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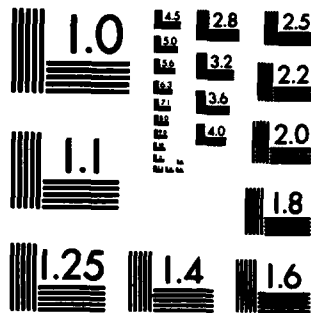
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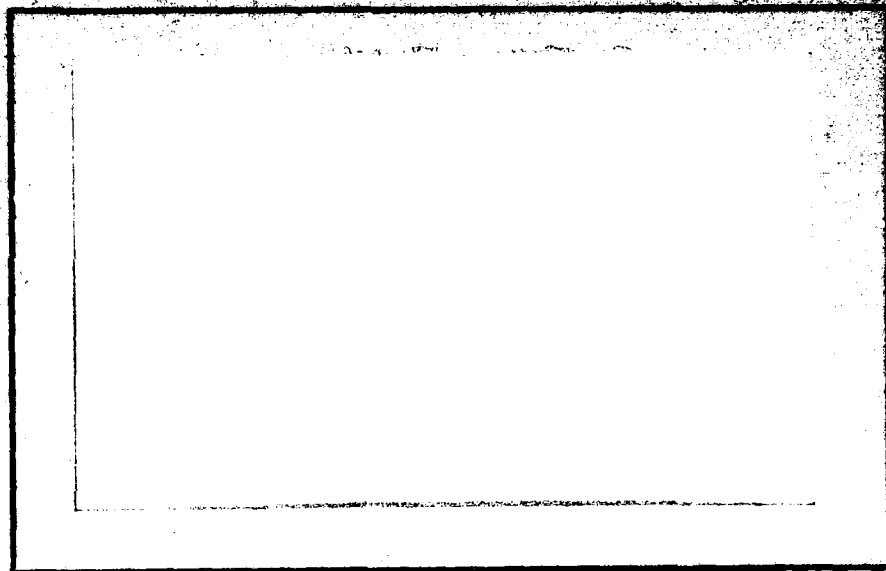
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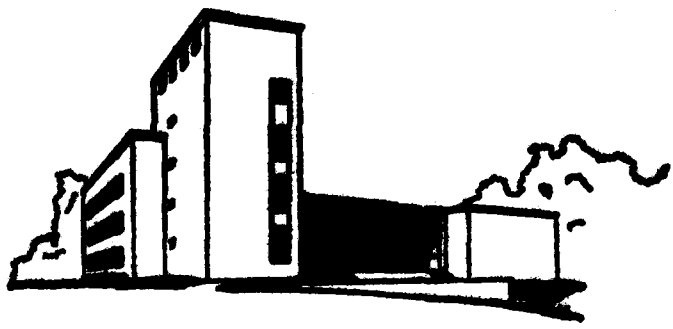


Carnegie-Mellon University

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GRADUATE SCHOOL OF INDUSTRIAL ADMINISTRATION

WILLIAM LARIMER MELON, FOUNDER



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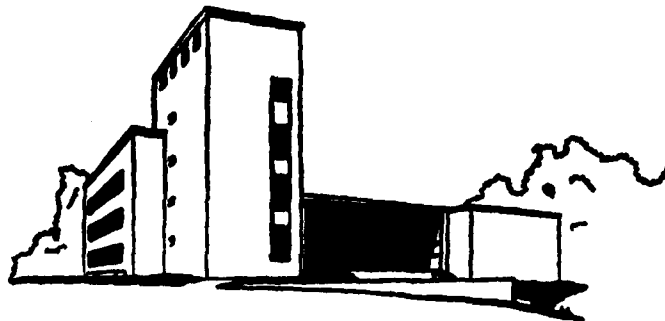
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INSTITUTIONALIZATION OR MAKING
LABOR AND MANAGEMENT CHANGE
PROGRAMS LAST *

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ABSTRACT

→ The basic argument of this paper is that many labor-management change programs, while initially successful, do not last. The reasons for this lack of persistence have been identified. Lastly, action plans to insure long-run viability are presented. ←

In the 1970's we saw a proliferation of new forms of work organization projects conceived by labor and management. These projects were aimed at improving the quality of working life (QWL), the quality of union-management relationships, and organizational effectiveness. In many ways the new forms of work organization were revolutionary in the sense that they represented fundamental changes in how labor and management could work together, how work would be organized, and how organizations might be designed. Some examples of new forms of work organization are discussed below.

Autonomous work groups represent one type of QWL or new form of work organization project. Basically, these are self-governing groups organized by process, place, or product. There is a substantial shift in authority and decision-making as the group takes over decision-making on hiring, discipline, allocation of production tasks, etc. Most autonomous groups encourage job switching, and pay is by knowledge rather than activities (Goodman, 1979).

Labor-management problem-solving groups represent another common form of change. In this type of program, a hierarchy of linked problem-solving groups is superimposed on the existing organizational structure. The groups are generally arranged following the current organizational structure, with lower level groups dealing with problems specific to their areas, and higher level groups dealing with problems that cut across multiple organizational units. These groups meet regularly. Products from these groups include work simplification, flextime projects, new performance appraisal systems, etc.

Many other organizational changes such as QC circles, Scanlon Plans, job enrichment activities, and matrix business teams, were introduced during

this period. They all represent fundamental changes in the organization's communication, decision-making, authority, and reward systems. They also create fundamental changes in the relationships among people within the organization.

This paper concerns whether these programs last. That is, after some period of initial success, do these change programs persist or remain institutionalized, or are they just temporary phenomena? Why do some projects decline while others do not? What factors shape whether these QWL projects have some long-term viability?

Significance

The importance of understanding more about the concept of persistence or institutionalization of change should be apparent. If one is interested in bringing about long-term change in the quality of working life, labor management relationships, and organizational effectiveness, then we must know more about why some change programs remain viable while others decline.

Unfortunately, there are very few well developed frameworks for understanding this problem area (c.f. Goodman and Dean, 1981; Walton, 1980). So it is difficult to go to the organizational literature to gain insights, in some systematic way, of why change programs do or do not decline over time.

Yet there is some growing evidence (Mirvis and Berg, 1978; Goodman and Dean, 1981) that many of these new forms of work organization projects do not last. Goodman and Dean (1981) recently examined the persistence of change in a heterogeneous sample of new forms of work organization projects. They selected organizations in which the change program had been successfully introduced and where some positive benefits had been identified. Goodman and Dean interviewed participants in this organization four to five years

after the project had been implemented. They wanted to know whether the change activities had persisted. Only one-third of the change programs exhibited some reasonable level of persistence. The other change activities were either non existent or in decline.

Of course, it is difficult to ascertain any national percentages about the number of change programs that exhibit persistence. We will never know exactly how many QWL or new forms of work organization projects will decline and fail. However, common sense and growing empirical findings suggest that maintaining change is a significant problem for labor leaders, managers, and practitioners of organizational change.

INSTITUTIONALIZATION---A DEFINITION

Institutionalization is examined in terms of specific behaviors or acts. We are assuming here that the persistence of QWL type change programs can be studied by analyzing the persistence of the specific behaviors associated with each program. For example, job switching is a set of behaviors often associated with autonomous work groups. To say that the behaviors associated with a program are practiced is to say that the program is institutionalized. An institutionalized act then, is defined as a behavior that is performed by two or more individuals, persists over time and exists as a part of the organization.

When we say that a behavior such as job switching is "part of the organization" we mean that members of the organization know about job switching, like to do it, and consider it appropriate for all members of the organization to job switch. Remember, institutionalized behavior does not depend on any one individual, it is an organizational phenomena.

Persistence is another key idea in our thinking about institutionalization. Persistence in the context of planned organizational change refers

to the probability that the key behaviors in an organizational change program get performed. Such behaviors may include labor-management committee meetings, making suggestions in a Scanlon Plan, or job switching in an autonomous work group.

In summary, the defining characteristics of institutionalization of an organizational change program are performance of the change program behaviors, persistence of these behaviors, and the incorporation of these behaviors in the daily functioning of the organization.

Degrees of Institutionalization

It should be clear from our definition of institutionalization that an act is not all-or-nothing. An act may vary in terms of its persistence, the number of people in the organization performing the act, and the degree to which it exists as part of the organization. The problem in some of the current literature on change is the use of the words success or failure. This language clouds the crucial issue of representing and explaining degrees or levels of institutionalization. Most of the organizational cases we have reviewed cannot be described by simple labels of success or failure. Rather, we find various degrees of institutionalization.

The basic questions are, then: What do we mean by degrees of institutionalization? How do we measure these degrees?

We have identified five factors that contribute to the degree of institutionalization.

1. Knowledge of the behaviors. Remember that institutionalization is analyzed by looking at the behaviors required by the change program. Here we are interested merely in how many people know about these behaviors, and how much they know. Do they know how to perform the behaviors? Do they know the purposes of the behaviors? For example, "team meetings" are a part of

many QWL programs. In some cases, people know that they are supposed to have team meetings, but don't know what they are supposed to do in the meetings. In other cases, people may not even know that they are supposed to have the meetings. In this type of situation, the change program is not very institutionalized. This is why knowledge of the behaviors is important.

2. Performance. Here we are interested in how many people perform the behaviors, and how often they perform them. This is not quite as simple as it sounds, however. First, some behaviors are supposed to happen more often than others. A labor-management committee may be expected to meet occasionally, say about once a month, while team meetings are held weekly. We would not say that team meetings are more institutionalized than the labor-management committee just because they are more frequent. Second, some behaviors are supposed to be performed by more people than others. Most employees would be involved in team meetings, but only a few would take part in a labor-management committee. Again, we would not want to say that the team meetings were more institutionalized than the labor-management committee. The idea is not merely to count the number of persons or the frequency of behaviors, but rather to compare numbers and frequency to the levels required by the change program. Only then can reasonable comparisons be made.

3. Preferences for the behaviors. Here we are interested in how much people either like or dislike performing the behavior. In well institutionalized change programs most organizational members will like the critical program behaviors. In change programs on the decline there generally are negative feelings expressed toward the critical program behaviors.

4. Normative consensus. This aspect of institutionalization measures two things: 1) how aware individuals are that other people in the organization are performing the behaviors, and 2) how aware people are that other people

feel they should perform the behaviors. Generally, when we see other people performing a behavior, we assume that they want to perform it, even though this may not be true.

Note that this measure of institutionalization is not the same as the last two we listed. While they measure how many people perform the behaviors and how much they like or prefer them, here we are interested in people's beliefs about how many others perform and feel that they should perform the behaviors. The more people believe that other people both perform and feel that they should perform the behaviors associated with the program, the more the program is institutionalized.

5. Values. The final measure of institutionalization is the extent to which people have developed values concerning the behaviors in the change program. Values are general ideas about how people ought to behave. For example, many change programs include behaviors consistent with the values of freedom and responsibility, as in autonomous work groups. The more people have developed these values, and the more aware they are that others have developed these values, the greater the degree of institutionalization for the change program.

The five aspects above represent measures of the degree of institutionalization. But how do we combine them to get an overall measure? The answer is relatively simple, because the five aspects of institutionalization generally occur in the same order. This is the order in which we presented them. First, people develop beliefs about the behaviors (#1), and then they begin to perform them (#2). People start to develop feelings about the behaviors (#3), and others come to be aware of these feelings (#4). Finally values start to evolve concerning the behaviors (#5). The further this sequence has progressed, the more the program has become institutionalized. Thus, in one program, people may know about the behaviors and perform

them, but none of the other aspects may be present. In another program, the behaviors may be known, performed, liked, and supported by norms and values. The latter program is obviously more institutionalized.

Summary

A change program is institutionalized when the behaviors required by it are performed by two or more persons over a period of time, and persist over time. We have argued that institutionalization is not an all-or-nothing question, but a matter of degree, and we have identified five aspects of institutionalization in order to measure the degree to which it has occurred. A program is institutionalized to the extent that it has progressed from the levels of knowledge and performance to preferences, norms and values.

FACTORS WHICH AFFECT INSTITUTIONALIZATION

General Framework

Now that we have a way to represent the degree of institutionalization, we can try to explain how and why it happens. Why are some QWL programs more institutionalized than others? Our opinion is that there are five processes which affect the degree of institutionalization. These processes are important in explaining why some programs decline, while others grow and persist over time. The processes are:

1. Training. This is a broad category, that includes the training of employees at the start of the program, training of new employees as they are hired or transfer in, and the re-training of employees at later times about features of the change program.
2. Commitment. This refers to how motivated people are to perform behaviors in a QWL program. High-commitment individuals invest a lot of themselves into new work behaviors, and they will resist attempts to change

these behaviors. Commitment toward a new form of work behavior is enhanced when people voluntarily select that behavior in some public context.

3. Reward allocation. This refers to what rewards are distributed in the program, who gives them and who gets them, and when they are distributed.

4. Diffusion. This refers to the extension of the behavior into new areas, to new work groups and individuals. If the behaviors are introduced in work group A, and we eventually see them being transferred to work group B, diffusion has occurred.

5. Feedback and correction. This refers to the processes by which the organization can assess the degree of institutionalization, feed back information and take corrective action. Many organizations we have observed have no way of telling how well their programs are doing. Therefore, there is no way they can take corrective actions.

We believe that these five processes are the major factors in predicting the degree of institutionalization a program will attain. There are, however, other important factors that affect these five processes. They are the structure of the change program and organizational characteristics. Structure of the change program means such things as the goals of the change, how general it is, the critical roles associated with the change (consultant, facilitator), etc. Organizational characteristics are arrangements existing in the organization prior to the change program. It is the "canvas" on which the program is "painted." Organizational characteristics include such things as work force skill level, labor-management relations, and existing values and norms. It should be emphasized that these factors are important only insofar as they affect the five processes listed above (see figure 1).

Empirical Findings

This section is concerned with findings of the present authors, as well

as others, about the processes and other organizational factors related to institutionalization. We will consider findings about processes, the structure of the change, and organizational characteristics, to see if studies bear out what we have argued in the previous section. The main results came from a recent study by Goodman and Dean (1981), as described earlier in this paper, but the findings of other authors will be included where they are appropriate.

A. Five Processes

1. Training

The first process to be discussed is training. Training is providing information to organizational members about the new work behaviors. There are three major situations in which training is important: training as the program is started, retraining after the program has been in place for a while, and training of new members of the organization. Most organizations do an extensive amount of initial training, but are less consistent in retraining and in the training of new members.

Golembiewski and Carrigan (1970) report that retraining can lead to persistence. In a program designed to change the practices of high-level managers in the sales division of a manufacturing firm, they found that a retraining exercise several months after the program was instituted strengthened the persistence of the program. Similarly, Ivancevich (1974) compared Management by Objectives programs in two large manufacturing firms. One firm had a retraining exercise, while the other had none. After three years, the program in the former plant was more institutionalized. Goodman (1979) in a study of a change project in an underground coal mine, reports that a decrease in frequency of training after the first year of the project contributed to its decline.

Organizations have also been found to differ in their attention to the training of new members, once the program is in place. Goodman and Dean (1981) found that programs in which attention was paid to this type of training were likely to be more institutionalized.

2. Commitment

Commitment refers to how motivated people are to perform a behavior and to resist changing that behavior. Therefore, a high degree of commitment should increase the chances that behaviors in a QWL program would continue, or be institutionalized. Commitment toward a behavior is increased when people voluntarily select that behavior in some public context. A recent study by the present authors (Goodman and Dean, 1981) has demonstrated the importance of commitment for institutionalization. For example, an autonomous work-group program seemed to grow and develop when personal choices were carried out freely. Later in the program, when the organization required others to participate in the program, it began to decline. The same study also found that programs with more frequent commitment opportunities were more institutionalized than those with limited commitment opportunities. Several other studies have noted the impact of commitment on institutionalization. For example, Ivancevich (1972) attributed the failure of a Management by Objectives program to a lack of commitment by top management. Walton (1980), on the other hand, notes high levels of commitment in several successful programs of work innovation.

Kiesler (1971) and his associates have done research on commitment that is important for understanding institutionalization. Their research is about the effect on commitment of an attack on someone's beliefs. If the person is weakly committed, the attack will make them still weaker. But if the person is strongly committed, the threat will make them even stronger. These

findings relate to institutionalization in the following way: One of the problems in institutionalizing a change program is turnover. New employees have not been convinced that the program is worthwhile, and so may be seen as an attack on the beliefs of the "old" employees. If this turnover occurs early in the program, while commitment is still weak, it will further weaken the program. However, if new members can be kept to a minimum until later in the program, when commitment is stronger, it may actually strengthen the program.

3. Reward Allocation

This is the process by which rewards are distributed to employees in connection with the change program. Three aspects of the reward allocation process are important in understanding institutionalization: What types of rewards are available, the links between behaviors and rewards, and problems of inequity in the distribution of the rewards.

Psychologists put rewards available from work into two categories: extrinsic and intrinsic. Extrinsic rewards are those, like pay and promotion, that are given by someone else. Intrinsic rewards are those, such as feelings of responsibility and accomplishment, that come from within the individual. Many organizational change programs have been based on the assumption that intrinsic rewards are sufficient for institutionalization. However, Goodman (1979) and Walton (1980) have questioned this assumption. In the recent study by the present authors, programs that combined both extrinsic and intrinsic rewards attained the highest degree of institutionalization, while programs with intrinsic rewards alone were less institutionalized.

The second issue in reward allocation concerns the link between the behaviors required by the change program and rewards. It is important that

the rewards be linked to the actual performance of the behaviors, as opposed to mere participation in the program. We have found that there is a higher degree of institutionalization in programs where the link between performance and rewards is strong. This is consistent with statements by Vroom (1964) and Lawler (1971) concerning reward allocation.

A final issue concerning reward allocation is the potential for problems of inequity. Problems of inequity occur when an employee feels he is not being fairly compensated for the work he is doing. Results of studies have shown that new programs often became complicated by problems of inequity. For example, Locke, Siroto, and Wolfson (1976) report that a job-enrichment program in a government agency did not become institutionalized. The major reason for this was that the workers were not compensated financially for the new skills they had learned. It is important to note that they had never been promised more money, but the fact that they were accomplishing more from the same pay was perceived as inequitable. Goodman (1979) reports similar problems in a program to develop autonomous work groups in a coal mine. Part of the program involved job switching, whereby each new member would eventually learn all the jobs in the crew. The problem was that the entire crew was to be paid at the same (higher) rate, which originally was paid only to certain crew members. Since it had taken years for some of the men to attain this rate, they felt it inequitable that the other crew members should come upon it so easily. This contributed to the decline of the change program.

4. Diffusion

Diffusion refers to the spread of the change program from one part of an organization to another. Diffusion is significant because the more the change program becomes diffused, the stronger the levels of institutionalization.

As long as the program is restricted to one part of the organization, people may not feel compelled to take it seriously or they may object to it. But as diffusion starts to occur, people in other parts of the organization will begin to consider whether they should participate. As the program spreads, there also are chances for counter attacks on its validity.

The importance of diffusion for institutionalization has been noted by Goodman (1979) in the coal mine study mentioned above. In this study, when the intervention failed to diffuse beyond the original target group, it was perceived as inappropriate and failed to become institutionalized. Similar findings have been reported in a study of work teams in several plants of a large manufacturing company (Personal Correspondence, 1980). When the innovations continued to be limited to a few parts of the organization, they were not seen as appropriate, and failed to become institutionalized. However, the researchers in this study caution against diffusion that is too rapid, as widespread understanding, acceptance, and resources are necessary to support such an effort. Without these prerequisites, the program will collapse under its own weight. In general then, a medium course must be found between no diffusion and diffusion that is too ambitious for the resources supporting it.

5. Feedback and Correction

Sensing and correction are the processes by which the organization finds out how well the program is doing, and takes steps to correct problems that have emerged. One of the common findings in our study (Goodman and Dean, 1981) was that what was actually occurring in the programs was often different from what was intended. That is, the organizations seldom had any formal way of detecting whether the intended change was "in-place." Only in the most institutionalized programs in our study (Goodman and Dean, 1981)

did mechanisms exist for feedback and correction. Walton (1980), who has undertaken a number of case studies of organizational change, says that the lack of feedback and correction mechanisms is a major cause of the failure of institutionalization. In another study, feedback mechanisms were in place, so that information about the progress of the program was available (Personal Correspondence). However, no one ever did anything about the problems that were detected. Perhaps the information was not available to those who had the power to do something. Or perhaps the information was available to them, and there were other reasons for their inaction. In any case, both sensing and correction mechanisms are important in attaining a high degree of institutionalization.

B. Structure of the Change

Now that we have discussed the findings about the processes, we can discuss some of the factors that affect the processes. First, we will discuss the structure of the change, which refers to the unique aspects of the change program. Specifically, we will talk about the goals of the programs, the formal mechanisms associated with the programs, the level of intervention in the programs, how consultants were used, and sponsorship for the programs.

1. Goals

Some programs have very specific and limited goals, whereas others have more general, diffuse goals. In our study, (Goodman and Dean, 1981) we found that programs with specific goals became more institutionalized than those with diffuse goals.

Another way to characterize goals is by whether they are common or complementary. Common goals are ones that are desired by both parties to the change (for example, improving safety). Complementary goals are give each party something it wants, but the parties want different things (for example, productivity for management and bonuses for employees). Goodman (1979) indicated that complementary goals can contribute to the institutionalization of QWL programs.

2. Formal Mechanisms

Most change programs have some new organizational form and procedures associated with them. These include the hierarchy of groups found in the parallel organization, the self-governing decisions made by autonomous work groups, etc. Here we are interested in how formal these arrangements are. For example, are meetings scheduled in advance? Are procedures written down? In general, we have found that programs with more formal mechanisms and procedures attain higher levels of institutionalization.

3. Level of Intervention

Here we are interested in whether the QWL program was introduced in a part of the organization, or in the whole organization. In our study, programs that were introduced throughout the whole organizational unit were more institutionalized than programs limited to a part of the organization. One of the problems with smaller-scale intervention is that people from other parts of the organization sometimes attempt to sabotage the program. This was true in four of the organizations that we studied (Goodman and Dean, 1981), none of which had programs which were very institutionalized.

4. Consultants

Most organizations, when undertaking a change program, will employ a consultant to help them. This was true in the organizations we recently studied. Some organizations use consultants for longer periods of time than others. We found that firms that rely on consultants for a long time are less able to develop their own capacity for managing the program. Consequently, after the consultant leaves, they are less able to institutionalize the program. The greater the dependence on the consultant, the less successful the program.

5. Sponsorship

Another factor that appears to affect the degree of institutionalization is the presence of a sponsor. The sponsor is an organizational member in a position of power who initiates the program, makes sure that resources are devoted to it, and defends it against attacks from others in the organization. If the sponsor leaves the organization, no one will perform these necessary functions, and processes such as commitment and reward allocation will be hampered, thus making it harder for institutionalization to occur. In our study, the initial sponsor was still present in organizations which had more institutionalized programs, but programs whose sponsors had left were low in institutionalization.

The withdrawal of sponsorship can follow from common organizational practices rather than be inherent to the change project. For example, Crockett (1977) reports a major organizational intervention in the State Department, in which substantial changes were observed to persist for years. However, when the initiator of the project, a political appointee, left office, the organization reverted to its traditional form. The new administrator was not sympathetic to the values and structure of the change program. As

support and legitimacy of the program decreased, the degree of institutionalization declined. Similar effects were reported by Walton (1978) when the sponsors of the famous Topeka Experiment left the organization, and by Levine (1980), when an innovative college president left after instituting a new structure for the school. In some cases, the sponsor left temporarily (Frank and Hackman, 1975); in other cases (Walton, 1975; Miller, 1975), the sponsors focused attention on other organizational matters. In all cases, however, the persistence of the new structures declined.

C. Organizational Characteristics

Organizational characteristics are those aspects of the organization which exist prior to the change program, which will have an effect on the degree of institutionalization which the program will attain. These characteristics are important to the extent that they affect the processes we have discussed (commitment, diffusion, etc.).

1. Congruence with Organizational Values and Structure

Whatever the nature of the change program, one important factor for institutionalization is the extent of congruence or incongruence between the change program and existing organizational properties. In general, the more congruence, the greater will be the likelihood of institutionalization. Various organizational characteristics may be important in understanding congruence. In the cases studied by the present authors, congruence between the change program and management philosophy led to higher degrees of institutionalization.

Several other authors have come to similar conclusions about congruence and institutionalization. Fadem (1976) suggests that the greater the incongruence between the change program and corporate policies, the less likely the project will be institutionalized. Seashore and Bowers (1978) explain the level of institutionalization in terms of the congruence between the organizational change and the values and motives of the individual participant. They found that a higher level of institutionalization resulted when the changes were more congruent with the values and motives of the employees. Mohrman et al. (1977) studied organizational change in a school system. They found that change programs were more likely to become institutionalized when the intervention structure was congruent with the existing authority system. Walton (1980) has shown that in some change programs there is a gap between the behaviors required by the change and the skills possessed by the employees. The greater the gap (or the more incongruence), the lower will be the expected degree of institutionalization.

Levine (1980) describes a set of innovations attempted at a state university. Some of the innovations were more congruent with organizational norms and values than others. Over time, those innovations that were congruent were more likely to persist than those that were incongruent. Similar conclusions were drawn by Warwick (1975) and Crockett (1977) concerning a major organizational change undertaken in the State Department. The new structure favored the taking of initiative by lower-level officials, which was incongruent with both the reward system and received wisdom about how to be successful at the State Department. Not surprisingly, the change did not last. Finally, Miller (1975) showed that a change program must be congruent with cultural norms and values, as well as with those peculiar to the organization. An organizational innovation in several Indian weaving mills was hampered because it did not provide for the workers' need for recognition by

superiors, which is strong in the Indian culture.

In summary, we have shown that programs can decline as a result of incongruence with existing organizational or cultural norms and values, the organizational authority system, or individual skills and motives. Of course, if these are already in conflict with one another, it will be difficult for programs to be congruent with all of them.

2. Stability of the Environment

From the evidence reported so far, it should be clear that institutionalizing a change program in an organization is a difficult task, even in the best of situations. Adding instability to the situation only makes things worse. In our study, (Goodman and Dean, 1981) there were only two cases of instability in the environment. In these cases there was a major decline in demand for the organization's products, which led to curtailments in the work force. This in turn changed the composition of many of the groups that were an integral part of the change program. These groups became less effective, which lowered the degree of institutionalization. Similar results were in another study (Personal Correspondence) as an economic recession led to lay-offs and bumping. Environment instabilities such as these represent a major obstacle to institutionalization.

HOW DO YOU MAKE QWL PROGRAMS LAST

The above discussion identifies a set of factors that can contribute to the persistence of QWL and other similar types of labor-management programs. It is important for the reader to remember that these factors to promote institutionalization, which are reintroduced below, are based on empirical findings not just on the opinions of the authors.

What should we do to make QWL programs last?

1. **Selecting of Organizations.** Some organizations simply should not get involved in QWL type change programs. A careful diagnosis is needed to be sure an organization is or is not ready. The more that labor and management can acknowledge that some of their organizational units should not get involved, the more realistic their working relationship and the more likely that a change program, when initiated, will last. Some of the reasons for not getting involved include:

- a) **unstable economic environments.** Organizations experiencing economic instability and high fluctuations in their labor force will be hard put to mount a successful long-run QWL effort.
- b) **Instability in leadership environment.** If there is likely to be turnover in key labor or management sponsors of the change program.
- c) **Mistrust between employees and management or union and management**
If there are some basic problems in the relationships between employees and employers or union and management, a QWL change effort should not be introduced. QWL type programs are not "quick fixes" for current labor and management problems. These problems need to be solved before QWL is considered.

2. **Plan for Institutionalization in the Beginning.** In most of the labor-management change programs we have reviewed most of the attention has been devoted to starting up a program. Little attention was given to maintaining the program. We think that is a mistake. Mechanisms for maintaining a program need to be considered in the early planning stages. That is, the maintenance of a program needs to be designed into the front end of a program.

3. The fit problems. There needs to be a good fit between the organization's values, philosophy and structure, and the nature of the change program. The basic problem is that when the proposed change program (e.g., autonomous work groups) is in conflict with the organization's value system (high authoritarian) it simply will not last. What do we do then if we have a low trust, highly authoritarian-hierarchical system and we want to move toward a more participative system? The answer has to be in a carefully designed evolutionary change program which will occur over an extended time period (See Goodman and Dean, 1981 for more detail).

4. Characteristics of changes. While there is no one program for all organizations we should look for the following characteristics to insure a long-run change effort.

- a) Specific statement on goals, written out and legitimated by labor and management
- b) Specific procedures to implement the labor and management program activities. Running QWL activities is a complex process. Failure to clarify these processes can lead to trouble. Where feasible we think there should be some formalization of issues such as who should be in the labor management committee, when it should meet, how members should rotate, what are the boundaries of the committee's work. Formalization increases long-run viability of the change program.
- c) Total system intervention. Change programs that can be introduced into the total organizational unit, rather than in a part, will last longer, but only if sufficient organizational resources are allocated to them.

- d) Consultants. Labor-management programs that decrease their reliance on external consultants and build their own internal expertise will be more successful.

5. Training over time. Most labor-management programs have advocated training to start up a program. We advocate periodic retraining over time to reaffirm the QWL principles to maintain the program. Special training programs for new organizational members is necessary to insure long-run viability.

6. Commitment. High commitment will facilitate the persistence of most labor-management change programs. High commitment comes from (1) voluntary participation in QWL activities and (2) opportunities for recommitment over time. QWL programs which offered opportunities for recommitment exhibit higher levels of persistence. (Goodman and Dean, 1981)

7. Effective reward systems. The design of organizational reward systems can substantially determine the longevity of a QWL program. The reward system should:

- a) include both extrinsic (e.g. pay) and intrinsic (e.g. more autonomy) rewards.
- b) link rewards to specific behaviors required by the QWL program (e.g. assuming greater decision-making responsibilities).
- c) introduce a mechanism to revise reward system. It is unlikely rewards will maintain their attractiveness over time (Goodman and Dean, 1981). A successful program will need some procedure, legitimated by labor and management, to revise rewards over time.
- d) minimize problems of inequity over compensation issues. QWL programs that have not included extrinsic and intrinsic rewards,

have not tied rewards and performance together, have not revised reward systems over time and have experienced inequity have not survived.

8. Diffusion. As the QWL program is introduced in one unit (e.g. a plant) it must be quickly spread to other adjacent organizational units. QWL programs in isolation will have trouble in persisting.

9. Feedback and Correction. One major characteristic of many QWL failures we have studied is that there were no mechanisms by which the organization could learn whether QWL activities were actually functioning or how well they were functioning. The designers of the QWL effort expected that certain behaviors such as labor-management meetings, job switching, suggestion making, follow up, were being performed. But they were either not being performed or not being performed well. A direct and accurate feedback mechanism which measures the performance of QWL activities is necessary if the change program is to adjust, grow, and remain viable over time.

Conclusion

The best way to conclude this discussion is to repeat the basic conclusions of this paper. First, many QWL programs, although initially successful, do not persist over time. Second, we now know some of the critical processes--socialization, commitment, reward allocation, diffusion, feedback--that affect the long-run viability or the failure of these programs. Lastly, a set of action plans were presented to insure the long-run viability of these programs.

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