

## Recommended Reading

- Guest, Robert H. Innovations in the Workplace, Studies in Productivity-Highlights of the Literature. The Work in America Institute, Scarsdale, NY (in press).
- Lawler, E.E., III and Drexler, J.A. Dynamics of establishing cooperative quality-of-worklife projects. Monthly Labor Review, March 1978, pp. 23-28.
- Lawler, E.E., III and Seashore, Stanley, eds. The Wiley Series on Organizational Assessment and Change. John Wiley and Sons, New York, (four books in print to date).
- Malis, Paul. Improving Total Productivity: MBO Strategies for Business, Government, and Not-for-Profit Organizations. John Wiley and Sons, New York, 1978.
- Mirvis, Phillip H. and Berg, David N., eds. Failure in Organization Development and Change: Cases and Essays for Learning. John Wiley and Sons, New York, 1977.
- National Center for Productivity and Quality of Working Life. Labor-Management Committees in the Public Sector. Washington, DC, Nov. 1975.
- O'Toole, James. Making America Work: Productivity and Responsibility. Continuum, New York (in press).
- U.S. Department of Transportation. Transit Actions: Techniques for Improving Productivity and Performance. Prepared by Public Technology, Inc., Washington, DC, Oct. 1979.
- Washnis, George J. Productivity Improvement Handbook for State and Local Government. John Wiley and Sons, New York, 1980.

## Resources for More Information

Productivity Resource Center  
Office of Productivity Programs  
Office Of Personnel Management  
Washington, DC 20044

State Government Productivity Research Center  
Council of State Governments  
P.O. Box 11910  
Lexington, KY 40578

Productivity Information Center  
National Technical Information Service  
425 13th Street, N.W., Suite 620  
Washington, DC 20004

# SPECIAL REPORT

## Human Side of Work

Rhoda Pauley

Today, the world of work is changing as radically as it did during the Industrial Revolution, only this time the changes that are occurring put people, instead of machines, first.

Why is this happening? There are two major reasons. First, there is a growing recognition on the part of top management that what employees do—or do not do—on the job carries a high cost. The effects of good, bad, or indifferent performance on the quality of our products or services have become more important in this age of continuing inflation, periodic recessions, and increased foreign competition. Put simply, we have learned—sometimes painfully—that alienated employees can produce alienated customers.

Management is also concerned with the high costs of absenteeism, turnover, recruitment, and training as jobs become more complex and specialized. When the problems of waste, pilferage and sabotage plus grievances, work stoppages, and strikes are added, the cost of employee dissatisfaction in terms of lost material and lost days can become staggering.

Productivity studies show that people account for 50 percent or more of controllable costs; in government and services, this can run as high as 75 or 80 percent. These studies also show that the human factor contributes between 10 and 25 percent to productivity growth. In the past decade, the pursuit of profitability and productivity relied heavily on financial steps and measures. Now the merger and acquisition fever has abated somewhat in the industrial sector, and realizing that major new capital and technological investments could be exorbitant, many executives are thinking about their return on the investment they have already made in people, not just plant and equipment.

## Today's Worker Is Different

A second reason why major changes have been occurring in work organizations is that today's work force is markedly different from yesterday's. The postwar baby boom has helped make it, on the whole, younger, better-educated, and more affluent. As they entered the labor force, young people born during the boom introduced new values and attitudes brewed in the cultural and social revolutions of the 1960s.

For them, self-fulfillment instead of self-denial takes first place. They are also unwilling to sacrifice today for rewards tomorrow. As Daniel Yankelovich has summed up: "In the old success philosophy what counted lay outside the self—a new car, an achieving child, a job promotion; in the new philosophy, the searcher turns inward." (Work, Values, and the New Breed. *In Work in America: The Decade Ahead*, Clark Kerr and Jerome Rosow, eds., Van Nostrand Reinhold, New York, 1979, p. 12).

The so-called "me" generation is also the "why" generation, displaying less respect for authority and institutions and wanting less to be told how to do things than why they are thought to be necessary.

Older people have also been questioning expected and established ways. We read more and more about executives who switch careers in midlife to pursue a more satisfying but less financially rewarding interest, turning down transfers or promotions because they will upset family life, including a spouse's job or career, opting for sabbaticals without pay and part-time work instead of full-time work leading into retirement.

In sum, this is the era marked by a psychology of rising entitlements. There is, as Yankelovich has aptly remarked, a general feeling that a job, a good income, and a rising standard of living are no longer privileges but rights.

Clearly, the age of individualism has dawned. Hierarchies, such as the church and the kingdom, with their autocratic rule are no longer seen as the ideal organizational models. And the most important aspect of a job for 68 percent of American workers, according to a recent Gallup poll, is "the opportunity to develop individual abilities."

These changes have reverberated through the world of work because the composition of the work force and the nature of most jobs have altered radically. Because of the postwar baby boom, the number of young people aged 15 to 24 in the work force increased by 100 percent between 1960 and 1976. There has also been a tremendous influx of women into the labor force; one result is that currently three out of five married couples in this country have at least two incomes. And finally, the multiplying of white-collar jobs, with their emphasis on knowledge instead of manual labor, has made more self-direction necessary.

### **Decline of Job Satisfaction**

The gap between these new expectations and aspirations and the old ways of work organizations showed up in the 1977 Quality of Employment Survey conducted for the U.S. Labor Department by the University of Michigan's Institute for Social Research. The results, released in 1979, showed a marked decline in job satisfaction nationwide since 1973, the date of the last survey. Some of the findings were

1. One in five respondents thought their family income was inadequate.

2. Six out of 10 workers wanted more and better fringe benefits. Chief among these were medical insurance, retirement programs, dental plans, and paid vacations.

3. Half the workers interviewed were willing to trade a hypothetical 10 percent pay raise for improved benefits.

4. More than three-fourths of those interviewed reported exposure on their job to one or more of 13 listed safety and health hazards. An equal proportion felt that workers should have "complete say" or "a lot of say" in workplace decisions involving safety equipment and practices.

5. More than three-fourths reported lack of control over days worked as a problem, and over half felt lack of control over their own job assignment was a problem.

6. More than one-third said they had skills they would like to use but could not in their current jobs.

7. More than one-fourth felt their consciences were violated by their job duties.

8. Some 30 percent of the unorganized white-collar workers and 40 percent of the unorganized blue-collar workers would vote for union representation if elections were held now.

### **Responses of Work Organizations**

Although institutions are always slow to change, a surprising number of work improvement experiments were undertaken in this country during the 1970s. The following brief descriptions will give an idea of the different forms employee participation can take.



General Motors (GM) and the United Auto Workers, who contractually agreed to quality-of-working-life experiments in November 1973, are probably the best-known pioneers in this country. There are now some 66 GM plants with ongoing projects. One long-term effort began in the early 1970s at an assembly plant in Tarrytown, New York, which was in serious trouble. There was deep-seated hostility between management and the union, frequent strikes, extremely high rates of absenteeism, constant disciplining of employees, and an enormous backlog of grievances. The plant was in such bad shape that many feared GM would shut it down.

Change began when the truck assembly line was moved to another plant and plans were made to shift other operations into the building where trucks had been assembled. For the first time, hourly employees were asked to comment on proposed changes that were posted. Their comments were found useful, and then other departments began asking for input from their employees. By 1973, the union local and the plant management agreed to launch a formal quality-of-working-life program and brought in a third party to help train supervisors and hourly employees.

Despite temporary layoffs in 1974, the program—and the plant—survived and thrived. Today, participation is a way of life at Tarrytown, which has not had a strike or work stoppage in 8 years. The quality of its production is attested to by the fact that it was selected as a pilot plant to build a new model for GM's 1979-1980 line, and this was the first time a model was built outside of Detroit.

Lincoln National Life in Fort Wayne, Indiana, developed its own variation of the quality control circles. Called quality commitment, Lincoln National's program has a three-pronged approach: (a) work effectiveness, which involves redesigning jobs so that employees use many skills instead of just one and gives them some discretion in decision making; (b) total involvement, requiring communications from the bottom up as well as the top down; and (c) performance appraisal in a way that enables the employee to evaluate himself or herself and agree on job objectives with the supervisor.

The teams involved in one project recommended the merger of their two departments, policyholders' service and accounting. The new combined department has since absorbed 16 000 units of work with no new hires and improved service. Under the old organization a total of five more people would have had to be added to handle the additional work.

Still another approach has been employed by Cummins Engine Company at a new plant it established in Charleston, South Carolina, in 1973. This plant employs 950 workers organized into teams of from 3 to 40 members. There is no specific educational requirement for new hires, who are judged mainly on the basis of their potential and trainability. Before they are accepted into the company's training program, which is unpaid and does not include a guarantee of a job at the end, applicants are assessed through conversations with team members, a manager, and a personnel representative.

Team members elect their own leaders, who serve for

1 year. All team members engage in such matters as safety and plant hygiene, disciplinary actions, scheduling, and production standards as well as selection of other team members. No separate inspection force exists at this plant.

### Implications for the Future

While many of the work improvement experiments started in the last decade were initiated because the survival of the company was at stake, there is clearly a growing belief in this country in the need and desire for more participation. There is also an increasing recognition that effective innovation produces both economic benefits for the organization and human benefits for its employees. Certainly, when one in four college graduates is being forced to take a job that does not require a college education, it makes sense to think about how to use the problem-solving skills they have developed.

The basic question management has to answer in considering participation is, How much difference would it make if workers cared more, knew more, and had more to say about their work? If the answer is, Enough to justify trying new approaches, then a shift has to be made from reward-and-punishment systems to approaches that encourage doing a job well and take into account individual preferences, learning curves, and motivations. Education and training, cooperation and trust, and equitable performance appraisals and promotion programs then become extremely important.

The idea that every individual is unique and has the potential to contribute to organizational effectiveness has been a long time coming into its own in this country. And as is pointed out in the paper that follows, we can learn from what the Japanese have been doing to tap that potential for their own work organizations.

### Productivity Conference Scheduled

Women's Transportation Seminar (D.C. Chapter), in cooperation with the Transportation Research Board, will sponsor a one-day Conference on Productivity, Tuesday, November 10, at the National Academy of Sciences, 2101 Constitution Avenue, N.W., Washington, D.C.

The program will feature leading authorities on productivity from all modes of transportation. The public is invited to attend. Registration fees are expected to be under \$50.00.

Further information may be obtained from Kenneth Cook, Transportation Research Board, 2101 Constitution Avenue, N.W., Washington, DC 20418, telephone 202-389-6464; or from Beth Hillson, Federal Highway Administration, telephone 202-426-0881.