. Sayles and Strauss (1981, p. 188) note that after years of development, the best tests predict only 25 percent of the difference among people's performances.

Moreover, there is increasing concern that traditional selection procedures are not relevant to the conditions facing many organizations. First, traditional selection procedures are not necessarily helpful to organizations undergoing fundamental changes. This is because selection testing predicts future hiring success based on past patterns of success, yet during periods of rapid change past success may predict future failure. For example, AT&T has heavily used selection testing in the past, but as it moves into new markets a complete reappraisal of the type of managers needed for success is required (Devanna et al., 1984). In addition, traditional selection testing works best with relatively simple jobs in which it is fairly easy to measure objective performance (Sayles and Strauss, 1981). As organizations increase the complexity of lower-level jobs through job enrichment and the creation of self-regulating work teams, traditional procedures are more difficult to use.

In recent years, three innovative selection practices have emerged that are congruent with the QWL/EI paradigm: the realistic job preview, peer selection, and the emergent job description. These practices imply a shift in power, from control by managers and technical specialists to hiring as jointly controlled by job applicants and the organization. Moreover, the organization is often represented primarily by potential peers and subordinates of the applicants rather than by HR specialists. The new practices are also consistent with the QWL/EI emphasis on open

sharing of information, individual development, and a participative management style. On the other hand, the new practices are incongruent with the traditional paradigm. They often do not include "scientifically" conducted job analyses, testing, and validation studies; indeed, hiring decisions are not necessarily psychometrically valid (although they may well be consensually or socially valid). The adoption of these practices in organizations has outpaced research on their effectiveness. Organizations usually adopt them because such practices are consistent with QWL/ EI values (see, e.g., Nieva, Perkins and Lawler, 1980, Perkins Nieva and Lawler, 1983).

Realistic Job Preview. The realistic job preview (RJP) concept is straightforward. Rather than trying to "sell" the organization to job applicants by presenting only favorable information about the job, the organization discloses both positive and negative aspects of the job. RJP proponents argue that it is an effective hiring procedure for several reasons (Breaugh, 1983; Wanous 1973): it can deflate unrealistically high expectations; it can improve self-selection by causing applicants who are unsuitable to decide not to pursue the position; the honesty of the procedure can increase employee commitment to the organization; and it can increase new employees' ability to cope with job stress.

Although more research is available on the RJP than on other innovative selection processes, research on the RJP is still in the early stages (Breaugh, 1983). In a review of several studies, Wanous (1980) found that the RJP has tended to show positive effects in turnover rates and later attitudes, no impact on performance, and no negative impact on recruiting. However, in a review of the same

studies, Schwab (1981) found little evidence of statistically significant effects.

There is some evidence that the RJP may be most effective in QWL/EI organizations. Reilly et al. (1981) pooled the results of 11 studies of the effect of RJP on turnover. They found that turnover rates were six percent lower for experimental subjects compared to controls. Interestingly, the effects were much more pronounced for jobs with high rather than with low complexity. This suggests that the RJP may be especially congruent for organizations that have adopted the QWL/EI paradigm, since jobs in these organizations are complex.

On the other hand, there are indications that not providing an RJP can have negative effects in certain organizations that are attempting to develop a QWL/EI culture. In a longitudinal investigation of a new plant, Perkins et al. (1983) found that as a result of the hiring process and initial training experiences, employees and managers expected to build a totally different kind of organization, one with unbounded participation. When reality failed to match initial expectations, they felt a sense of betrayal and guilt, even though autonomy and participation were higher in the plant than in traditional organizations.

Peer Selection. In many QWL/EI organizations, selection is a process managed primarily by peers or even subordinates. The rationale is that the ability of work team members to cooperate with one another is critical, and thus membership is a factor over which team members need control. Hiring by team members in itself can be a realistic job preview, since it shows newcomers in a powerful way that the team has a great deal of responsibility. Team members also have the best

information about each others' performance, which suggests the need for their involvement in termination decisions.

Peer selection is perhaps most commonly used in new high involvement plants. After work teams are established, they are frequently given responsibility for hiring and firing team members (Lawler, 1977). Peer selection is applicable in other types of QWL/EI organizations as well. At Lincoln Electric, best known for its gain sharing plan, work teams recruit and select new members (Glueck and Milkovich, 1982). Employee input at Graphic Controls involves subordinates being involved in selecting superiors as well as team members (Miller, 1980).

Very little evaluation research is available on peer selection in QWL/EI organization. The Graphic Controls experience (Miller, 1980) suggests that the peer selection process can be time-consuming and costly. The necessary expenditures probably make sense only when peer selection is one congruent part of a larger high involvement system. The Centerton new plant studied by Perkins et al. (1983) is also instructive. Relatively heavy attention was paid to the selection process in this plant compared to many other new high involvement plants. However, the relative weakness in other aspects of the intervention led to disappointing results. In other words, careful selection alone did not guarantee successful outcomes.

Employee training in selection methods, particularly interviewing, and in legal requirements of the hiring process is needed when peer selection is used. This of course directly fits the expertise of IP. Peer hiring (and firing) procedures may not establish statistical validity, and thus might not withstand legal challenges if adverse impact to minority applicants occurs. Paradoxically, however, peer

selection may be less likely than traditional procedures to elicit legal challenges. The decision did not stem from a personnel department using mysterious tests that seem to bear no relation to the job, but from a group of specific people somewhat like the applicant. How many people will fight in court for the opportunity to work with a group that has rejected them as a member?

Emergent Job Description. Some organizations have completely abandoned the job analysis or job description, which is the starting point for traditional selection methods. At Digital Equipment Corporation, for example, new employees are not necessarily hired to fill a specific position; they may be hired to help out in a particular area, but often it is the responsibility of the newly hired to find opportunities to use their skills. The description of the job emerges from the interaction of the person and the organization. It may not be possible to know in advance what the job will look like, and the nature of the job may change rapidly. Such a process is especially relevant to organizations facing rapidly changing environments. These organizations must stress adaptability over efficiency. Under these conditions, traditional selection procedures are not relevant.

Summary. Table 2 summarizes changes that are needed to move selection processes into alignment with the QWL/EI paradigm. The QWL/EI paradigm makes little use of some of the most familiar tools of IP, such as specific job descriptions and validated selection tests. The new hire is likely to do many different things, and these things may change rapidly over time. Emphasis is placed on social information, such as whether the applicant is receptive to working in a QWL/EI organization and whether the applicant and potential peers, managers, and

subordinates believe they can work together well. This requires moving the selection process out of the hands of managers and personnel experts and instead sharing responsibilities for hiring among the applicant and various organizational members.

TABLE 2 HERE

Training and Development

The training literature is extensive. Much of it embodies descriptions and/or evaluations of specific training programs or techniques (Mankin, Ames and Grodsky, 1980; Hinrichs, 1976; Campbell, 1971). Emphasis is on the validation of these programs and techniques, with little attention to the relationship between the content of the training and the operating principles of the organization.

From a theoretical viewpoint, the training literature is built on learning theory. The learning theory literature recommends such principles as distributed practice; reinforcement; and meaningful learning experiences, (Gage, 1962; Hinrichs, 1976). These principles, derived largely from laboratory research, are inadequate for the complicated training required to support organizational activity (Gagne, 1962; Hinrichs, 1976). Such training addresses complex and multifaceted skills and behaviors. Further, the learned behavior must generalize from the classroom to an organizational context which may or may not be supportive. Finally, the adult learner is an active participant in the learning process rather than a passive recipient of knowledge, and learning is mediated by personal values, goals, needs, and interest

(Cantor, 1953; Walter and Marks, 1981). In summary, the impact of training cannot be separated from the values, goals, and assumptions of the trainee, nor from the contextual organizational climate, culture and systems which influence the behavior of the individual on the job.

Some authors have called for a "systems" approach to the development of training programs (Goldstein, 1974; Hinrichs, 1976). They point to the need for the objectives and conduct of the training program to fit with skills that are required on the job, the resources and strategy of the training department, the business plan, and the organizational climate. The focus is on fitting the training to its context. The content of the training is determined by the requirements to perform a job and by the gap between the individual's skills and the job requirements. Little attention is given to organizational philosophy and values as determinants of training, or to the use of training to facilitate organizational change. It is assumed that training changes the individual, not the organization.

Traditional approaches to training tend to reinforce the organizational division of labor--both functionally and hierarchically. As individuals move from individual contributor ranks into management and on into the executive levels, different training content is viewed as appropriate. In fact, training departments may specialize in one of these levels, and training programs are frequently tailored to meet the needs of one of these three groups. Individual contributors learn technical skills; managers learn to organize and manage subordinates in the performance of tasks; and executives learn to deal with the institutional demands.

Training has an important role in QWL/EI settings. The movement downward of power, information and skills implies significant alteration in the philosophy which guides training decisions. Table 3 illustrates some of the shifts which the QWL/EI framework imply for training and development. The new approach to training is described briefly below.

Insert Table 3 about here.

Training in a High Involvement Setting. The QWL/EI paradigm implies significant shifts from traditional assumptions about the division of labor and responsibility in an organization. Training is designed both to facilitate and reinforce the transition to a new mode of operation, and also as a value in itself. Training and development is valued because it promotes human growth and development. It is part of an explicit human resource philosophy which emphasizes human dignity and worth, the development of people, and the creation of meaningful work.

Because all members of an EI setting identify and solve problems and are given increased responsibility, the distinctions between the kinds of training that are received at different levels in the organization become blurred. All levels need to receive training in a broad range of knowledge and skills required for effective task accomplishment and decision-making. Training needs include interpersonal and group skills, business understanding, and knowledge about the organization itself. These content areas have long been part of management development programs, but have rarely been included in the training of other individuals. In the QWL/EI setting, common training content

becomes one tool in the development of a common culture at all organizational levels.

In a traditional setting, individuals are generally assigned to training and development activities on an "as-needed" basis, when they change jobs or when a skill gap becomes evident. Within the QWL/EI framework, training is an ongoing process--a method of constantly updating the skills and knowledge of employees, and a reminder of the commitment of the organization to high performance and human development.

A broad range of training activities are encountered in QWL/EI settings. Both classroom training and on-the-job training are utilized. Frequently, however, the workgroup or department is the focus of training, rather than the individual. Intact workgroups are trained together, and develop approaches to the utilization and reinforcement of the training content. Traditional classroom techniques of lecture, experiential learning, and simulations are supplemented by group discussions. These sessions become a source of diagnostic information about the organization, as well as a time of development for the workgroup or team.

Finally, in QWL/EI settings, training tends to be integrated with the job itself. There is more reliance on employees cross training one another. Multi-functional workteams and task teams enable some cross-training across functions, and promote much broader familiarity with various aspects of the organization. Training is often done in team meetings and team building sessions using intact units or task teams.

Very little research has explored the impact of training in the QWL/EI mode. Changes in individual learning and performance are insufficient criteria. Research requires consideration of organization level and workgroup level change as targets of training. It needs to examine the pervasiveness of training, both in terms of numbers of employees exposed and breadth of exposure, as an important variable in determining training outcomes. In short, the distinction between individual training and organizational development become blurred in a QWL/EI framework.

Summary. Within the QWL/EI framework, training and development is an important value. It is a tool for the development of the broad understandings and common skills which form the foundation of an involvement oriented culture. Individuals at all levels receive technical task training, interpersonal and group skills training, and business understanding. Training is not viewed as a special occurrence to prepare an individual for a particular job, but as an ongoing expectation. Frequently the whole workgroup, department or organization receives similar training. This approach reduces the likelihood that the training content will be viewed as discrepant from the demand characteristics of the organizational context.

Performance Appraisal

Performance appraisal is important for QWL/EI efforts and is affected by them. QWL/EI organizations attempt to balance organizational needs and individual needs, and they attempt to heavily involve individual employees in the balancing process. The performance appraisal process is a major element in this balancing of processes and is done differently in QWL/EI organizations.

Participants. The assumption that the appraiser is the supervisor of the appraisee is deeply rooted in the hierarchical idea of organizing. Boss-only appraisals are incongruent with QWL/EI because they focus almost exclusively on organizational and management needs and provide for only minimal input from the appraisee. Even when procedures call for more input from other sources the norm is still that the supervisor is the final arbiter through which all other inputs are filtered. The very structure of the appraisal process precludes balanced attention to organizational and employee needs.

Periodically, the IP literature has contained recommendations that appraisals be done by trained expert appraisers and many in the field have pointed out the need for multiple raters (Borman, 1974). Nevertheless, IP has tacitly accepted the manager as appraiser in practice. With this acceptance has come a focus on the need to train the manager as a rater in order to minimize measurement errors. There is no compelling reason, however, why measurement cannot be done by other appraisers including the appraisee. Research has led organizations to shy away from self ratings, since it shows that appraisees rate their own performance higher than others do. Such consistent findings are taken to be a sign of bias to be avoided in the search for valid measures. But they also mask the fact that a considerable number of appraisees agree with their manager's appraisal and still others rate themselves lower than their managers do. This would seem to indicate that appraisee ratings are something more than simply inflated self-serving measures and as such could be valuable.

An emerging set of practices that is congruent with EI/QWL starts with the appraisee and includes others, including coworkers and

managers, who have direct exposure to the appraisee's work. The approach is not used in order to statistically counteract error and bias. On the contrary, the assumption here is that each individual has a different view of the incumbent's performance and that each view is valid. The task then becomes one of finding an overarching view of the performance that can incorporate all the individual appraisals. The important part of the appraisal process becomes the process by which the differences between the sets of ratings get worked out. In many QWL/EI settings the work group becomes the appraiser. In such contexts it is virtually impossible to appraise individuals without also assessing the performance of the group as a whole and its contribution to important issues like how appraiser performance affects appraisee performance.

The Content of Appraisals. Human beings seem to have a penchant for appraising the performance of one another in terms of the traits displayed during the performance, such as dependability and industriousness. IP has helped to focus appraisals on more measurable and objectively definable bases. Most appraisal systems today make some attempt to appraise performance in terms of the definition of the job, the behaviors exhibited on the job, and predetermined criteria of job output.

The QWL/EI paradigm and the traditional one differ in the sources of the behavior to be measured. The QWL/EI approach is to empower the incumbent to negotiate these criteria with those who are coworkers and managers and who therefore will be appropriate appraisers of their work. The traditional approaches expect the appraiser to do them based upon a well developed job description.

The Process of Appraisals. Once the dimensions of performance are defined, the question is how do we measure actual performance? The focal point of IP has been on valid measurement of performance by training appraisers to make valid measurements and by giving them validated measurement tools--usually written forms--to use. Concern for validity has been reinforced because the courts have adopted psychometric specifications of validity in some of the legal tests of performance appraisal systems.

One of the latest in a string of measurement approaches is the behaviorally anchored rating scale (BARS) and its variants. The creation of these scales is time-consuming but adheres well to established standards of measurement theory and validity. Indeed, these scales often exhibit impressive validity results, initially. But their validity disintegrates over time as the nature of the jobs change. The creation of these scales requires heavy involvement by role incumbents so that it is often claimed that they are participatively designed. However, participation by role incumbents in design does not perform the function of participation by the appraisee at the time of appraisal. Interestingly, some evidence suggests that these don't transfer well and that they are valid only with those individuals who have participated in the development. Ironically, this suggests it is the EI type process which gives this psychometrically sophisticated measure its validity.

Congruence with the QWL paradigm requires different ideas about the validity of performance measures. Validity is not a procedurally or methodologically defined quality but a socially defined one. Achievement of validity requires that all the appropriate participants in the appraisal process, the appraisee and coworkers, agree on the

ways performance is measured and evaluated. This implies that the appraisal process is much more than measurement. It also involves defining the job, defining the criteria for evaluation, and defining the context in which the work takes place. All of these are important issues to be negotiated among the participants.

When are appraisals done. Classically the timing of appraisals is determined by management and driven by the administrative reasons, such as yearly salary actions. From the QWL/EI perspective appraisals could additionally be initiated by either the appraisee or the appraisee's coworkers according to felt need.

Purposes. As mentioned above, appraisals are traditionally done to provide information useful for other purposes. Among these are determining appropriate pay, evaluating for promotion, and letting employees know where they stand. Each purpose exerts its own pressure for defining what aspects of performance are pertinent and how they should be measured. Measuring performance for pay purposes yields different results than looking at performance to determine promotability or to determine developmental needs. From an extreme IP point of view each purpose of appraisal demands a separate validation of the measures used. Assessment centers measure different things than performance appraisals, for instance, and are validated separately (Finkle, 1976). Beyond the organizational purposes for appraisal, the individuals involved--appraisees and appraisers alike--each have their own purposes: to get a raise, to give a raise, to document performance pursuant to dismissal, to find out where one stands, to get career feedback, etc. This myriad of purposes, organizational and individual, is a reality in appraisals (Lawler, Mohrman, and Resnick, 1984). To try to meet each of

these purposes with a classic IP form and format is prohibitive. To try to limit the purposeful dimensions of appraisal to one, two, or three forces the remaining purposes "underground." The QWL/EI paradigm allows a multipurpose approach to appraisal, one that assesses the purposes that appraisal has at the time it is taking place and adjusts to those purposes. This is done by active involvement of the appraisee and appraising coworkers and managers.

Table 4 goes about here

Summary. Table 4 summarizes the changes which the QWL/EI paradigm calls for in appraisals. IP has not so much caused the traditional appraisal practices as it has solidified them by its preoccupation with criteria development and measurement validity. Articles continue to illustrate the difficulty in establishing traditional validity. Different people do have different views and that is the reality. Appraisal research needs to focus more on the social processes by which differences get resolved. In so doing, appraisal processes become part of the QWL/EI paradigm.

Pay in Organizations.

Reward systems in organizations are made up of core values, structures, and processes (Lawler, 1981). Often in organizations the emphasis is on the structures, which are tangible and relatively easy to manipulate. They include such things as the merit pay delivery system, the job evaluation systems, the pay ranges, and so forth. These structures or mechanics are the nuts and bolts of the reward system and have been subjected to considerable research by IP.

Associated with the various forms and procedures are a number of process issues that concern communication and decision-making. In the area of communication, organizations vary from being highly secret to quite open. As far as decision-making is concerned, they can use a participative strategy which allows a number of people to be involved in decision-making or they can use a top-down strategy.

Finally, organizations have core values with respect to their pay systems. These may be explicitly stated as they are in some corporations, or they may simply develop over time and be generally shared as part of the culture. Core values usually concern key process issues (e.g., communication) and key structural issues (e.g., pay for performance). In theory, if not in practice, they guide what is done in these areas.

In reviewing the fit between pay systems and the QWL/EI paradigm, we will consider how it affects the core values, the structures, and finally the process. As will be seen, it suggests changes in all three of these areas.

Core Values. The idea that organizational values are something that can and should be consciously planned is an emerging theme in the QWL/EI literature. It suggests that pay needs to be driven by a clearly articulated, well accepted set of core values. The principles associated with QWL/EI suggest some specific core values: emphasis on the relationship of pay to the success of the business, individual rights, due process, egalitarian reward, pay rates that are competitive with similar businesses, and emphasis on rewarding individual growth and skill development. These core values support a management style in which the organization moves power, information, knowledge and rewards

to lower levels, and which stresses that employees are important stakeholders in the organization.

Process Issues. The QWL/EI paradigm suggests some processes in pay administration: greater openness of communication and broader involvement on the part of all organizational members. Greater openness, of course, is a prerequisite for broader involvement and participation in the development and administration of pay practices. Openness and participation are congruent with the emphasis on egalitarian reward structures, individual rights, and individual involvement in both the thinking and doing sides of the business. They acknowledge that for a reward system to be effective it has to be both understood and acceptable. Participation in the design and administration process helps assure this as well as that the system will fit the situation because it allows the people who will be affected by the system to influence its designs.

Relatively little research has been done by I/O psychologists on the process issues involved in pay administration. There is some evidence to support the view that participation can be effective and a little evidence on the effects of secrecy (see, for example, Lawler [1971]). Overall, however, this area is largely unresearched.

Pay System Structure. There are a number of pay structures which fit particularly well with the QWL/EI paradigm. Many of them represent important changes in the way pay is currently administered and researched in organizations.

1) Business Based Rewards for Performance - The QWL/EI paradigm argues that if people are to be concerned about the success of a business, then their rewards must be driven by its success. This is not

to say that individual pay for performance systems should be eliminated. It is to suggest that organizations need more systems which reward organization performance. Some organizations in the United States currently emphasize pushing rewards for organization performance to the lowest levels through such approaches as the Scanlon plan. There has been some research on the Scanlon plan, but overall there has been relatively little research on pay strategies that relate individuals' pay to organization performance. As a result, such crucial questions as, How effective are they? What distinguishes a successful from an unsuccessful plan? and How should they be structured? remain largely unanswered (Bullock and Lawler, 1984).

2) Choice Oriented - Traditional compensation practice provides the individual with a fixed package of benefits, cash, and perquisites. This approach is inconsistent with the substantial individual differences which exist in the workforce and with the idea that individuals can and should be able to make decisions concerning their own lives.

Some organizations are now giving individuals greater choice. Initially, this was evident in the popularity of flexible working hours, and more recently is evident in the growing popularity of flexible benefit systems. In flexible benefit systems individuals are allowed to choose the mixture of benefits they wish. Interestingly, there was some early measurement-oriented research on employee benefit choices which contributed to the later popularity of the plans (Nealey, 1963). However, this research has not been continued and, as a result, the literature provides little information on how effective choice-driven systems are.

3) Skill Based - Traditional pay emphasizes paying people for the jobs they do rather than the skills they have. This has led to the proliferation of job evaluation systems and historically to a large body of measurement-oriented research by IP on job evaluation. The QWL/EI paradigm suggests paying individuals for the skills they have. This represents a truly fundamental change in the nature of compensation practice. Because of this it raises a number of interesting questions which simply cannot be answered by the existing measurement-oriented research on job evaluation. The theory concerned with perceptions of equity is relevant here as is some of the research on pay satisfaction and equity (Adams, 1965). However, there is virtually no research on the usefulness of skill based pay itself (see, e.g., Lawler and Ledford, in press).

4) Egalitarian - Pay systems can be made more egalitarian in order to match this emphasis in the QWL/EI paradigm. A number of organizations already call all their employees salaried employees and treat them the same regardless of status. Others have eliminated the "normal" perquisites associated with higher level jobs. Most IP research on pay simply has not focused on the effects of hierarchy. Rather, the tendency has been to accept hierarchy as a given and to focus on such things as measuring the relative importance of jobs at different levels in the hierarchy (see e.g., Jacques, 1961).

Table 5 goes about here

Summary. The QWL/EI paradigm suggests new core values, new administrative processes, and finally, new pay structures. As shown in

Table 5, pay needs to be characterized by egalitarianism, individual choice and, most importantly, a strong performance based system which ties into the business itself. Taken as a package, these new pay practices represent a new approach to pay, and are congruent with the QWL/EI paradigm. In many respects they flow directly from the early work done by IP on participation and work design. However, they represent a very different set of pay practices than those which have been researched by IP. In most instances they are not based on research; their support comes instead from their apparent congruence with the underlying QWL/EI paradigm.

Labor Relations

Labor relations have been examined by IP research. This research has accepted rather uncritically the fundamentally adversarial nature of relations between management and unions. It has examined behavior within a framework of laws and institutional mechanisms established to equalize power between labor and management and to prevent the parties from unfair practices that would lead to one taking advantage of the other. In this framework for bargaining and negotiation, each party tries to maximize its own outcomes. The existence of multiple stakeholders is explicitly acknowledged, but until recently there has not been serious exploration of the possibility that both parties might take responsibility for the health of the totality, a superordinate goal which is in their mutual interest. In short, the labor relations framework in our society institutionalizes approaches that deal with conflicting interests in an adversarial manner.

The IP literature has examined the antecedents and consequences of dual loyalty of employees to both the union and the company. Research

in these issues examines behavior within the institutional labor relations framework which shapes behavior in a particular way. Were the institutional framework to move significantly in the direction of increased mutuality and cooperation, the behavior within that framework would certainly change significantly as well.

There is evidence that labor relations in our society is in a period of significant transformation in the direction of more cooperative efforts to address the mutual interests of labor and management (Kochan and McKersie, 1982; Business Week, 1983). The first large effort was begun by General Motors and the United Auto Workers in the early 1970's and many other companies have followed suit. Confirmation that change is being broadly advocated occurred in a recent report by the AFL-CIO which advocated innovative practices by labor unions (1985).

The new approach includes closer union/management consultation on a wide array of issues. Joint labor/management committees are established to explore areas in which cooperative efforts can benefit the work force, the union, and the organization (see, e.g., Goodman, 1979; Seashore, 1981; Fisher, 1982). The emerging characteristics of QWL-oriented labor relations are depicted in Table 6 and are discussed below.

Table 6 goes about here

Academic researchers working within the QWL/EI framework have advocated cooperation between the union and company in addressing issues of mutual concern (Lawler and Ozley, 1979). Their primary mode of

inquiry has been to establish "experiments" to learn what happens when the two parties try joint resolution of significant issues. Examples include the eight projects which were begun as part of the University of Michigan's Quality of Work program (Lawler, Nadler & Cammann, 1980; Seashore, Lawler, Mirvis & Cammann, 1983; Nadler, 1985).

The Company/Union Context. Movement toward a QWL/EI paradigm entails two overarching shifts in the labor relations context. First, management and union begin to see themselves as partners rather than adversaries, and thus to share information in a forum where problems can be tackled. The transition toward a partnership does not imply abandonment of the traditional concerns of the two parties. Management continues to be concerned with the financial health of the business. The union continues to work toward goals of job security, wages and the quality and conditions of employment. It recognizes that it can best achieve its objectives by contributing to the health of the business.

This partnership is in large part a pragmatic response to a changed environment. Witness the automobile industry, the steel industry (Fisher, 1982) and the communications industry (Straw, 1985). Adversarial relations are unacceptably costly to both sides in a world of increased competition and decreased economic growth. Unions and management are equally at risk; their very employment is at stake. New patterns of institutional relations reflect this common focus.

A manifestation of this general commonality of interest is management recognition of the need for increased congruence in the treatment of bargaining unit and salaried employees. QWL/EI oriented companies are striving to eliminate the simultaneous operation of two, often conflicting, human resource philosophies and practices. All-

salaried workforces, increased knowledge and information among rank and file employees, problem-solving at all levels, and emphasis on training and development of all employees are manifestations of the movement toward congruent practices and philosophies for dealing with people.

Decision Making. Historically, wages, working conditions and work rules have been centrally determined at levels in the union and management removed from the rank and file worker and manager. The negotiated contract serves as a template for permissible behavior, with alleged violations, or grievances, gravitating upward through a series of steps to higher levels for resolution. The emerging QWL/EI paradigm puts much more emphasis on shop floor resolution of issues through a problem-solving approach. Attention is often given to relationship issues as well as content issues (Goldberg and Brett, 1983). QWL projects have sometimes loosened the grip of the detailed contract, either informally or by local letters of agreement. In some cases, such as the Fremont New United Motors joint GM/Toyota venture, skeletal contractual agreements which emphasize general principles replace the detailed contract, and become the basis for dynamic modification and adaptation through mutual agreement.

Historically, the grievance process enabled workers to initiate issues only if they concerned departure from contractual agreement. In a QWL setting, the workforce is able to initiate attention to a wide range of issues. Little is known about the behavioral and organizational dynamics in organizations where this type of upward initiative is encouraged.

Job Design. Historically, unions have negotiated for clear and narrowly defined jobs, which contractually constrained the company. This

jurisdictional approach to job definition increases the number of workers needed to do the whole job, and thus the employment base and union membership. Inflexible job definitions may also have a negative motivational impact, by detracting from the employee's ability to perform a "whole" task (Turner and Lawrence, 1965; Hackman and Lawler, 1971; and Hackman and Oldham, 1974).

Within the QWL/EI framework, there is an increasing willingness on the part of unions to deemphasize jurisdictional boundaries and examine alternative concepts of job design which enable greater job satisfaction as well as more flexible utilization of employees. In several new automobile plants, for example, the number of job jurisdictions has been reduced from well over one hundred to less than ten. At the Shell Sarnia plant, union and management cooperated in the design and implementation of a high involvement, sociotechnical work system (Davis and Sullivan, 1980). The trend is toward expanding the use of QWL/EI practices that formerly were more common in non-union settings (Wall Street Journal, 1985).

Rewards. Traditionally, unions have championed pay equality, with seniority heavily influencing outcomes, and the amount of pay determined through bargaining. Within the QWL/EI framework, there is a trend for unions to support linking financial outcomes to business success, as was mentioned earlier. A frequent approach is gainsharing and other productivity bonus systems which explicitly link the financial fortunes of the workforce to those of the unit or company. Skill based pay is also being used to align the reward system with new trends toward more flexible utilization and extensive training of the work force. In an

era of slow wage growth in heavily unionized industries, innovative compensation methods are becoming more attractive to unions.

Summary. Labor Relations assumes a different flavor and form in QWL/EI settings. Cooperative approaches to issues of major concern, recognition of considerable overlap of interest, information sharing, and joint problem-solving have provided a foundation of trust in some companies. This in turn has enabled modification in traditional approaches to the design and reward of work. While there have been considerable case studies of such cooperative projects, there has been little investigation of the ways in which behavior patterns differ in these settings from the more traditional adversarial labor relations context.

Conclusion

This chapter has examined some of the changes in human resource systems that are implied in a shift from a traditional to a QWL/EI mode of organizing. Most of the research, knowledge and prescriptions that come from the field of IP are grounded in work done in organizations with traditional organizing principles: clearly defined jobs and responsibilities, selection and placement by management of the best applicants for specific jobs; and emphasis on individual measurement, prediction and validation. By keeping within an individual-level paradigm, the field was able to ignore the system-level diseconomies that are caused by this focus on individual work and the acceptance of traditional management values about information, power, knowledge and rewards.

Partly because of the work done in OP, practice is changing rapidly. Organizations are seriously questioning their traditional

practices, and are rapidly introducing new ones. Many of the "new" organizing principles are based on the early normative writings of Likert, Argyris, Lewin and others. The change is motivated by necessity. Today's organizations cannot afford to organize for predictability and control in a world where adaptiveness and responsiveness are the main determinants of effectiveness and survival. Many of the new practices are ripe topics for research. The fields of industrial and organizational psychology will have to run fast to keep up with these changes. It is imperative to find out how these new practices impact organizations. Research on many of the practices appears to require the integration of the work done by IP and OP. Perhaps we are entering a period where environmental pressures will force these two traditionally separate research traditions to be more integrative.

The movement of power, skills, knowledge and rewards downward in an organization results in a significantly altered set of behavioral dynamics. As initiative flows upward as well as downward, the relationship of individuals to their peers, subordinates, bosses and the organization itself changes. As jobs are defined dynamically, and in the context of a contributing team, the tasks of selection, feedback and reward must include the group level of analysis, and begin to look more like negotiation than control. Thus, quality research on these and a host of other personnel management issues requires attention to the issues and methods of both IP and OP.

Table 1
NEW PATTERNS IN JOB DESIGN

	FROM	TO
MOTIVATIONAL FORCES EMPHASIZED	Extrinsic Rewards	Intrinsic Rewards Extrinsic Rewards
THEORY BASE	Industrial Engineering Classical Management Theory	Motivation Theory Sociotechnical Systems Theory
DESIGN TECHNIQUES	Engineering Studies Classical Management Principles Job Evaluation	Job Enrichment Self-Regulating Work Groups
IMPLEMENTATION PROCESS	Only by Managers and Technical Specialists	High Employee Involvement
ROLE OF TECHNOLOGY	Ignored or fixed Imperative	Joint Optimization with Social System Variable--Can Be Redesigned

Table 2

NEW APPROACHES TO SELECTION

	<u>From</u>	<u>To</u>
KEY DECISION MAKERS	Experts Managers	Consensus among applicant, peers, co-workers, and managers
BASIS OF DECISION	Validated tests	Open exchange of information Realistic preview
SELECTION FOR	Specific jobs	Emergent job
CHARACTERISTICS SELECTED FOR	Ability to do job	Personal needs for involvement; ability to do job and lead group

Table 3
THE NEW TRAINING AND DEVELOPMENT

	FROM	TO
WHY?	Enable individual to do a particular task	Facilitate transition to new culture Effective task accomplishment Enable organizations to adapt to change Human growth development and fulfillment
WHO?	Individuals Specialized for various levels	Individuals, work groups, departments, organizations Broad range of knowledge and skills at all levels Business understanding and problem-solving for all
WHAT?	Specific job requirement	System-wide understanding Development of Culture Broad skills and understandings
WHEN?	As needed	Ongoing, intense
HOW?	Classroom Training On the Job Training (OJT)	Many methodologies: Classroom OJT Team Development Seminars Cross Training of one another

Table 4
THE NEW PERFORMANCE APPRAISAL
FROM

TO

APPRAISER	Manager	Appraisee, coworkers, manager, other
ROLE OF APPRAISEE	Recipient of feedback	Active participant in all phases
CONTENT	Job defined criteria	Participant defined criteria; Context
PROCESS	Validated measurement	Negotiation of reality
	Training of rater	Training of all participants
TIMING	Periodic, administratively driven	Initiated by appraisee, periodic
PURPOSES	Managerial Separate systems for a few purposes e.g., measurement feedback pay HR planning	Balancing of multiple individual and organization purposes

TABLE 5
THE NEW PAY

	<u>FROM</u>	<u>TO</u>
COMMUNICATION	Secret	Open
DECISION MAKING	Top Down	Wide Involvement
PAY FOR PERFORMANCE	Individual Merit Pay	Business Success Based
REWARD MIX	Standardized	Individual Choice
BASE PAY	Job Based	Skill Based
DEGREE OF HIERARCHY	Steep Level Effect	Egalitarian

Table 6

THE NEW LABOR RELATIONS

CONTEXT OF LABOR/ MANAGEMENT RELATIONS	Sharp distinctions between treatment of bargaining unit and salaried employees	Congruent approach to all employees
	Secretive, non- disclosure	Information sharing
	Adversarial	Cooperative
UNION CONCERNS	Wages, Working conditions	Wages, Working conditions, Health of Business
DECISION-MAKING	Centralized Bargaining and grievances	Localized Problem Resolution
THE CONTRACT	Rigid template Detailed	Dynamic guidelines General principles
JOB DESIGN	Strict jurisdictions Technical only	Multi-skilling Includes Problem Solving and administrative tasks
REWARDS	Equality, Seniority	Skill based Dependent on Performance Gainsharing

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