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**INTERNATIONAL COMPETITIVENESS AND THE  
DESIGN OF ORGANIZATIONS**

**CEO Publication  
G 88-29 (142)**

**EDWARD E. LAWLER III**  
*Center For Effective Organizations*

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It became obvious in the 1970s and it moved center stage in the 1980s: American businesses are increasingly losing their competitive edge. In the 1960s Western Europe feared that American businesses would dominate the European economy and that Europeans would end up as a poor consumers of American goods (see e.g., Servan-Schreiber, 1968). Today, Americans worry that they will become poor consumers for Japanese goods (Grayson and O'Dell, 1988).

In just two decades, Europe has become a much stronger economic force and Asian countries, including Japan, Hong Kong, Taiwan and Korea have had major successes in exporting goods to the United States. This has had a dramatic negative effect on the U.S. auto, steel, glass, rubber and electronics industries. The list, of course, is longer than these major industries, but they are so visible and basic to any countries economy that when they begin to move off shore it is clear that a radical change has occurred in a country's industrial structure (Grayson and O'Dell, 1988). I can go on for pages citing the great amounts of data which indicate that many American businesses have lost their competitive advantage. But the focus of this paper is not on proving the case, that has already been done; it is on what strategies organizations can take to recapture the advantage.

There is no question American industry is beginning to respond to foreign competition. Virtually every major U.S. corporation that is subject to foreign competition has made efforts to change its situation. Although many different things are being tried by American companies in order to improve their competitive position, three approaches appear to be dominant. The three approaches are very different in the actions they lead to and in their impact on organizational effectiveness and the

quality of work life of individuals. This chapter will look at each of the three approaches and speculate about their long-term success as well as their implications for those of us who study organizations.

I will briefly discuss the first two of these approaches because, on balance, they are the least interesting from an organizational research point of view. Most of the paper will focus on the third because it has its clearest roots in the organizational behavior literature and it has the most profound implications for research and the development of new management practices.

Although I am treating these three tracks or strategies as different and separate, I do not mean to infer that a single organization can't pursue all three of them simultaneously. Indeed, some large corporations are pursuing all three of them. In the case of most companies, however, one approach tends to dominate. The other strategies, if they are used at all, tend to be used in small parts of the organization, or in pieces that face different competitive situations. The reason for this is that they represent such a different understanding of why there are problems and such different sets of assumptions as to how people in the United States can respond to the competitive problems that senior management tends to accept and implement one and reject the other two. Holding all three is, to a degree, internally inconsistent and thus not likely to occur in most cases.

Let me briefly outline each of the three, before discussing them in detail. The first Strategy has as its dominant activity doing the old better. In this approach little is done to change the basic way organizations are managed and deal with people. In manufacturing

businesses it is often combined with heavy investment in new capital equipment in order to make the business more productive and to improve quality. This approach tends to emphasize traditional approaches to compensation, selection, and financial systems, but it emphasizes doing them better and paying a great deal more attention to the cost effectiveness of everything that is done in the organization. Often it leads to staff reductions and layoffs as well as corporate restructuring.

The second strategy involves a variety of approaches which have in common a high level of organization flexibility about how and where it obtains its products and operates its business. In essence, it accepts the international competitive situation as one where certain countries and certain locations have a natural advantage in producing certain products and in operating certain ways and calls for the organization to align itself with these natural advantages. If for example, a product is labor intensive and therefore, cheap labor is important, the company simply decides to manufacture its products in Mexico, Thailand, or wherever reliable cheap labor can be obtained. If some other organization has a tremendous competency to manufacture the product, then the organization doesn't try to manufacture at all, it simply becomes an importer. Often this type of organization ends up with world-wide operations and a number of strategic alliances in order to get its products manufactured, and in some cases, sold. Perhaps the best term for this second strategy is the network organization (Miles and Snow, 1986). Recently it has also been called the value-adding partnership (Johnson and Lawrence, 1988). It clearly is an interesting one, since it leads to a number of human resource

management and organization design issues that are new and different from those in the traditional top down bureaucratic corporation.

The third strategy involves the adoption of a new approach to the design and management of work. It has been called high performance management, high involvement management, high commitment management and participative management. This approach emphasizes getting individuals throughout the organization directly involved in managing the business in the expectation that this will lead to higher productivity and higher quality work (Lawler, 1986). This is the most interesting approach from an organizational behavior point-of-view because it calls for the re-design of a number organizational systems and actually puts in practice many ideas which have been suggested by the organizational behavior literature for decades (e.g., McGregor, 1960).

#### The Competitive Problem

Four explanations are typically offered for the competitive problems of the United States. They are worth mentioning because they can drive the type of strategic response which organizations choose. Let me briefly mention them here, they also will be referred to later in discussions of which strategic response is most likely to be effective.

Perhaps the most common perception of why the U.S. has competitive problems is that the work force is over paid and under motivated. Survey data suggest that this is the perception held by management. It is usually buttressed by data which show how unions have ruined the productivity of many manufacturing locations because they have bargained for restrictive work rules and high wages. This is also supported by data which show the relatively high cost of American labor compared to labor elsewhere and by data which show

that the skills of the American workforce are lower than those in Japan and other countries (Grayson and O'Dell, 1988).

The second reason given is that the American business environment is not a favorable one for businesses. This point stresses the amount and type of government regulation that exists and the investment situation in the United States including relatively high interest rates.

The third argument focuses on the skills and motivation of American managers. It is commonly put forward by union leaders and it argues that American managers are overpaid, undermotivated and generally not as competent as their foreign counterparts. This argument gains its credibility from the extraordinarily high wages of American executives and the fact that many Japanese companies have come to the United States and been quite successful in businesses where U.S. managers have done poorly. For example, increasingly Japanese auto and consumer electronics companies are successfully manufacturing in the United States using large numbers of Japanese managers and American workers (MacDuffie, 1988).

The fourth explanation points to the general management style that exists in the United States. American companies mastered the top down bureaucratic control approach to management in the 1950s and '60s and have stuck to it with great tenacity. It can be argued, however, that it has been outdated by numerous changes which have taken place in society, the workforce, the world economy and the demands of modern technology (see e.g., Peters, 1987).

There undoubtedly is some truth in all four of these explanations. Before we consider them further, however, we need to look at each of



the three strategies in more depth. When we return to them it needs to be in the context of what strategy or strategies can help make U.S. companies more effective

### STRATEGY I: DOING THE OLD BETTER

The most frequently adopted strategy for gaining an international competitive advantage is doing the old better. The popular press is regularly filled with stories in which companies talk about the importance of doing a better job of paying for performance (usually individual performance), paying more attention to selection and, of course, reducing overhead the inevitable focus of cost reduction efforts. Organization after organization in the manufacturing arena has done an assessment of its operating cost and found that it is a "bloated" bureaucracy with too many levels of management, too much staff support and in general, too much overhead. The typical response is to cut out massive numbers of employees and to put extreme pressure on people throughout the organization to work harder or be laid off/dismissed. Redundant managers are typically offered early retirement packages or severance packages and, as a result, the ranks of management have been shrinking significantly in some companies.

If there is a union present in the organization, the organization typically goes into a concession bargaining mode in which it demands significant give backs in wages, benefits and work rules. If there is no union, then the organization simply emphasizes rationalizing its workforce and it ends up dramatically reducing the number of employees it has and its total cost of doing business. Typically, this approach does not question the fundamental hierarchical nature of the organization and the fact that control rests at the top levels. Indeed,

if anything, it reinforces the views by the way the cost reductions are handled.

A complete list of organizations that have taken this approach would read much like the Fortune 500 list of industrials. Just to mention one example, the break up at AT&T lead to not just AT&T going through this exercise, but to a number of the newly independent baby Bells doing it as well. For example, Pacific Bell has reduced its workforce by over 20,000 employees. General Electric provides another example of an organization which has substantially reduced its management overhead and the number of layers of management with which it operates. Even IBM, often cited as the most admired U.S. corporation, has gone through this exercise and has ended up with a significantly smaller workforce.

There is no question that when organizations adopt the strategy of doing the old better, they can make themselves more competitive. In many cases, older organizations have indeed become bloated and can stand some reduction in their overall cost structure. There also is no question that they can do many of the basics better. For example, few organizations that are traditionally managed do a great job of selecting new employees, appraising performance, paying for performance, training individuals and so on. The fact that international competition has put pressure on them to improve in these areas is neither surprising nor particularly revolutionary. It has, however, allowed organizational researchers to do further development work in many of the traditional areas of personnel psychology. It also has led to extensive work in areas concerned with out placement, mergers and acquisitions, and careers.

Strategy I has led to dramatic changes in the case of some large conglomerates. Recently, companies like ITT and General Electric which have operated in many businesses have moved to simplify their organization by reducing the number of businesses in which they operate. An important part of the motivation for this seems to have been a decision by top management to gain more effective control over these organizations. As Peters (1987) and others have pointed out, in many diverse organizations top management adds little value and cannot control the organization very effectively. One way of improving the organization is to reduce diversity and create an organization which is more manageable in a top down manner.

Strategy one can also be aided by moving certain operations to new locations where they run more successfully and can practice traditional top down management more easily. A number of companies, for example, have moved some of their manufacturing operations to non-union areas of the U.S. or to Mexico where the combination of cheap labor and geographic proximity make it a very attractive manufacturing location. Cheap labor is particularly important for top down managed organizations because it makes it economically viable to use people to do routine repetitive work.

#### Parallel Participation Process

In many organizations doing the old better also includes doing one thing that is new. A number of manufacturing companies have adopted quality programs that typically involve some form of employee participation. These programs have also been used in some service industries but a good guess is that they are much more prevalent in manufacturing companies (Lawler and Mohrman, 1985).

Quality programs include more than just participative problem solving activities but from an organizational behavior point-of-view probably their most interesting feature is their use of quality circles and other forms of special problem solving and participation groups. Typically these are combined with quality measurement programs and an extensive communication program that often involves senior management. The training typically involves teaching a number of people in the organization statistical process control, problem analysis and problem solving skills, and sometimes group participation skills.

There is a growing body of research on the effectiveness of quality circles and other problem solving participative processes (Lawler, 1986 Ledford, Lawler, and Mohrman 1988). It is generally agreed that they are best thought of as parallel participation processes. They are parallel because they do not change the traditional hierarchical operation of the organization; instead, they create a special organization that operates in a new and different way. This parallel organization or quality circle organization has different leadership, different norms, different structures and requires different skills. It is beyond the scope of this paper to go into a detailed analysis of the effectiveness of this type of participation. It is worth noting, however, that parallel participation structures can produce meaningful results. Employees typically are eager to become involved and when they are involved, they gain valuable skills and offer valuable suggestions to the organization. Thus, there is no question that they can help a traditional organization that is trying to improve its way of operating.

The problem with these programs is that they are programs and as such tend to be seen as temporary activities in an organization. Because of this and a number of other features, they typically do not institutionalize nor do they lead to a new form of organization. To a degree they represent a quick and often temporary fix that can help improve an organization's competitive standing but does not change the fundamental way that an organization operates. Thus, they run quickly into the very organizational pathologies which lead to their start up in the first place. They feed their ideas back into the existing organization and that organization is expected to process them. Unfortunately the ideas often get lost in the bureaucracy and meet resistance because managers in the middle of the organization are threatened by them and resent the fact that they were not involved in the process themselves. In addition, the ideas are often inappropriate because the employees do not have enough information and knowledge about the overall operation of the business. From their point-of-view the ideas were excellent but they don't know about the overall organization strategy or many of the environmental constraints which exist, and as a result, they often come up with ideas which are impractical or outdated.

Finally, parallel participation structures are expensive to run in their own right and, as a result, may ultimately be challenged from a cost benefit perspective. Training individuals who participate is expensive but what ultimately can become even more expensive is the amount of meeting time that they take. This is resented by managers who lose their subordinate's production while they are in problem solving groups. Typically, there is no reward for the manager who

supports and encourages the groups, only punishment if their production falls because their subordinates are losing production time to participate.

In summary parallel participation processes often can help a traditional organization improve its operating effectiveness. They give individuals additional skills, and they can make individuals potentially much more valuable to the organization. If they are combined with a serious total quality program such as those advocated by Deming, Juran, Conway, and Crosby, they can also sharpen up the measurement systems in an organization and focus employees on more meaningful goals. However, they are not likely to change the fundamental management approach of the organization. The one qualification that seems to be appropriate here concerns the adoption by some companies of a total quality orientation. This does seem to be leading to some fundamental change and might ultimately represent a fourth strategy. This already seems to be the cases of the U.S. plants of such Japanese companies such as Honda, Toyota, and Sony.

### Technology

Many manufacturing organizations which have adopted Strategy I have combined it with the introduction of new manufacturing technology. Highly automated manufacturing equipment is often installed and in the most advanced companies, computer integrated manufacturing systems and paperless factories have been created (Zubhoff, 1988). In many respects, the use of this technology seems to represent the ultimate way to reduce labor costs and to create an environment that is highly controllable by management, or at least this seems to be the hope of some companies which install it. Increasingly,

evidence is appearing that traditionally managed companies which install modern information and manufacturing technology end up with significant problems. These problems tend to come about because of the misfit between the management style and the technology which is adopted (Zubhoff, 1988). Much of the early writing on information technology assumed that it was either neutral with respect to management style or that it could be used most effectively in the service of a traditional top down management style.

The argument that information technology favors traditional top down management is based on the assumption that it makes possible a kind of close control which cannot be exercised in a manual environment. It makes it possible because tremendous amounts of information can be gathered, processed, and used for control purposes. The data, however, from environments where automated equipment, and information technology have been installed suggests that it may be relatively incompatible with traditional top down management styles (Majchrzak, 1988; Zubhoff, 1988). One reason for this has to do with the ability of traditional supervision to be effective in a automated environment. In a traditional manufacturing environment, supervisors can often look at individuals and easily tell whether they are performing their work effectively. In a highly automated environment this simply is not possible. Often employees are doing work that supervisors do not understand as well as the employees and quick observation cannot tell whether they are doing the job effectively, ineffectively, or for that matter, at all.

In addition, the kind of employees that end up working in automated information technology type environments often resist

traditional top down control. They gain a sense of empowerment from the skills that they develop, as a result ordering them to do something, telling them certain information is not available to them, etc., simply does not fit with their view of how they should be managed.

Finally, particularly in those situations where information technology is available, employees often end up with access to information and skills that previously was restricted to management. Thus, employees tend to expect a different relationship with the organization and to be involved in more decision making.

In short, the argument is that automation and information technology are not neutral with respect to management style. To be utilized effectively, they need to be combined with more participative management styles. Therefore, they often are not the way for traditionally managed firms to improve their economic performance. Indeed, they may worsen the economic performance of traditionally managed companies because installing them represents a large cost and if they are not utilized in an effective way, the cost cannot be recovered.

#### Likely Gains

There are no good data on just how much improvement an organization can expect from a strong and effective program that emphasizes doing the old better. My guess is that it often can lead to a 15-20% improvement in operating performance and that in some cases this can be enough to significantly help an organization's international competitive position. I arrive at this number based largely upon the amount of cost reduction organizations seem to be able to accomplish when they have focused on reducing management overhead and



unnecessary operating costs. Of course, this is just an overall number. It can be much larger in organizations who start from a low base or a poor performance history. Those organizations that have truly become bloated bureaucracies with poor internal management systems clearly can gain much more than 15-20%, while an organization like IBM which has done a good job of managing for decades probably has much less to gain from this type of change strategy.

While Strategy I typically leads to improvements in operating results, there is a real question whether it leads to improvements in the quality of work life for individuals in the organization. Indeed, it is likely that rather than leading to an increase, it may lead to a decrease. Basically, it does little to change the fundamental work situation of most individuals in the organization. Since it retains the hierarchical bureaucratic model most jobs in the organization end up being repetitive unenriched jobs and most individuals end up with relatively low power, few opportunities for personal growth and development and little control over their personal destiny.

In many respects, the work situation of individuals may get worse with the adoption of this strategy. Insecurity and threat are created by the inevitable reductions in jobs and people. In many traditional organizations such as IBM and AT&T, one of the great sources of satisfaction for individuals was the job security guarantee which these organizations offered. Although the challenge level may have been low in many jobs, the threat level and stress level was also low. In a world where suddenly 10, 15 or 20% of the employees are let go by the organization, the stress level has to be much higher. The stress can be compounded if new technology is tried and employees are suddenly asked to operate new high technology equipment.

Finally, in many organizations the effect of Strategy I is to take some of the slack out of the organization. This can have the effect of reducing some of the perquisites associated with being in a successful, traditionally managed organization. These perquisites include the chance to socialize and go to training activities, meetings and other events that remove individuals from their day-to-day work activities. When an organization is going through a Strategy I approach to improving effectiveness, many of these perquisites and benefits disappear because cost controls on travel, training, etc. are put into place. Finally, career tracks are disrupted and promotions become less likely because the hierarchical positions simply are not there any more.

In short, although there is relatively little evidence on the impact of Strategy I on quality work life, there is good reason to believe that it is largely negative, even for those who survive the downsizings which are so prevalent. In essence, the argument is that Strategy I tends to lead to some performance improvement simply because it is an effective way to reduce cost, but there is a loss of quality of work life. This in turn may lead to lower commitment on the part of individuals because their traditional psychological contract with the organization has been broken. The organization is no longer the secure, lifetime employer that it was. This in turn can lead to individuals looking elsewhere for employment and considering career changes even if they personally have not lost out as a result of the strategy.

Finally, there is the issue of how long term the savings realized from Strategy I are. Cynics point out that large bureaucratic organizations go through spasms of cost cutting and that the current activities may be just another round of these. The argument is that

large staff groups and many layers of management occur because of the inherent needs of traditional organizations. They operate on control and good top down decisions. Thus, it is hardly surprising that over time they tend to add people who are assigned to control type positions. This argument suggests that not only will the typical Strategy I approach tend to produce limited gains, these gains may be temporary.

## STRATEGY II: COMPETITIVE REPOSITIONING AND NETWORKING

The essence of Strategy II is for an organization to locate its various operations and functions wherever and with whomever there is a competitive advantage. This location can be onshore or offshore, indeed it can be in another company such that the organization ends up with suppliers that do all or part of its manufacturing, engineering and marketing. It is perhaps easiest to see how this strategy unfolds with a manufacturing organization. Manufacturing organizations can position their production facilities anywhere in the world to take advantage of the availability of labor, low labor costs, raw material supplies, and government regulation because with modern transportation and communications technology, products can be in the United States ready for sale in a few hours or at most days.

Strategic positioning doesn't have to involve only doing manufacturing elsewhere in the world. Engineering can be done in a number of locations around the world. For example, companies are doing microelectronics engineering in Israel because there is a ready supply of electronic engineers there. Similarly, Taiwan and Scotland have a good supply of engineers, so they can be used as a location for

engineering. Carrying the strategic positioning one step further, organizations can decide that they don't need to do manufacturing at all. They can simply subcontract to someone who is particularly good at it and has a favorable manufacturing situation. The U.S. based organization may end up as a designer and marketer of the products rather than as a manufacturer. Several years ago Business Week magazine referred to this strategy rather derisively as the "Hollow Corporation" model.

There are a number of organizations that are using the strategic positioning or networking strategy. Nike, a U.S. shoe company, is a classic example. They do nothing but design and market their products. They use manufacturers in Asia to do all of their manufacturing. This gives them relatively low manufacturing costs and the ability to rapidly change the styles and production levels. They, in essence, have no ongoing responsibility for their manufacturing workforce and don't have to worry about things like severance pay, U.S. benefit levels and regulations on environmental protection, safety, etc. nor do they have to worry about how their manufacturing employees are managed.

Often, the strategic positioning strategy leads organizations to an alliance or network model. In the alliance model, organizations form relationships with other organizations to fill-in the pieces of their product line or to perform functions that they can't perform effectively (Miles and Snow, 1986). This model is increasingly prevalent in the auto industry. Ford, for example, owns a part of Mazda, a Japanese car manufacturer, and sells Mazda made cars, some of which are made in U.S. through its Ford dealerships. Of course, when they are sold

in the Ford dealerships they have the Ford name on them and are sold as a Ford product. The reality, however, is that Ford has decided that there is a part of the auto market in which they cannot compete, given their costs and capabilities, and they have decided to fill that part of their product line with a Mazda car, which is designed in the U.S. and Japan but manufactured in the U.S.

Similarly, General Motors has turned over one of their factories in Fremont, California to Toyota to manage. Toyota, in turn, manufactures a car there that is sold through both General Motors and Toyota dealers. This alliance came about because General Motors found itself unable to successfully manage the Fremont plant, and Toyota, because of its growing sales, needed a U.S. manufacturing base.

In the world of computers, a great deal of strategic positioning has taken place over the last few years. For example, AT&T has put its name on and sold Italian made Olivetti computers in the United States while Olivetti has sold AT&T computers in Europe. This came about because AT&T had little capability to manufacture low cost personal computers. Its U.S. manufacturing operations clearly were too high cost to be viable in the highly price competitive personal computer business so they bought part of Olivetti and had it manufacture a personal computer in Italy that was designed in California.

As Johnston and Lawrence (1988) point out, McKesson, a multibillion dollar health care company, has successfully used a network strategy to put itself at the hub of a large business. Most moving pictures are produced by network organizations, the old studios that did everything have given way to networks of organizations that do different parts of the production and marketing process. Finally, and

some what ironically, faced with high wages in Japan electronics company, Uniden does no manufacturing in Japan, it only does engineering and marketing there.

### Effectiveness of Strategic Positioning Strategy

There is no question that the strategic positioning model has worked well for many organizations. Companies like Nike, Reebok, and Benneton have used it effectively in the consumer products market. Other companies have used it to reposition their manufacturing capabilities by moving their manufacturing to low wage locations. Indeed, it may be the only way for American companies to be competitive in businesses which are highly labor intensive. It also fits businesses which are very dynamic because it minimizes the commitments of an organization to employees, plant, and equipment. It clearly is a strategy which will continue to proliferate and succeed.

Little is known about the effects of the strategic positioning strategy on quality of work life. Overall, it may be more positive than negative. Particularly if it moves repetitive work out of the United States into cultures where it is a better fit with the values and aspirations of the people, it can have an overall positive effect. The problem, of course, is that it may reduce total employment in the United States and lead to greater job insecurity and ultimately, unemployment. It can keep in the United States, however, the predominately higher value added more complex knowledge work that can lead to better and more interesting jobs for the U.S. workforce.

One trend, however, suggests the potential reversal of the traditional pattern of "good work" staying in the United States and low challenge jobs being done overseas. The Japanese auto companies are

increasingly manufacturing in the United States, but doing their engineering and design work in Japan. A similar trend is developing in the electronics area with respect to T.V. sets. Carried to an extreme, the United States could end up as a major manufacturing location for Japanese designed products. The overall impact of this on the quality of work life in the United States certainly would be negative because of the type of work which would move out of the United States.

It is difficult to assess the impact of network organizations on employment stability. It would seem that those organizations which are at the hub of the network could provide relatively stable employment, since they can easily adjust to change by realigning the network rather than by restructuring themselves, indeed this is the major advantage of this strategy. The fate of the organizations and employees that are not central to the network is less clear. They could end up in very insecure positions as they apparently often do in the Japanese auto industry (Johnston and Lawrence, 1988). However, if they are very skillful at joining new networks they too could be rather stable. For example, shoe manufacturers could shift from making Nike shoes to making Reebok shoes if that is what is popular.

Among the most interesting issues that come out of the strategic positioning approach are those having to do with human resource management systems. Very little is known about how to design and operate human resource management systems in organizations which are highly networked and based on alliances and temporary relationship. There are a great number of unknowns and challenges in managing the traditional multi-national type organization. Issues of pay structure, career development, movement of foreign nationals, etc., all pose

interesting challenges to the traditional multi-national corporation. These are compounded greatly, however, when the issue is one of managing an organization that depends on its alliances with other corporations, many of which are foreign based.

It seems clear that negotiating skills are very important in any organization which is based on alliances. Thus, career tracks and training programs need to focus on how negotiating skills can be developed and on developing individuals who can influence decisions through other than traditional hierarchical power. In essence, in this kind of organization, the traditional hierarchy is in many respects obsolete. However, unlike the high involvement organizations that we will talk about next, power doesn't necessarily come from direct involvement in strategic decision making. Rather it must come from strategic alliance building and win-win marketing.

The networking model in particular leads to interesting issues around reward systems. For example, performance appraisal no longer easily fits into the traditional one over one supervisory model. When individuals are working in a network type organization, there are often multiple individuals who see their performance and are critical to the evaluation of a person's performance. Thus it seems that performance appraisal models need to change to ones which are based on multiple inputs and in some cases inputs from individuals who are not employees of the same organization. In addition, pay grades which are based on number of subordinates don't make any sense because individuals can have extremely demanding and complex jobs even though they supervise no one.



The kind of career tracks that individuals need in order to be managers in the network type of organization may need to be different than in the traditional hierarchical organization. For example much of what is done in the networking organization at the managerial level has to involve linking and integrating activities. Preparation for this in many cases may require careers that involve working in other organizations and certainly in multiple functions. Thus, organizations may need to work out career tracks that involve loaning employees to other organizations, perhaps their business partners, and rewards for individuals who take these positions.

In summary, the argument has been made that particularly in the human resource management area, moving to a networking approach calls for very different human resource management practices and approaches. Unlike strategy one which simply calls for work with traditional well developed models of pay, selection, career development, etc., when repositioning leads to networking, the development of new thinking and new approaches is called for. If, as seems likely, organizations in the United States are increasingly going to adopt the strategic positioning approach, there should be many research opportunities for individuals interested in developing new and innovative approaches to human resources management.

From an organization design point-of-view there also should be a number of interesting research topics that develop out of the adoption of the network approach. Just as new human resource management approaches are needed with the adoption of this approach, new approaches to organization design and structure clearly are in order. Particularly because of the different power relationships that exist

between partners in a network type organization, the use of traditional organization designs is not likely to be effective. In many ways, these organizations are like matrix organizations since they rely upon multiple reporting relationships and carefully balanced priorities (Davis and Lawrence, 1977; Galbraith, 1977). The problem is that many U.S. organizations tried and failed to successfully implement matrix organization approaches. At least one argument is that they failed not because matrix organizations are inherently flawed, but because the implementation was poorly done and lacked a good knowledge base. This suggests that with the growth of networking organizations a great deal more research is called for on how to manage and structure organizations that align themselves in non-traditional ways.

Overall, strategic positioning through network organizations and other new forms of organization represents an interesting and potentially powerful strategy for an American organization to use. It also represents an interesting one for researchers in the field of human resource management and organization design. Potentially, it can lead to new forms of organization that require very different human resource management practices. The research opportunities are likely to be great. As far as employees are concerned it can also be a relatively positive move. Strategic positioning may create more opportunities for individuals to function in work situations where they have meaningful work and the opportunity to develop new and different skills. Like matrix organizations network organizations probably are not the place for individuals who have low tolerance for ambiguity and need clear cut status relationships in order to be satisfied, but for many others they may be a good fit.

### STRATEGY III: HIGH INVOLVEMENT ORGANIZATIONS

The third strategy that has emerged is the most interesting from an organizational behavior point-of-view. In many ways it represents an evolution of thinking which began in the organizational psychology literature of the 1940s and '50s. At that time writers such as Lewin, McGregor, Argyris and Likert, stressed the desirability of organizations being managed in a more participative and democratic manner. This led to a long series of studies showing the advantages and disadvantages of democratic leadership styles. Interestingly, these studies were done in traditional organizations that by and large were managed in a hierarchical manner. This is an important point because as we will see later, one argument is that participation and employee involvement only makes sense when its done in a congruent work setting.

Some of the earlier writing also focused on issues of work design, pay systems, and indeed, did argue for a change, not just in leadership style but in other features of the organization's design. Theory Y, as expounded by McGregor, put into a philosophical context the values of participative management.

The problem with the early writings on participative management was that although some people read them, few organizations adopted the practices suggested by them. There are a number of reasons for this including the fact that in many cases the authors were not presenting a full blown organizational model that could be adopted. In many cases, they were simply arguing for new leadership or communication practices. But perhaps more fundamental was the fact that there was little reason to change. Reports did show that the traditional top down structures produced relatively low levels of job satisfaction and even

damaged individuals' mental and physical health (Work in America, 1971). Nevertheless, U.S. organizations were highly successful, and as a result, most corporations felt little need to change their traditional management style.

As noted earlier the dominance of American management and American organizations began to disappear in the 1970s, and as a result, some organizations began to take a much more serious look at the whole idea of participative management (Lawler, 1986). This undoubtedly was further spurred by the success of companies like Volvo with their team approach to building cars, and of course the perception, whether accurate or not, that the Japanese use a more participative management style. In any case, during the 1970s and 1980s some large U.S. corporations looked seriously at the idea of a more employee involvement oriented approach to management and decided that it was the right management style for them. Companies like Motorola, TRW and Xerox stated highly participative philosophies of management and have gone about implementing them throughout their organizations.

A number of organizations have instituted employee involvement in parts of their company. For example, Procter & Gamble has converted almost all of its manufacturing organizations to what they call high performance work systems. Virtually every major manufacturing company in the United States has one or more plants that have a gain sharing plan or a high performance work system (Lawler, 1986, O'Dell, 1987). Thus, in a relatively short period of time, there has been significant adoption of participative management practices by a number of U.S. corporations.

As a result of the increasing rate of adoption and the research which has been done on participatively managed organizations, it is now possible to outline in considerable detail how a high involvement organization should be designed. Less can be said about how effective they are because in most cases, the data simply aren't available. But before discussing the data on economic effectiveness and quality of work life, we need to look at the actual characteristics of a high involvement organization.

#### Characteristics of High Involvement Organizations

Descriptions of organizations typically start out by pointing out that all organizations are made up of multiple systems. Increasingly, in the last 20 years theories have gone on to stress that effectiveness is a product of the congruence among the different systems. It is not for example, good enough to have a well-administered reward system if in fact, the reward system does not fit the structure of the work, the information system, and so forth. Little actual data exist to support the congruence argument, but it has an inherent logic to it, which seems to have lead to its widespread acceptance in the organization theory literature (see e.g., Galbraith, 1977; Nadler and Tushman, 1988).

Although congruence is argued for, it is rarely specified in any detail, what in fact, constitutes congruence among the different organizational systems. Issues like what type of information system fits enriched jobs and what type of leadership behavior fits a decentralized organization are often discussed. But there is little specification of what a totally congruent overall set of organizational practices are, and few tests are specified for determining congruence or fit.

In addition to the problems of determining what constitutes congruence, most views of organization design identify different key features of an organization. Models range all the way from those which talk about only three or four systems in organization to those that specify 7 to 10. This problem, however, is not always that serious, in many cases the theories which identify fewer systems typically have incorporated some of the systems from the more detailed approaches into the limited categories in their approach. For example, some organizations talk about human resource management systems while others talk about separate systems for selection, training, and rewarding individuals. In discussing what a congruent high involvement organization looks like, I will look at eight features of the organization so that I can be relatively complete in specifying what constitutes a high involvement organization.

The overall organization principle which is central to the high involvement organization model, is that information, power, knowledge and rewards should be located at the lowest practical organizational level. This is in contrast to traditional approaches which argue for power, information, knowledge and rewards to be located at the top of an organization. Both the traditional and the high involvement model argue for congruence in the sense that they advocate the locating of all four of these factors together in an organization. The high involvement model argues that they should be located in the hands of the individual performing the work or delivering the service, while the traditional model argues that they should be located in the hands of senior management so that the senior management can coordinate, direct, and motivate the work of others.

It is one thing to specify that in the high involvement model information, knowledge, power and rewards need to be pushed down to the lowest level, it another to come up with practical, organizational, systems which in fact accomplish this. It is precisely in this area where I feel significant progress has been made in the last ten years. As we review the practices which are characteristic of high involvement organizations, it should become apparent that quite a bit of technology development has occurred so that in many cases it is now practical to talk about individual performers having a significant say in how their work is done, having them understand the functioning of the organization, having them be rewarded based on organizational effectiveness, and finally, having them be quite knowledgeable about the overall operation of the business.

#### Organization and Work Design

The literature on organization and work design gives a rather clear picture of what an organization needs to look like if it is going to be consistent with an involvement strategy (Hackman and Oldham, 1980). Table 1 summarizes this literature in terms of themes and actual organization design practices. As can be seen from the table, it argues that in order to foster involvement in the operation of the organization, jobs and the overall structure of the organization need to deviate from the traditional hierarchical approach. Through teams or job enrichment, individuals can have considerable say over how their particular work is done and how their work area operates. Through flattening the organization structure organization levels that are chiefly responsible for control and direction need to be eliminated.

The overall organization structure needs to focus more on products, services and customers than on functions. This is crucial to giving individuals an opportunity to receive feedback and to making them accountable for the effectiveness of their performance. Finally, in order to allow individuals to participate in larger strategy issues and policy development, the use of task forces and policy groups is called for.

Taken together these organization and job design practices should locate a great deal of decision making power, information and knowledge in the hands of the work performer. By themselves none of them are new nor unproven ideas as far as the organization theory and job design research literature is concerned. Perhaps the most non-traditional practice is the use of task forces and diagonal slice policy groups to make major organizational decisions. An extension of this is the idea of putting employee representatives on the board of directors. Task forces and employee board members are not present in most organizations even in those that may have gone to flat structures and team based job designs. They are included here, however, because they are a logical extension of individuals participating in important decisions that affect their work lives. Without them, employees can end up simply executing tasks and having little or no say in the overall strategy, direction, and operation of their organization.

#### Physical Layout and Design

Closely related to the issue of organization and work design is the physical layout of the organization. Virtually everyone is familiar with the typical physical layout in a hierarchical, top down organization.



Careful gradations of status symbols exist and they are allocated on the basis of hierarchical position. This clearly reinforces an internal culture of power resting at the top of the organization and the idea of power being vested in positions rather than in individuals. It also strongly encourages individuals who want status symbols to orient their career toward moving upward.

As Table 2 shows the key to a high involvement organization is a physical layout that minimizes status differences. The argument in favor of an egalitarian physical layout stems very much from the view that in a high involvement organization power should move around the organization to those individuals who have the knowledge and information to exercise it. It should not simply move to the highest level. Such things as egalitarian perquisites and facilities are a symbolic as well as a practical way to encourage individuals to treat each other based on what they have to contribute to a decision rather than on what their particular position is.

The physical layout also should support the job design structure particularly if teams are used. It can do this by encouraging fact-to-face interaction and providing teams with a physical environment that allows them to meet, problem solve, and gather the information that they need. It also can lead to the kind of informal social contact that facilitates socialization and builds group cohesiveness.

### Information Systems

The information system is critical to the success of any organization. Traditional systems are oriented toward providing information about performance upward and directions downward. As shown in Table 3, in a high involvement organization, the orientation is

very different. The key is to structure the information system such that it provides a free flow of information so that people in performer roles have a good sense of the organizations direction and performance. It also needs to provide individuals in higher level roles with data about the condition of the human system of the organization and about how effectively the organization is operating from a decision making, information processing, and cultural point-of-view.

In many cases the key to developing an information system consistent with high involvement management is the use of new forms of information technology. Computer networking creates the possibility for much greater amounts of information to be delivered to any performer. It also makes it possible for performers to handle much of the necessary coordination and information exchange without the use of a hierarchy and a supervisor to link different pieces or parts of the organization together. Thus, it is an important piece of technology in making possible a more involvement oriented management style in large, complex manufacturing operations and in many multi-location and large location organizations. It, of course, is not enough by itself, the organization also needs to be sure that it has ways of processing suggestions, providing employees with good data about how the organization is functioning and developing informal communication links. Much of this needs to be done on a face-to-face basis so individuals can ask questions and become comfortable with interpreting business information--thus, it calls for a number of meetings.

### Managerial Role

The traditional managerial role in an organization involves controlling, directing, and priority setting. In a more participative

environment very different behaviors are required of managers. As is shown in Table 4, managers need to be in more of a leadership role and engage in a number of practices that empower people and lead to their being involved in the management of the business and their own jobs. They also need to place a great deal of emphasis on monitoring the effectiveness of the organization and the external environment. They more than anyone else are in a position to sense changes in the environment and help position the organization effectively from a competitive point-of-view.

Perhaps the hardest part of the managerial role in a high involvement organization is the monitoring of the decision processes and operation of the organization. It is hard because the manager needs to walk a very fine line between abdication and over control. It is not all right for a manager to stand back and say the group decided and, therefore, there is nothing I can do even though I disagree with the decision or thought the decision was poorly made. Similarly, it is wrong for the manager to preemptively reject group suggestions and ideas about how things should be done. The right approach is to focus on how the decision was made and to be sure that the group used good decision process and made thoughtful, well considered decisions.

If the manager strongly disagrees with a decision and can clearly explicate to his/her subordinates why, then it may be reasonable to override a decision, but this should be done only in extreme cases. There is no excuse, however, for a manager allowing decisions to be made, based on a poor decision process or in a way that reflects biases or unfairness. If this is happening the manager needs to intervene and correct the decision process.

The second feature of the managers role, which is particularly important in a high involvement organization, is the need to act more as a leader. Managers need to do more than simply carry out the day-to-day administrative duties of their job. Particularly, crucial is the ability to articulate the management philosophy of the organization and the role of individuals in the organization. They need to provide a vision and manage symbols in ways that leads employees to understand the goals of the organization and be inspired by them (Bennis and Nanus, 1986). As has been pointed out in numerous books and articles on leadership, these skills are often difficult to develop in individuals. Nevertheless, a successful, participative organization needs some managers who are visionary inspirational leaders.

#### Reward Systems

The reward system in a high involvement organization needs to emphasize and support the idea of information, knowledge and power moving to the performer level. It can do this by rewarding individuals for developing their skills, by facilitating the movement of information downward in the organization and finally, by balancing power with rewards that depend on performance. It is particularly important that individuals who are empowered have rewards which are contingent upon how effectively they exercise their power. In a traditional organization it makes sense that individuals at the senior levels of management have a great deal of their compensation based upon the effectiveness of the organization. They are ones that have the power to influence organizational performance and are clearly given that power. Once power has moved downward, it follows naturally that rewards for

organizational performance should also move downward. Failure to do this constitutes a mismatch between power and rewards.

Table 5 lists a set of practices consistent with moving information, power, knowledge and rewards to lower levels. The major themes are egalitarian, skill growth oriented, individual choice and, as much as possible pay based on group and organization performance. Some of the practices listed are relatively new while others have been around for quite a while. For example, gain sharing, profit sharing, all salary workforces have been used for decades in some organizations (Lawler, 1981). Others such as skill based pay and flexible benefits have been increasingly used in just the last ten years. Very new is combining them all into a single reward system that is intended to support a high involvement management approach.

#### Training and Development

High involvement management by necessity places a strong emphasis on training and development. If information and power are going to be moved downward it is vital that the knowledge and skills to use them be moved downward as well. Thus, in Table 6, which enumerates the education practices which are consistent with high involvement organization, there is an emphasis on all kinds of training. Not only do individuals need to understand the economics of business, they need to be provided with training that supports their understanding of the work process and the work flow. They also need to be trained so that they can participate in problem solving groups, teams and task forces. Finally, skill assessment is critical. It is the key administrative procedure that an organization needs in order to be

assured that individuals are capable of exercising power and dealing with the information that they are given.

### Staffing

Not everyone is capable of or interested in working in a high involvement organization. The literature differs quite a bit on what percentage of the work force wants more challenge and responsibility in their jobs, but few dispute that not everyone does. Thus, staffing decisions need to get a great deal of attention.

As shown in Table 7 a number of selection practices need to be instituted that are designed to assure that individuals know what is expected of them and to assure that the organizations has individuals who have the motivation and ability to succeed in a high involvement organization. The selection process needs to include not only a realistic preview of the work and the way the organization operates, but a extensive testing procedure in which individuals are tested for their ability to do the job and also to handle the social and decision making aspects of the organization. The realistic preview can be handled by having individuals do the work, and be interviewed by work teams so that they have a sense of what it is like to operate in a team environment.

Once individuals are hired, then the key issues concern how promotions are handled and how job openings are filled. Here the emphasis is on participative decision making; peers are typically asked for their input into promotion and placement decisions; and, or course, a strong emphasis is placed on promotion from within.

Finally, employment security and stability are stressed because of their congruence with asking individuals to make a substantial

commitment to developing skills which are specific to their organization. High involvement organizations ask individuals to commit a great deal of their time, effort and energy to developing an understanding of their own organization and the skills that are necessary to operate it. These skills may not be transferable and, in addition, they are difficult for an organization to build and replace. Thus, a policy of high employment security and stability makes a great deal of sense both from the point-of-view of the organization, which needs to retain its valued human resources, and from the viewpoint of the individual who is being asked to develop skills which are perhaps difficult to develop and which may not be transferable to another organization.

#### Personnel Policies

Personal policies need to support a high involvement approach, not just in their content but in the way they are developed. They are also one area where even from the beginning most individuals can meaningfully participate in organizational decisions. Thus, as is shown in Table 8, it is very important that employees participate in the design of the personnel policies and in their administration. This can best be done through policy committees, grievance committees, and other cross-sectional groups of employees.

Because of the emphasis in high involvement organizations on individual responsibility and trust, it follows that the personnel policies should allow individuals considerable choice. Thus, whenever possible, practices such as flex time and telecommuting should be used. It is also important that the family responsibilities of employees be taken into account. A great deal is demanded of employees in high involvement

organizations, thus help with child care, elder care, and other family responsibilities is very important.

Finally, as part of the process of getting individuals involved in the organization, it is helpful for the organization to emphasize social events which encourage interaction. In situations where the technology tends to isolate people, social events and social interaction situations are particularly important because they can help to develop a sense of community and group cohesiveness and offset the isolation produced by technology. There should also be recognition events which acknowledge outstanding performance on the part of the organization and individuals. The key is to give social reward and recognition for doing a good job.

#### Overview: High Involvement Management

Now that we have reviewed eight design areas, we can return to the issues of congruence or fit and the issue of how different high involvement is from traditional management. As a general rule, the practices described are congruent with an organization design which pushes information, knowledge, power and rewards downward. Taken together these practices constitute a radical departure from traditional management and open up a number of interesting new research areas for organizational researchers. Not only are there numerous issues having to do with the effectiveness of such new practices as skill based pay, flexible benefits, work teams, information technology and employment security, there are perhaps even more issues around the interface between the different systems. Are the systems congruent with each other? Do they in fact support each other and lead to organizational effectiveness? These questions have not been answered,



but they warrant research and potentially can lead organizational researchers into new areas and new research paradigms.

### Quality of Work Life Impact of High Involvement Management

There is little systematic data on the impact of high involvement management on quality of work life of employees. There is attitude survey data on a case-by-case basis which tends to show that employees are more satisfied when have enriched jobs, participate in decisions, share in the financial gains of their organization and so forth (Lawler, 1986; Sashkin, 1984). These results are extremely important and cannot be dismissed. They suggest strongly that most people prefer the kind of work life that is present in the high involvement organization to the one that is present in traditional organizations.

It is frequently suggested that high involvement organizations have lower absenteeism rates, turnover rates, and grievance rates. Again, no systematic data are available to support this point, but case after case tends to support it (Guzzo, Jette, and Katzell, 1985; Katzell and Guzzo, 1983). This finding follows directly from the argument that high involvement work situations are more satisfying and rewarding to individuals.

Stress is the one area where high involvement organizations may have a negative impact on quality of work life. This speculation rests on the argument that along with power and responsibility inevitably comes stress and demands that not all employees are comfortable meeting and dealing with. Sometimes high involvement management leads, for example, to individuals working longer hours and, thus, being away from their families more. Numerous workers have reported to me in

interviews that they tend to take work problems home with them or in essence to think more like managers and to experience some of the stresses and strains associated with managerial roles.

No systematic evidence exists on whether or not high involvement organizations produce higher levels of stress and whether the stress is converted into physical health problems. The stress is a different kind of stress than that experienced by employees who are powerless and alienated from their work. One argument is that employees in high involvement work settings are in a better position to deal with stress than employees in traditional organizations (Karasek, 1979). Because they have the power to act upon the pressures they feel and the demands they experience in their work, they can alleviate stress in a productive way. In any case, the whole impact of high involvement management on stress appears to be in an area that is in need of a great deal of research.

### Organizational Effectiveness

High involvement management is an unproven approach to managing organizations. There are data around which suggest that it is promising, but much of the data is based on assessment of individual practices that are part of the overall model rather than tests of the overall model (see e.g., Katzell and Guzzo, 1983). The simple fact is there are few organizations around which practice the high involvement model. Those that come closest represent start up companies such as Compaq Computer and Sun Microsystems.

Perhaps the best examples of high involvement management are represented by the new plants which have been started around the United States during the last 20 years (Lawler, 1978). These plants

incorporate many of the practices and themes characteristic of the high involvement model. Similarly, some of the old participatively managed gain sharing companies such, as Herman Miller and Donnelly Mirrors, are highly consistent with high involvement model. The evidence from both the new plants and the participative gain sharing plants suggests that they indeed have been quite successful. For example, Procter & Gamble says that its new involvement oriented plants are 30-40% more productive than its traditional plants. As a result of this, it is in the process of converting all of its plants to the participative, or as they call it, the technician model. Similarly, companies like Herman Miller have been very successful for decades using the high involvement model. Indeed, Herman Miller was recently rated one of the ten best managed companies by Fortune magazine.

A recent survey that we did at the Center for Effective Organizations in conjunction with the General Accounting Office showed increased adoption of high involvement management principles. Although the data is only survey data, the report from the respondents were that the adoption of high involvement management practices did lead to improved performance. The respondents, who are senior executives, also said they plan increased adoption of employee involvement practices because they felt it could give them a competitive advantage. This finding fits with work by Dennison (1984) which shows that organizations which have participative cultures tend to show superior financial performance.

## CONCLUSION

Three strategies have been outlined for improving the competitiveness of U.S. organizations. They differ radically in their

implications for quality of work life and indeed for the kind of work that will be left in the United States. The first strategy, doing the traditional better, promises little change in the quality of work life in the United States, although it does potentially mean some improvement in organizational performance. The second strategy may well mean that many kinds of work end up being done outside the United States or in new locations within the United States. It also means the development of a new form of organization that has different jobs and that treats people very differently. Some job loss clearly is inevitable because of the education level and the high cost of doing certain kinds of work in the United States. It does raise questions, however, about what type of work will be left in the U.S. for individuals with low education levels and low desires for involvement and challenging jobs. They clearly will not have a role in organizations which strategically position themselves around the world based on local conditions. Organizations of this type are going to put their simple repetitive work in countries with low labor costs, not in the United States.

Finally, the high involvement organization seems to represent an important new way for organizations to operate in the United States. It rests on the optimistic assumption that there is nothing wrong with American work or with the United States as a place to do business, but there is something wrong with the way American organizations have been managed. It clearly is not appropriate for all organizations, work or individuals, but it may have the effect of making work more satisfying for many individuals and perhaps making it possible for many organizations to operate effectively in the United States. In essence, it can end up retaining in the United States work which might otherwise

be sent to other countries. More than any other approach, it takes the democratic participative characteristics of the American society and puts them inside the organization from a management systems' perspective. Thus, it may represent a way for U.S. organizations to be congruent with societal values and at the same time be competitive internationally. At this point it is clearly premature to declare this approach a success or one that ought to be widely emulated; clearly much more research and data are needed. Nevertheless, there are many reasons for optimism.

TABLE 1

ORGANIZATION AND WORK DESIGN

<u>THEMES</u>	<u>PRACTICES</u>
Involvement in Business	Teams or enriched jobs
Ownership over product, service, and customer	Flat, lean structure
Felt responsibility	Product, service or customer based
	Task forces, diagonal slice policy groups

TABLE 2

PHYSICAL LAYOUT DESIGN

<u>THEMES</u>	<u>PRACTICES</u>
Egalitarian	Equal access to parking, dining, entrances
Support work design	Similar offices
	Laid out around team structure
Facilitate communication	Meeting areas, few walls

TABLE 3

INFORMATION SYSTEM

<u>THEMES</u>	<u>PRACTICES</u>
Open	Distributed technology/on line capability/user friendly
Two way	Regular financial reviews
Local ownership	Suggestion processing system
Performance oriented	Attitude surveys
Human system data	Performance feedback against goals



TABLE 4

MANAGER ROLE

<u>THEMES</u>	<u>PRACTICES</u>
Leadership	Monitor culture
Visionary	Do-don't watch
Empowering	Manage symbols
Enabling	Share power and information
Participative	Set goals
	Model good decision making process
	Develop values/philosophy statement and use it
	Benchmark performance
	Monitor environment

TABLE 5

REWARD SYSTEM

<u>THEMES</u>	<u>PRACTICES</u>
Individualized	Skilled based
Performance based	All salary
Egalitarian	Gainsharing
Growth oriented	Profit sharing
	Ownership
	Flexible fringe benefits
	Participative appraisal
	Few perquisites

TABLE 6

TRAINING/DEVELOPMENT

<u>THEMES</u>	<u>PRACTICES</u>
Lifetime learning	Economic education
Economic literacy	Team skills training
Team work	Skill assessments
Personal growth	Peer input
Understand the business	Problem solving training
	Horizontal and vertical training

TABLE 7

STAFFING

<u>THEMES</u>	<u>PRACTICES</u>
Careful	Realistic Preview
Mutual commitment	Employment security
Must support the culture	Peer input
Personal growth	Extensive testing/interviewing
	Open job posting
	Test for technical and social skills
	Promotion from within

TABLE 8

PERSONNEL POLICIES

<u>THEMES</u>	<u>PRACTICES</u>
Participative design	Task force to develop personnel policies
Participative administration	Ongoing Personnel Committee
Individual choice	Grievance committee
	Flex time
	Telecommuting
Encourage social interaction	Celebrations
	Special events
	Activities that include family
Development oriented	Financial Support for education
Support family	Maternity and paternity leaves
	Child care

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