Individualizing Organizations: What it takes
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Forty years ago, I wrote an article arguing that organizations could be more effective and provide a better quality of life for their employees if they would individualize their relationship with their employees. The argument presented was simple. People differ, and as a result, no common treatment of them will fit all of them or, in many cases, even a majority of them. As a result, when organizations use the same approach to things like compensation and job design they get poor results in motivation, attraction, retention, skill utilization, and a host of other key performance factors.

A lot has changed in the forty years since my first article on the topic. However, organizations still lean toward treating all their employees the "same." They argue that it is the fairest and best way to deal with individuals. Although organizations may not have moved towards individualizing how they deal with their employees, the diversity of the employee populations has grown enormously in the last forty years. This is the result of numerous factors including globalization, employees delaying retirement, more women working, and less racial discrimination.

Overall, the case for individualizing the relationships between individuals and organizations is easier to make today than it ever has been. It is also easier to implement than it ever has been and there is more need for it. But implantation lags.

Much of the work in organizations today is easier to individualize, than was the work that existed forty years ago. More frequently, it is service work and knowledge work that is not as restricted in how it can be done and when it can be done by technology. In addition, the

capability to transfer work related information has increased greatly. Because of the advances made in information technology and mobile work tools, employees can work in multiple locations at different times and in different ways.

The best way to individualize work is to create systems that allow for choice. For example, compensation systems that allow people to make choices among fringe benefits, and flexible scheduling arrangements that allow people to work when and where they can do it most effectively.

In many organizations, the technology that is necessary in order to have an effective, individualized organization exists. What does not exist are managers who can effectively manage individuals who differ in work assignments, where they work, how long they work, when they work, how they are rewarded, and to some degree, how they are led. Unfortunately, it requires managerial beliefs and a skill set that is uncommon, even in today's best-managed organizations.

Managers continue to believe that fairness means equal or the same treatment. This view is held by most managers and executives, and goes along with the view that it is easier to manage organizations in which people are "treated the same." These beliefs are one of the most important reasons why organizations do not implement individualization even though it is much easier to implement now and the gains are potentially much greater.

A second reason implementation lags is that most managers only know how to treat people in a "standardized way" instead of in the right way. This will only change if organizations focus on creating a culture of individual treatment and managers are trained to develop and implement this culture. For example, they need to know how to do such things as individualized

performance reviews. They need to recognize the reality that some people should be appraised every few weeks, others perhaps every few years. They need to help individuals understand why in a reward system, some situations call for a bonus plan rather than a traditional salary increase plan and vice versa. They need to be able to structure a work relationship that is individualized and optimal. This type of work individualization requires being able to understand the work being done as well as the individual's needs for recognition, financial rewards, interesting and challenging work, work life balance, etc.

In summary, many of the obstacles which have made it difficult to individualize work relationships have disappeared. Technology can eliminate more of them and the very nature of the work being done can eliminate others. It is time for the final obstacle to be eliminated. Organizations and the managers in them need to commit themselves to creating individualized work environments that optimize organizational performance and the quality of work life.