C E

Center for
Effective
Organizations

The High Involvement Manager:
Going it Alone

CEO Publication
G 88-24 (137)

Edward E. Lawler III
Susan A. Mohrman
University of Southern California

March 1994

Center for Effective Organizations - School of Business Administration
University of Southern California - Los Angeles, CA 90089-1421 (213)740-9814

The High Involvement Manager: Going it Alone

CEO Publication
G 88-24 (137)

Edward E. Lawler III
Susan A. Mohrman
University of Southern California

March 1994

Center for Effective Organizations - School of Business Administration
University of Southern California - Los Angeles, CA 90089-1421 (213)740-9814

The literature on participation and employee involvement often places the supervisor in the role of the villain. Article after article points out that when organizations try to make the transition from a traditional control orientation to a high involvement management style, many supervisors end up as problems. They resist the new direction and fail to support the change process. Often, this occurs because the supervisor's role in the transition process is specified in a programmatic way, giving individuals little ownership over the "new way of managing." It is also often pointed out that there is little supervisors can do on their own to make change in management style happen. They are pictured as being trapped within traditional organizational systems which often make it impossible for even the most committed manager to adopt high involvement practices short of a corporate-wide change effort.

There is little doubt that, in fact, supervisors often do become obstacles. The movement to high involvement management requires a significant and, for many, undesirable change in their work role and behavior. However, supervisors need not become obstacles. There are a number of things they can do to facilitate the change process; indeed, even to lead it. Particularly intriguing is the possibility that they can lead the change process by creating, in a particular work group or work area, their own approach to high involvement management. In this paper, we will examine what a supervisor can do to manage a particular work area in a way that involves individuals in the business of that area.

High Involvement Management

High involvement management can best be defined as an approach to management which leads to individuals being committed to the success of the organization. It is produced when employees are given the right mix of information, power, knowledge and rewards. The key is to locate information, power, knowledge, and rewards for organizational performance with individuals at all levels in the organization. When this occurs, individuals can feel a sense of influence over, and rewards for organizational performance.

The key issue with respect to supervisors initiating change concerns how much they can do to deliver new information, knowledge, power and rewards to employees in their work area. In the remainder of this paper, we will focus on just this issue. We feel that, in fact, supervisors can do a considerable amount to change the work situation of their subordinates by adopting a high involvement management style. Although this is not without risk in a highly traditional organization, it can be a highly effective supervisory approach.

Information

In a number of respects, the easiest thing for supervisors to do is to move business information downward in the organization. Providing that the supervisor himself, or herself, receives information about production, quality, service levels and business plans, all that is required is a willingness on the part of the supervisor to share this information with others. The key to success is that managers regularly and honestly share valid data about the organization and the work unit's performance and plans. The emphasis here is on both past performance data and future plans, because without some sense of where the organization is going, it is hard for employees to identify with and contribute to its success and business agenda. It is particularly important that the plans for new equipment, new work processes and new schedules be shared with employees. This is the kind of information that directly affects employees' lives and is their closest link to the future direction of the organization.

Information can be shared in regular state-of-the-business meetings that are held for all employees, or in the form of small regular work group meetings. An interesting way to bring information to a work area is to invite individuals from other parts of the organization, particularly staff groups and senior management, to share information about the future direction of the organization. This is, admittedly, a bit risky for a manager because it exposes to other parts of the organization what is occurring in his/her work area; nevertheless, it can be an effective way of communicating to employees what is going on in the organization. Particularly if the invited individual is a staff person or higher level manager, it also communicates to employees the important status which their manager feels they have in the organization. It can serve the additional purpose of familiarizing the visiting parties with the concerns of the work group.

Perhaps the most effective communication links that a manager can build is with customers and suppliers. The customers and suppliers need not be outside the organization; they can be other work groups or work areas within the organization. The important point is that the work group or work unit have a sense that they are serving a customer, and that they get feedback and reactions directly from that customer. The key word here is directly. All too often, individuals performing work or offering a service get the information about customers through their supervisor or through others who are removed from the work group. This tends to dilute the feedback and cause it to be seen as arbitrary and capricious. It simply does not have the same impact as when it is received directly from the customer who says "service is poor," "the product failed for these reasons," or "it's an outstanding product, the best one I have ever owned." Furthermore, if they are being served by suppliers, they should be given the responsibility for giving feedback directly to the supplying groups. This is important because it helps individuals influence the behavior of their suppliers and in the process develop a sense of responsibility for the quality of their part of the work process.

In addition to dealing with downward communication and customer-supplier communication, the manager must deal with the upward flow of communication. The supervisor must be sure that the employees in her work area are heard upward. A good place to start is with the supervisor's own work performance. Supervisors can regularly and systematically ask people working for them how they are doing. This is a good way to establish the principle that feedback and the upward flow of information are important. To establish trust and overcome employee discomfort with informal face-to-face feedback, a supervisor may want to collect such information through a simple attitude survey. Summarized results can then be shared and discussed in a work group meeting. Surveys are often available through the human resources department.

The upward flow of information, of course, needs to extend beyond the boundaries of a particular work unit. Managers need to carry suggestions and feedback on organizational directions and changes outside their particular work area, and be sure that they are processed and acted upon by upper management. This, of course, is considerably riskier than simply asking for upward feedback within the work unit. It increases the probability of nothing happening in reaction to the upward flow of information. If levels above the manager are not receptive to influence from below, the manager can be criticized for being too demanding and for listening too much to employee concerns and ideas. Nevertheless, communication to higher management is highly desirable, since it potentially allows employees to make significant changes in their work area and to have a strong impact on organizational performance.

Knowledge

Managers usually are in a position to add to the knowledge and expertise of the employees in their work area. Critical from a high involvement management point of view is knowledge that has to do with how the organization operates and how a particular work area operates. Almost as vital is knowledge that allows employees to understand and act on the kind of financial and other information which is provided by the organization's information system. In the absence of this knowledge, it is difficult for employees to be meaningful participants in any participative decision making process. It is also difficult for them to have an understanding of the business and feel responsible for the results that it produces.

Most under the control of a manager is knowledge about the operations of his particular work area or work unit. In most cases, there is nothing to stop a manager from familiarizing employees with all work done in the unit and even training employees broadly in the operation of that work unit. Training can take the form of peer cross-training or formal educational experiences. Regular exchange of information between employees about the projects they are working on, the procedures they use and the problems they are encountering can be accomplished in routine meetings or special quarterly updates. The important point is that employees know the overall operation of the work area so that they can understand and influence its performance.

It is also highly desirable for a supervisor to provide training that is targeted at employees understanding the larger context in which their work area operates. This can take the form of formal training done by staff personnel or by others who understand the operations of the organization. It can involve swapping employees with other areas for temporary periods of time so that they can see what happens to the product or service before it gets to them, or after it leaves their particular work area.

Finally, the supervisor can support formal training programs and classroom education for employees. These off-the-job learning experiences can help employees understand such things as business economics and the technical skills that are needed to operate the organization. The purpose is to develop employees who understand the operations of the organization and how their piece fits in, and who have the knowledge necessary to participate meaningfully in decisions that affect their work area.

<u>Power</u>

The key to moving power down in an organization lies in having a manager who is willing to allow employees to influence a number of the decisions that affect their day-to-day work life. As is often argued, sharing power must be preceded by sharing knowledge and information, for power without knowledge and information is dangerous. However, once a manager has made progress in seeing that employees have knowledge about how the organization operates and have information about the organization, then the issue of power can be addressed.

The considerable literature on job redesign argues that managers can and should allow employees to make a number of decisions concerning work methods and work procedures. The sometimes trite saying goes, "no one knows how to do a job better than the person performing it." Unfortunately, this is not always true unless employees are educated in the alternatives and supported by staff personnel. Consequently, redesigning jobs to include decision making about work methods and procedures must occur in tandem with educating employees about technical issues.

The quality circle movement has shown that often, groups of employees can make decisions that solve the day-to-day operating problems of the organization. Again, the manager is key here, since for problems to be solved participatively, the manager must commission quality circles or task forces to look at them, provide time for them to meet, be receptive to the recommendations that they come up with, and provide resources for implementation.

The literature on goal setting points out that goals can be powerful motivators of performance, and can be effectively set by work groups or individuals. Participatively set goals are owned by everyone in the work unit, and typically are seen as achievable by all employees in the work unit. Top down goals, all too often, are seen as imposed and, therefore, not a commitment of the work unit. Again, the key is the supervisor. She must give individuals enough information and knowledge so that they can set meaningful goals and be willing to allow employees to participate in the goal setting process. In many cases, managers can also get employees involved in planning activities that focus on future directions for the organization. With sufficient information and knowledge, employees can help develop new work methods and new products and plan for new technology and new work areas.

In one sense, the manager who is effective in moving power downward is also the manager who is a good delegator, willing to share the power that normally goes with the supervisory or managerial position with those in the work unit. This can, at times, be a source of stress with respect to the rest of the organization if it is not doing the same thing. However, even if the rest of the organization is not behaving in a high involvement manner, the supervisor often can share certain kinds of decisions with those people who work for him. In particular, decisions about work methods, work procedures, schedules and goals can be shared.

Personnel decisions are a particularly important issue since they contribute strongly to trust and motivation. In many high involvement organizations, employees decide who will join particular work units, who gets and doesn't get a pay increase, and may be involved in the evaluation of their manager or supervisor. Sharing this kind of power is an important part of the high involvement approach, but may be difficult to do in organizations who are not oriented toward high involvement management. As a first step, the supervisor can solicit input with respect to new hires so that it is clear that no one is hired into the work group without input from the employees in that work unit.

Peer performance appraisal and input into reward decisions is a more difficult issue. It is certainly possible for the supervisor to solicit input from peers when evaluations are being made. In an organization where high involvement management exists, this can be quite useful. In a traditional organization, it is more risky, since it threatens the traditional hierarchy in ways that may cause individuals outside of the work area to oppose the idea of employee involvement, and it may harm the reputation of the supervisor who does it.

Rewards

Extrinsic rewards, like pay and promotion, are difficult for an individual supervisor to affect, since they are controlled by organizational personnel systems. Pay policies, benefits, career paths and succession systems are typically planned and administered by staff groups with little concern for employee involvement. Nevertheless, there are some things that the supervisor can do with rewards.

First, there are some rewards which are important to individuals that don't necessarily have to do with those systems governing pay and promotion. Training, for example, can be an important reward, and can be broadly and vigorously used by a manager to help acknowledge excellent performance and promote employee involvement in decision making.

In some high involvement organizations, the principle of shared rewards is formally built in through gain-sharing and profit sharing plans. Even without such formal programs, a manager usually can influence the degree to which rewards and recognition are broadly shared in her work unit. When successes occur, for example, rather than accepting the praise for himself, the supervisor needs to be sure that everyone involved is acknowledged, and that celebrations and other success experiences occur in the work unit. This can be something as small as pizzas for everyone, a meeting in which recognition takes place from a senior manager, or a special evening party, dinner, or weekend excursion. The important point is that performance in the work area be recognized as the product of everyone, and that the rewards and recognition which come from it be shared broadly in the work unit.

Social rewards clearly are important, and can help support the movement of rewards for performance to lower levels in the organization. Social rewards and recognition can come from the boss as well as from the peer group. A skilled high involvement manager needs to develop the ability to give recognition rewards to the work group and individuals who perform particularly well. The personal credibility and integrity of the supervisor is key, as recognition rewards can only be given by individuals who are respected and whose opinion is valued.

A supervisor's feedback is more likely to be valued if he or she only gives rewards when the group feels they are deserved, and gives them in a way that expresses emotion and feelings. One way for a manager to be sure that the rewards given are valued is to ask the organization whether they are given appropriately, at a meaningful time and in a meaningful way. The ability of the supervisor to give recognition, in short, is partly an earned ability, and one that can be lost if the supervisor uses it unreasonably, too frequently or inappropriately.

Improvements in the work itself can also be used as a reward. As the supervisor senses individuals gaining more information and knowledge, they can, in fact, give more decision making authority to them. In this sense, power and the ability to influence decisions is moved downward in a way that rewards learning and improved organizational performance. This, in turn, can lead to rewriting job descriptions, and ultimately to higher pay for individuals. Job evaluations are one feature of the reward system that supervisors can at least influence. They can argue that because of the way the work has been restructured in their work unit that jobs need to be reevaluated. If this can be accomplished, then higher pay levels can be achieved, and individuals ultimately can be rewarded for their taking on additional power and responsibility.

Although the typical manager/supervisor can do little to change the pay and promotion system of an organization, she may be able to do something to help make it clear to people in the work area. In the traditional work organization, often great mystique and secrecy surround the pay and promotion systems. This helps to reinforce the power of supervisors because they are the ones that control not only the rewards, but the information about how to achieve the rewards.

Letting individuals know how the system operates can give them a more egalitarian feeling about the system and may give them a chance to influence their rewards through their own behavior. At least, it makes it clear to them what is possible and what is not possible in the context of the existing reward system. For these reasons, managers should emphasize communications which help explain and clarify how the reward system operates. This is a potential opportunity for managers to invite staff people to their work units to explain how the pay system works, how the promotion system works, and what individuals can do to influence their own career situation.

Most managers have the opportunity to make performance appraisal and career planning a participative process for their subordinates.

They can do joint work planning with their subordinates, and agree upon performance goals and performance measures. They can invite subordinate input to the final appraisal so that before any evaluative discussion of performance begins, individuals have a chance to present their views. Finally, if there is a serious disagreement between a manager and subordinate on how well a subordinate performs, the manager can take the responsibility for getting a third party to listen to different viewpoints so that the situation is resolved in a fair and due process-oriented way. In short, the supervisor can see that the performance appraisal process itself is a two-way power sharing experience in which employees have an understanding of how rewards are determined, and potentially can influence the rewards that they receive.

Managers also can see that promotion is handled in a participative way. For example, when promotion opportunities exist, they can get peer data on who should be promoted. They can help educate individuals in the career opportunities that exist and support relevant training. They can hold career discussions with individuals who have expressed an interest in being promoted and moving into new positions. In short, they can make the whole career planning process much less mysterious, and much more open to input and influence by individuals in their work area. This, combined with participative performance appraisals, can empower individuals to influence the reward system. The keys here are to educate people in how the reward system operates, and then, to allow subordinate input to the actual appraisal and career process in the organization.

Practicing Involvement-Oriented Management

Exhibit 1 contains a summary list of practices that managers can implement to manage in a high involvement or participative management style. No one of them constitutes a final or complete test for being an employee involvement-oriented manager, but taken together, they give a good picture of how a manager can practice high involvement management. The supervisor who does these can move information, power, knowledge and rewards downward in the organization and can go a long way toward establishing a high involvement workplace. In most cases, all of these practices can be installed even in a relatively traditional work situation.

Risks

Participative or high involvement islands in traditional organizations can survive, but there are some risks associated with them. One of the most obvious risks is that many of the organizational systems are designed to operate in ways that cancel out or make difficult high involvement management. Efforts to involve employees in career planning may be thwarted by the arbitrary top down selection of "favorites" when opportunities arise. Information groups may refuse to provide business results. Thus, the supervisor who decides to operate in a high involvement manner may be constantly running into personnel, information and other staff system conflicts and limitations which make it difficult to push down information, knowledge, power and rewards. Because of these conflicts, employees can come to feel that the whole effort to manage in a high involvement way is destined to failure and not for real. It takes a skilled supervisor to overcome these conflicts, and to convince employees that it is worth doing, and that a considerable amount can be done.

Institutionalization of employee involvement can also be a serious problem when the rest of organization does not support it. Case after case exists of managers having successfully built high involvement work units within traditional organizations, only to see them crumble when they leave. In the absence of overall systems support, high involvement type work units are fragile and often can be eliminated by a new supervisor who is opposed to them. This can be a problem for the employees who show support for high involvement management, and enjoy operating in this way. Once they lose a high involvement situation, they become cynical and turned off, and feel worse than if they never had the opportunity. Thus, the responsible manager, when considering high involvement management, must look at he probability that it can stay in place long enough to make the effort worthwhile and safe for employees.

Finally, a manager who wishes to manage in a high involvement manner must consider the personal career risks associated with instituting high involvement management practices. There is a possibility that in an organization which values tradition control-oriented practices, a high involvement manager can damage his or her career. It might even be the classic "career limiting action." The high involvement manager can be seen as weak and lacking the necessary guts and macho to manage in a top-down manner. Time spent informing and educating employees and solving task-oriented problems may be labeled "non-productive." Ironically, the negative attitude toward the high involvement manager can occur, even if the performance results of the work unit are outstanding. Other managers may wait expectantly to pounce on the first mistake from the work area that "proves" that high involvement practices are a sign of managerial weakness. Research on high involvement management suggests that in some cases, form and process can overwhelm results such that the high involvement manager is put at risk from a career point of view.

Overall then, high involvement management clearly has risks associated with it for all concerned. These risks are substantially reduced in the ideal case, where there is a strong corporate move in this direction, and the organization is changing systems to support high involvement management. Here it is clear that supervisors can move ahead with considerable confidence that they will be treated well, and will not lose as a result of trying to install high involvement management practices. Indeed, they may gain. Similarly, they don't have to worry about having a negative impact on the people who report to them. In the case of the organization unsupportive of high involvement management, a manager has to make some tough decisions about whether or not to risk trying high involvement management. Unfortunately, there is no easy set of rules that a manager should follow to determine whether it is worth doing.

Rewards from High Involvement Management

The emphasis, so far, has been on the risks which managers incur when they move to high involvement management. There obviously are rewards that need to be looked at in order to balance the discussion. Managers who successfully move to high involvement management potentially can get superior performance from their work unit. The evidence of this is extensive and diverse. It consistently shows that substantial gains in performance are possible from moving to more involvement oriented approaches to management.

On the personal side, there is also reason to believe that high involvement management can produce good career opportunities for individuals. The key here, of course, is whether the organization itself is moving toward high involvement management. If it is, those pioneers who are successful at implementing it and operating this way can be seen as valuable corporate resources and very promotable. Thus, there can be a payoff to the individual who decides to move toward employee involvement in his or her work.

Finally, managing in a high involvement manner is simply more personally satisfying for many individuals. For people raised in a more participative culture, in which the exercise of the authority in a top-down manner is not necessarily the most comfortable form of influence, managing in a high involvement style can be quite satisfying and rewarding. This seems to be particularly true for managers who have been raised during eras when the use of authority based on position is seen as undesirable and unreasonable.

A traditional organizational setting is not an ideal place to practice participative management, but it can be done. As our discussion has stressed the manager who wants to do it and is willing to accept the risk can do it successfully. Indeed, managers undoubtedly have been doing it for decades. Every organizational study we have ever done has uncovered some low profile participative managers who were successfully managing in a different way from the rest of the organization. In some cases, there were enough of them so that rather than being obstacles to change, they became the champions; in effect, changing the management style of the organization from the bottom up. This is not the ideal way to produce organizational change, but it can work, and should offer encouragement to managers who are willing to accept the risks associated with leading a change to participative management.

Exhibit 1

- Annual performance appraisal with all subordinates
- Substantial subordinate input to the performance appraisal process
- Career counseling session with all employees at least every two years
- Substantial subordinate input into the career appraisal process
- Openness to suggestions about work methods and procedures
- Testing openness to new ideas and methods with subordinates to see if they agree
- Recent installation of a method or suggestion that came from subordinates
- Frequent state-of-the-business meetings
- Education to acquaint employees with how the business is measured and the economics of the business
- Cross training employees and exposing them to work that is done in other areas
- Regular meetings where people in the work area exchange information
- Sharing success and recognition with all members of work unit
- Explain the reward system
- Individuals receive feedback from their customers
- Opportunity to give feedback to suppliers
- Employees making operating decisions about how to do things
- Employees understand how their work unit fits into the larger organization