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From Authoritarian to Participative Management & Back Again: A Field Study of the Effects of Employee Participation in a Manufacturing Setting

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FROM AUTHORITARIAN TO PARTICIPATIVE MANAGEMENT

AND BACK AGAIN: A FIELD STUDY OF THE

EFFECTS OF EMPLOYEE PARTICIPATION

IN A MANUFACTURING SETTING

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AND BACK AGAIN: A FIELD STUDY OF EMPLOYEE PARTICIPATION
IN A MANUFACTURING SETTING

William K. Pierce   May, 1992   105 pages

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This study consists of two surveys administered sixteen months apart in a large (1000 employee) Fortune 100 organization which was sold to a Japanese company during the period under study and underwent several other chaotic changes. The purpose of the study was to assess the perceived differences brought about by training and participation. Six factors that were assessed for differences were: productivity, communication, employee participation, work teams, management leadership, and mergers/acquisitions.

Results were compared from the two time periods across all six factors. Productivity and communication proved statistically significant at $p < .05$, while employee participation and work teams prove statistically significant at $p < .10$. Management leadership showed a slight difference but no statistical significance. Mergers/acquisitions showed no difference or statistical significance.

Pertinent responses from each factor are categorized to identify the important perceptions that contributed to significance. The items categorized specify areas that employees believe most important relative to the factor assessed.

The results of the study support training and participation as a means to improve organizational performance. Although this organization which had previously gone from authoritarian to participative management and moved again, the trends appear to support the value of training and participation. This study exposes some concrete factors that organizations can develop and measure to improve organizational performance.

CHAPTER I

INTRODUCTION, REVIEW OF LITERATURE,

AND RESEARCH QUESTIONS

Introduction

Recent downward economic conditions in the U.S.
economy, especially in manufacturing-related jobs, require
that serious thought be given to traditional management of
companies and other value-creating organizations embedded
in U.S. economic endeavors. Many companies and
institutions ceased to exist and others were badly crippled
due to attempts at warding off hostile takeovers. The
emergence of the world market, Japanese domination of total
markets and European domination of other markets leaves
many U.S. economic, wealth-creating institutions reeling.

Changes in industrial technology and social
architecture went unnoticed to the U.S. industrial society
for several decades. Industrial America plodded along in
the same vein that brought them world superiority in the
1950s with the attitude that, "What worked yesterday, is
good enough for tomorrow." Such attitudes allowed the
Japanese, Koreans, and Europeans to become superior at
production in the 1980s.

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American industry now desperately seeks methods and
practices to regain some ground lost in world markets. In
the 1960s, American industry focused on organizational
design to provide needed efficiencies. In the 1970s,
American industry started experimenting with involving
employees in decision making and participation. The early
1980s saw quality circles become the avenue for increased
employee participation. By the mid 1980s, work teams
started appearing in organizations to combat economic
pressures on products. Work teams provided needed employee
participation and involvement to support much leaner and
less heirachical organizations.

The mad frenzy of mergers and acquisitions of the
1980s required downsizing of organizations. Less human
resources were required to support added job tasks. The
realization that all employees could contribute their
efforts to organization goals became a reality through
competititive pressures. Competition and loss of markets
require new paradigms for American industry to regain a
foothold in world markets.

The concept of employee participation during the
period of craftsman and artisans was replaced by the
Industrial Revolution, especially the assembly line, and
now enormous efforts to reinstate employee participation
are again evident. Adversarial relationships between
management and employees during the 1930s through the

1960s have added another roadblock for employee participation. During this period company and employee goals became more and more divergent while social architecture underwent a transformation. While society moved toward less authoritarian models, management systems supported command and control behavior models. Social morals and values changed while U.S. industry continued business as usual. Economic goals diverged from societal goals creating a large gap in overall expectations.

The purpose of this study is to examine the possible connection between employee participation strategies and organizational effectiveness. The results of using employee participation strategies will be analyzed to seek answers relating to productivity, leadership and communication. In addition, the effects of acquisition on organizational effectiveness will be explored. Attempts will be made to discover any existing relationships among these variables.

Review of Literature

Employee Participation

Employee participation can be viewed from at least six different perspectives: (1) participation in work decisions, (2) consultative participation, (3) short-term participation, (4) informal participation, (5) employee ownership, and (6) representative participation (Cotton, 1988). Consultative participation in work decisions

includes formal schemes in which workers have a great deal of influence in decisions focusing on the work itself (Cotton, 1988). Consultative participation refers to a long-term, formal amount of participation focusing on job issues where employees give their opinions but do not have complete decision-making power (Cotton, 1988). Short-term participation usually centers on a specific project or set of tasks (Cotton, 1988). Employees are allowed complete decision-making power, but only on assigned projects or tasks over a specific time period. Informal participation refers to the interpersonal relationships between managers and subordinates whereby participation occurs spontaneously outside any formal system (Cotton, 1988). Employee ownership requires participation due to employees being stockholders but generally the management of the company follows traditional models whereby employees have no formal way of participating in management decisions (Cotton, 1988). Representative participation allows elected representatives to participate on each employee's behalf. Usually, a formal system exists but only the representatives participate in the system (Cotton, 1988).

The idea of employee participation stems from competitive pressures of lost economic power. Coates (1989) suggested that employee participation is a basic link in the productivity chain that influences relationships among worker, manager and company. The basic

philosophy behind employee participation improves quality
and productivity (Coates, 1989). Japanese quality and
productivity reflect a definite plan for survival based on
the success of managers, company owners, and employees.
American mangers and company owners generally have myopic
views of the importance of employees. Employees,
management, and owners have become separate, divergent
partners with goals that are mutually exclusive (Coates,
1989).

Many companies have adopted quality circles as a way
to promote employee participation. Quality circles provide
a means for workers to fulfill needs of self-esteem and a
sense of accomplishment. Quality circles allow employees
to solve problems that affect their specific work area.
Brossard (1990) studied appliance manufacturers and found
approximately 30,000 functioning quality circles in North
America. Employees become functioning members of a problem
solving team that suggests improvements to management for
implementation. The element of employee participation
allows more understanding of business operations and an
opportunity to contribute ideas to improve operations. The
recession of the early 1980s inspired employees to
participate more readily for job security reasons. Samuel
(1987) presented an interesting labor union perspective on
employee participation. He states, "Worker participation
is still in its infancy, too often, strangled by management

that is not willing to accept it or exploit it " (Samuel, 1987, p.39). Employee participation has been viewed skeptically by both union and worker. Mistrust and apprehension about management motives have supressed worker willingness to embrace employee participation with open arms. Many employee participation programs have failed because management has opted for short-term gains and squelched ideas that management felt were unimportant (Brossard, 1990). Management has failed to cultivate the the experience and creativity of workers on behalf of common goals of quality and productivity.

Dulworth, Landen, and Usilaner (1990) found that a vast majority of U.S. companies have implemented some form of employee participation over the last five years. The most frequently used initiatives are survey feedback, employee participation groups, and quality circles. The primary intent of these programs is to improve quality, productivity, employee morale, and motivation. The major roadblock to implementing employee participation systems are short-term performance pressures and the lack of a champion to push the organization to incorporate principles associated with employee participation. Two studies (Brossard, 1990; Dulworth, et al., 1990) on quality circles report that if quality circles are not integrated with other organizational systems and remain a parallel system, they would tend to decline after a few years and completely

disappear shortly thereafter. Another reason for failure

stems from trying to change an organization with an

autocratic management style. Implementing an employee

participation system requires long-term commitment from all

organization members. Most of the companies that have

successfully implemented employee participation systems

have done so out of economic necessity.

Chelte, Hess, Fanelli, and Ferris (1989) offer

interesting ideas relating to corporate culture and

employee involvement. Gaining the effective use of human

resources has prompted attempts at quality circles and a

variety of efforts to involve employees in the planning and

improvement of production activities. However, the

structure and culture of the organization may represent the

greatest roadblock to implementation of effective employee

involvement programs. The symbols and meanings developed

in an organization over a long period of time tend to

become core values that tie behavior to specified,

comfortable norms. The author indicated that if top-down

authoritarian management has been successful in the past,

then employee participation will consciously or

subconsciously meet roadblocks. The author suggested that

employees, supervisors or upper management will constantly

provide roadblocks if the culture of the organization

(meanings and values) does not allow employee participation.

The author also suggested that organizational culture provides a comfort-zone for all employees to operate within their existing environment. If the efficient use of human resources lies outside of the existing environment, then chances for a successful employee participation program are minimal. Without a real or manufactured (perceived) threat of non-existence, little change can be expected.

Employee participation has become the saving technique for many organizations facing severe competitive pressure. Shop floor employees have responded with creative ideas and successful quality improvements. Yet, an organization consisting of managers and supervisors trained in authoritarian methods quickly turn back to their old ways of not involving employees when the threat has abated. The obvious question of "why" was partially answered by Pollock and Colwill (1987) in discussing a potentially negative consequence of employee participation: loss of power by managers. Many managers believe that power is discrete: a win-lose situation. The discrete power model espouses that for one group or individual to gain power, the other group or individual must lose power. Pollock (1987) suggests that power is an expandable and dynamic force but few managers support the theory of expandable power in practice. Pollock (1987) found greatest employee

interest in decisions regarding their own jobs, their work environment and production organization. Even when employees exert very little influence in their organizations, they still desire participation and believe it to be effective. Employees question the need for participation when management downplays creative ideas and concerns that affect their work area.

A study by Hoerr and Pollock (1986) suggested that employee participation increases job satisfaction and productivity. Empirical evidence in this study supported increased productivity and employee morale through employee participation. Companies are finding that workers are the key to making technology pay off. Hoerr and Pollock (1986) discuss how more companies are installing work systems that emphasize broader-based jobs, teamwork, participative managers, and multiskilled workers. Industries such as auto, steel and communication have been moving slowly in the direction of more employee participation since the beginning of the "quality-of-work-life" movement of the 1970s. Managers are being taught not to control employees but to encourage them to use their initiative. The vast sums of money spent on technology to perfect work systems far outweighs the capital investment in human resources. The idea of a non-existent employee factory has given way to the realization that capital invested in employees has a much higher rate of return than machinery investments.

Investments in human capital not only apply to shop floor employees but especially supervisory and middle-management personnel. Bean, Ordowich, and Westley (1986) provided insight into the changing role of the supervisor and the necessity to include this level of the organization in employee participation efforts. They say that supervisors use their leadership abilities to support the change to increased employee participation if they are included in the planning, are given the tools for participating in the change, and are rewarded for making change happen.

The new role of the supervisor has two primary dimensions: building team competency and skills and coordination or enabling (Bean, 1986). Supervisors who have experienced a steady erosion of status and power are extremely sensitive to anything that might undermine their sense of security and worth. They associate the deterioration of their role with the rising expectations and expanding rights of employees. Supervisors resist employee participation programs in which they have to transfer authority and tasks to workers. Supervisors also see the trend toward flatter organizational structures creating fewer advancement opportunities. The authors suggested that if supervisors are to support employee participation programs, they must believe their status and work life will also improve.

New supervisors skills needed to support more involved employee participation programs include: traditional skills of management, interpersonal skills of communication, giving feedback, resolving conflicts and assertiveness, team development skills, running effective meetings, and presentation skills.

Top management is the change agent and role model for initiating employee participation programs (Bean, 1986). Management insures that supervisors and employees are supported, recognized, and rewarded for changing. Bean, et al., (1986), identifies overriding factors that require inclusion of supervisors in instituting employee participation programs. According to Bean (1986) supervisors participate in building a vision of the future work place that provides personal values to support the new vision. The author suggested that supervisors are given the tools to implement the vision that allows personal meanings to develop that support personal confidence and self-esteem. The author further stated that supervisory skills training and coaching provide avenues for personal growth and confidence.

Supervisors in employee participation companies can become dissatisfied and frustated with their new, emerging roles. A study by Walton and Schlesinger (1979) reviews reasons for frustration and possible methods to utilize the surplus capacity created when supervisors' job

tasks are eliminated or shifted. Supervisors assuming the new role, expressed ambiguity about their responsibilities and authority, complained about their lack of skills and managerial support to do their jobs well, and received less recognition for accomplishments of their work unit. Walton (1987) suggested that as workers and work groups develop the skills and capacity to direct their own activities and increase their technical capabilities, the supervisor's role tends to shrink relative to tasks and duties, freeing up capacity for supervisors to assume other more value-added responsibilities. Walton (1987) further suggested that supervisors are trained and allowed to assume responsibility for added duties.

Recognition of employee capability by the supervisor and management provides the most critical element in designing employee participation systems. Many organizations (Wiggenhorn, 1990) assume employees understand business operations and operational methods when, in fact, employees do not, nor have they had the opportunity to learn the operational methods used to carry out business on a daily basis. The supervisor is the key link in determining what and how much authority and responsibility the employees initially have the capacity to absorb (Wiggenhorn, 1990). Many employee participation programs fail because employees are allowed to assume too much authority and responsibility initially and management

forces the supervisor to take back the tasks he/she has delegated (Wiggenhorn, 1990). Therefore, the supervisor loses credibility with the work group and management questions the supervisors capability to make decisions.

Freed-up capability of supervisors presents several avenues for more efficient operation of the organization (Walton, 1979). The span of control for supervisors can be enlarged, creating the need for fewer supervisors (Walton, 1979). If attrition can absorb the number of supervisors eliminated, then the elimination of supervisory jobs does not create fear of job loss within the supervisory ranks. If supervisors possess the capability to absorb material handling, engineering, or other duties, then different job tasks can be assigned to fill the freed-up capacity of supervisors and provide additional growth of skills and knowledge that add value of the supervisor to the organization (Walton. 1979).

The idea of employee participation and participative work systems is a double-edged sword that Herman (1989) studied. He suggested five precautions to follow in implementing employee participation programs. First, radical changes require drastic measures; therefore, asking for participation and demanding specific action steps that must be implemented without participation only creates dissention. Second, participation systems involve employees that have considerable interaction. If employees

have little interaction, then chances for meaningful participation are minimal. Third, employee participation is only conversation until it produces action. Effective employee participation requires not only sound input from employees, but capable follow-through from the manager. If employee participation does not produce results reasonably often, both the process and the manager will lose credibility. Fourth, effective employee participation need not always include final decision making. The important element for managers, supervisors, and employees requires clear expectations about what is expected of them and what is not. Fifth, do not ask for participation in making a decision that has already been made. Ask instead how to make it work. When a manager or supervisor is convinced that a task or action has to be completed a certain way, he or she should implement the decision and not pretend that the subject is still open.

Managers and supervisors should use employee participation only if they have a realistic view of what it requires and are committed to make it work. Family, mass production, departmentalization, and specialization structures call for limited roles; therefore, acceptance of total employee participation will be limited by learned behavioral limitations of the individual (Herman, 1989).

Effective employee participation programs require participating employees to be better informed than employees who are only required to "do a job." Employees require background information on the issues they will discuss and on which decisions will be made. Communication is a key element of any employee participation program. The Supervisor decides the amount and type of information that is shared. The culture of the organization and management style will determine the extent to which information can be shared (Herman, 1989).

Employee participation programs have grown exponentially throughout the 1970s and 1980s with limited success (Brossard, 1990). The author suggested that management typically asks for employee participation and tries desperately to upgrade the organization under old, traditional systems that do not allow for new recognition, reward, and evaluation systems. The author further stated that mangement asks for participation but still operates in a system that does not support input or participation. Quality circles provide an excellent opportunity for management to become a participating member but generally management opts to not get involved and demonstrates little leadership in implementing the process (Brossard, 1990).

In summary, the literature says changing, ever-increasing, competitive pressures demand new paradigm thinking from management of organizations. However, the

comfort of established organization structures and meanings outweighs the need to change to progressive employee participation. The literature suggested that many organizations fail because they do not recognize the need in time to survive. Employee participation is only the first step toward competing in the world market place. The literature suggested that integration of human resources and new technology provides the key to successful competition on a global basis.

Work Teams

Employee participation programs progressed from voluntary input to participating operators of business enterprises, with limited-to-full, decision making power. Transformation from simple employee input to decision making partners was demonstrated in the 1940s in European industry (Trist, 1951). Later the British coal industry provided several scattered examples of employees involved in progressive work structures (Trist, 1977). The term "work team" has surfaced as the dominant description of employee participation, expanded to its fullest extent. Actual implementation of work teams in industry has received considerable attention in the literature.

Trist (1951) presents an early perspective on a process of organizational development that includes work restructuring and a planning process that is interactive

and participatory. Trist and Emory (1953) completed
numerous studies relating to the expanding societal
environment that was upsetting plans, preventing the
achievement of operational goals and causing additional
stress and severe internal conflict.

Emergent social processes of the 1960s required
industry to cope with new levels of interdependence,
complexity, and uncertainty (Buchanan, 1987).
Collaboration rather than competition provides the
fundamental requirement of successful building of a post
industrial order. After World War II, industry carried job
breakdown to such extremes that a counter-productive stage
was reached and worker alienation began to surface. Job
enlargement, job rotation, and job enrichment were tried in
the late 1950s but was restricted to individual jobs and
management controlled. Participation was not an ingredient
(Buchanan, 1987).

In Britian, early in the 1950s, a new direction of
development toward the new collaborative model began
through the discovery of the autonomous workgroup (Trist,
1951). This phenomenon gave rise to the concept of a
"sociotechnical system" (Trist and Bamforth, 1951) which
identifies the conditions which secure the best match
between the social and technical systems. Autonomous
groups emerged in continuous process industries and have

been experimented with in several other technologies
(Buchanan, 1987).

Semi-autonomous work groups, as explained by Fotilas
(1981), are given responsibility for performing a variety
of tasks (job and administrative) to meet group goals and
targets set by management. Fortilas indicated that work
groups are given decision-making authority which affects
their jobs; thus, resolving day-to-day problems that arise.
He said that most groups are responsible for setting,
adjusting, and maintaining their own equipment. He said
that they procure their own materials, inspect incoming
material and finished goods and repair any defective
products. He said that they are responsible for record-
keeping and maintaining safety.

He goes on to say that companies with semi-autonomous
work groups report remarkable improvement in employee
motivation and improvements that can be directly linked to
the achievement of corporate financial goals. He suggested
that added participation establishes strong links between
top management and workers; thus, reducing the possibility
of organizational conflict. Increased autonomy provides
employees with a greater sense of involvement in their work
and an opportunity to develop additional skills. Work
groups give production systems greater flexibility to meet
changing market demands. Fotilas (1981) suggests that the
most successful workplace innovations and employee

participation programs are found in companies where top management is completely committed and deeply involved in their application.

The idea of work teams, as discussed by Greco (1988) provides an advantage that comes from recognizing and orchestrating employees' individual talents. He says that components of a successful team require support from top management and include the following key challenges: recognizing employees' distinct personalities, identifying new team members during the hiring process, and maintaining the team as an ongoing part of the business. He says that effective team building encourages autonomy. He further says that employees are assigned tasks and responsibilities they "own" and goals to reach by themselves. Teamwork revolves around open communication between employees and management and the free exchange of ideas (Greco, 1988).

According to Buchanan (1987), the introduction of work team concepts must have clear strategic focus which targets long-term market objectives and not just internal operating and productivity problems. Buchanan (1987) suggests that organizational structure be assessed in relation to new products and production technologies to encourage flexibility, quality, creativity and skill development. He suggested that, management style supports the strategic goals of the business as well as team functioning and decision-making. He says that support

staff and systems contribute to flexibility and creativity relating to necessary changes in the organization. He further stated that management provides an implementation process that plans the nature and timing of employee involvement and develops systematic training and development to equip all levels of the organization with competency in new skills, knowledge and attitudes. Generally, Buchanan (1987) says work teams demonstrate an ability to change, improved communications helped by layout changes, product identification and "ownership" for actions, multi-functional career development, better business understanding and priority-setting, and greater flexibility through multi-skilling.

Establishment and implementation of work teams presents elusive targets that require committed, visionary managers. Galagan (1986) provides an example of a visionary manager at Digital who started a team-based organization from a greenfield site. At Digital, reward systems provided an equitable wage and moreover, recognized the need for employees to have more responsibility and to know what is going on in the plant. Rewards were tied to teamwork and individual acquisition of skills that allowed growth within the plant's flat structure. Management at Digital maintained that employees would select their own level of development or their ability would select for them.

Galagan (1986) goes on to say that management's job became that of managing the culture, thereby, managing group values and making them visible, viable, and owned by the entire organization. Evolving values at Digital were: trust, openness and willingness to share information. In order to improve performance, Galagan (1986) says that management establishes proper foundations by maximizing ability, maximizing support, and maximizing effort.

Versteeg (1990) provides another example of a company, Northern Telecom, that achieved record productivity gains through total employee involvement. After three years, sales went up 26 percent, earnings grew 46 percent, productivity went up more than 60 percent, and quality results rose 50 percent.

Work team strategies require treating people with respect and empowering them with the responsibility for all functions of the business (Versteeg, 1990). Work team strategies use the collective brainpower of all as a competitive strategy. Two important pitfalls that emerged at Northern Telecom center on the notion of moving with caution and expecting chaos at first. Versteeg (1990) suggests a slow pace of change and intense investigation of actions prior to implementation. He says that workplace transformation requires firm belief in and a committed support of the team concept and participatory decision making.

The concept of sociotechnical systems provides a
framework for organizational improvement and employee
participation. The early work of the Tavistock Institute
(Trist, et al, 1951) provided the basis for sociotechnical
systems development.

Kolodny and Dresner (1987) developed linking
arrangements, within and between work teams and management,
to sustain new design and evolvement of sociotechnical
systems philosophy. They defined the term linking
arrangements as to the ways interdependent units within a
plant are coordinated. Kolodny's (1987) sociotechnical
systems approach suggests that the autonomy of individual
and work groups and their work roles are components of
organizaiton design and structure coupled with the
technical system comprising a total, integrated
system.

New work designs recognize that organizations have
choices in allocating coordination activities among team
members, team leaders, and management. Team member roles
are results of choices that support organization values,
philosophy, technology, and design features (Kolodny,
1987). Kolodny (1987) describes some typical linking roles
performed by operators in new work designs as: goal
setting, problem solving, communications with other
departments, improvement of work methods, coordination and

control of materials, work scheduling, work assignment,
training, providing leadership at meetings, monitoring
performance, safety and health concerns, and cost control.

Worker reaction to work teams varies with the cultural
and societal values established in individuals. Cummings
and Griggs (1977) studied conditions that support work
teams and employees. Researchers, managers, and workers
are searching for the conditions that make work both
productive and satisfying. Due to the pioneering work on
the effects of different forms of coal mining (Trist and
Bamforth, 1951: Trist, et al., 1953), work teams have been
studied in a variety of ogranizational, technological, and
cultural settings. The study generally supported the view
that at least three distinct conditions were required for
work team formation: boundary control, task control, and
whole task. The authors suggests that boundary control
refers to the extent to which a group can influence
relationships within its work environment. Task control
refers to the extent to which a group can regulate its
behavior toward task achievement. Whole task can be
thought of as the extent to which the group's task is
autonomous and forms a self-completing whole. Cummings
(1977) suggests that autonomy alone accounted for improved
job satisfaction and productivity. Generally, the data
(Cummings, 1977) suggest that boundary control and whole
task are related to attitudinal measures-job or group

satisfaction, while task control is related to behavioral variables-effort, performance, absenteeism, and tardiness.

The conceptual base for self-regulating work teams by Pearce and Ravlin (1987) contains both social and technical systems components prior to organization redesign. They say the basic goal of self-regulating work teams is to develop a physical system which naturally segments the total process into identifiable groups of interrelated activities for which employee groups are collectively responsible. The Tavistock Institute of Human Relations in London, England, pioneered the development of sociotechnical systems theory through a group of experiments originated by the British coal-mining industry (Trist, 1953). Key findings of the studies suggested: the groups should be collectively responsible for a substantial but manageable piece of the business, the arrangement of work should facilitate social relationships that foster cooperative interaction, employees should have the opportunity to learn all jobs included within the organizational segment, and the groups should have the authority, material, and equipment necessary to perform their jobs, and the feedback required to evaluate their performance.

A review of post-1970 field experiments (Wall, 1986) can be summarized around four issues: status, group composition, cohesiveness, and organizational performance.

Wall (1986) suggested that status differences between members of a work group have shown both functional and dysfunctional consequences; however, allowing an informal leader to emerge over time seems to successfully address this issue. Group composition findings (Wall, 1986) suggest a need to include individuals with varying abilities and attitudes because of the nature of role relationships with the group. The author says cohesiveness based on attraction to tasks may improve members' commitment to group goals, their ability to communicate key issues, and their level of participation in group processes. They say that work team approaches require open communication and an open exchange method of decision making. Finally, they say (Wall, 1986) members of work teams require initial training on multiple skill tasks.

An interesting concern or pitfall emerges in work team development when individuals work in groups. Manz and Sims (1982) researched the potential for "groupthink" in work teams. Groupthink is described as a mode of thinking that people engage in when they are deeply involved in a cohesive group that deteriorates mental efficiency, reality testing, and moral judgment all resulting from in-group pressures.

The concept of groupthink (Janis, 1972) suggests that within groups presenting a positive outward appearance of high cohesiveness and a strong "team" orientation,

defective decision making processes may be present. When a group entails both high cohesiveness and high conformity, the potential for groupthink exists. Eight specific symptoms of groupthink have been identified: illusion of invulnerability, collective rationalization, illusion of morality, shared stereotypes, direct pressure, self-censorship, illusion of unanimity, and self-appointed mindguards. Three important steps were (Manz and Sims, 1982) identified to avoid the pitfalls of groupthink: training of work group members aimed at increasing their their knowledge of group decision processes and their leadership skills for facilitating these processes, and education of upper management concerning the unique needs and potential dangers of decision making processes in work teams.

Clipp (1990) assessed a pitfall of a work team effort in an industrial setting. Team members focused on what they could do to make their work environment better, not on what was needed to improve business operations or customer satisfaction. Management was surprised to find that teams were not working on improving production. The teams were not task-focused; team members thought they were in teams for their own benefit and no one challenged them to do tasks that were beneficial to the customer or company. Successful self-managed work-team operations do not abandon the need for managers to set direction; they use leadership

with a clear focus on being customer-driven (Clipp, 1990).

The successful introduction of work teams, as discussed by Carnall (1982) suggests that conflict may be reduced, that individuals are provided with opportunities for learning and participating in problem-solving, and that the conditions for mutual trust and respect are established. Also, a considerable reduction of overhead and management costs may be achieved. The theory (Carnall, 1981) underlying the successful introduction of work teams depends on the assumption that individuals perceive benefits in increased levels of autonomy. Established work teams have generally developed strong group cohesion, cooperation, and effective utilization of labor and resources. However, (Carnall, 1981) workgroups who fail to fulfill work assignments and resist the introduction of new members and removal of established members reduce flexibility.

The needed structure to support new work arrangements reported by Lawler (1978) comprise fresh, new methods of operation. These methods include: employee selection, design of the plant and physical layout, job design, pay systems, organizational structure, approach to training, and management style. According to Lawler (1978) the effectiveness of new-design plants has met strong opposition due to several existing organizational characteristics: unrealistic expectations, individual

differences, role of first-level supervision,
permissiveness vs. participation, office personnel,
personnel function, established standards and regression.

Participative work design developed some time after
Taylor's "scientific management" revolution. Weisbord
(1984) discussed his personal journey from scientific
management principles to participative work design. The
legacy of scientific management still remains with us in
the 1990s, as prejudices against technical problem solving
by hourly employees persist. Taylor's principles go back
to the turn of the century and require that only trained
industrial engineers should figure out the one best way to
do anything. These principles ruled industry until the mid
1970s.

Then along came Douglas McGregor (1960) advocating a
new theory (Theory Y vs. Theory X) of work design.
McGregor (1960) agreed with Taylor that employees needed
regular feedback but offered other ideas-group meetings to
solve problems and teams doing whole jobs. Weisbord (1984)
established teams, team meetings and pay for knowledge.
These structures improved performance and allowed more
employee participation.

The successful implementation of work teams in a
corporation, Sherwin-Williams, provides an excellent
example. Poza and Markus (1980), who served as internal
consultants in this plant, present criteria for lasting

successful results. The criterion is: above-average short-term operating results, continuation of the innovation and of favorable results over the medium term, and intracompany diffusion or transfer of learning from the new design plant to other parts of the organization. Specifics of the Sherwin-Williams plant were: Open layout, flat organizational structure, team units, and compensation package; learn and earn. The implementation process consisted of three key elements: recruitment and selection, orientation and training and team building training.

The results of this work team approach provide adequate reasons to support the new approach. The original engineering staffing study (Poza, 1980) estimated 200 employees, to operate at the planned 10-million-gallon capacity. The plant reached capacity with 160 employees-a 25 percent reduction. According to Poza and Markus the Sherwin-Williams all-plant average absenteeism was 6.7 percent. The new design plant operates at 2.5 percent absenteeism. Productivity is 30 percent higher than sister, traditional plants and cost per gallon in the new design plant is 45 percent lower than other plants manufacturing these like products.

The question of control in work team plants was studied by Denison (1982), and offered some insights into the problem of the locus of control. The data suggested

that supervisors in new design plants were perceived as having as much control as middle managers. The supervisor became a buffer between a traditional and a non-traditional system. Denison (1982) claims that the structure of work groups has changed, but the structure of management has not. His study supports the idea that supervisors of self-managed work teams were in a critical position and their influence appeared to be high. The data supported more control by workers who were affected by the redesign.

The redesign of work has moved from the factory floor to the office. Ranney (1986), discussed how, in the office setting, a unified job design often seen in continuous processes or factory operations, became feasible. The study offered three useful points for application of sociotechnical methods in office settings. First, exploit automation potential to produce whole jobs. Second, do not establish a functional organization for a primarily service-oriented business, because communication across functions may be too difficult to permit adequate customer responsiveness, and once jobs are broadly designed, initiate work teams and delegate as many of the traditional supervisory functions as possible. Dramatic increases in the span of control and effective use of supervisors can be achieved when redesigning offices.

The review of literature relating to work teams presented several viewpoints ranging from substantial

failures to glowing successes. The systematic application
of principles with committed support offered the best
ingredients for success. Changing social and economic
conditions throughout the 1970s and 1980s have
contributed to the need for a change in the work place.
If industry will recognize that work teams (involved human
resources) are one part to the overall puzzle of
competitiveness, and integrate other innovative processes
to support an overall plan; then, total organizational and
business improvement may be the reward. The literature
indicated that the idea of quick-fixes, and short-term
improvement should be replaced with long-term, inclusive
business strategies.

Mergers and Acquisitions

The gigantic increase in the number of mergers and
acquisitions raised questions about the proper method to
acquire a company and the effects of the acquisition or
merger. Economic, financial, and social considerations
provided the researcher such broad general avenues for
study that specific conclusions became elusive. As an
example, the emergence of "Junk bonds" fed the acquirers
capital to venture beyond sound business practices. Well-
intentioned companies, as well as corporate raiders used
the new found financial resources to create wealth but not
value.

Ulmer (1990) studied this view by reviewing the books

on productivity. Ulmer (1990) provided insight into the negative perception of American workers and U.S. corporate health. Losses in industrial leadership by the U.S. provided ammunition for the pessimistic public. In reality, productivity has maintained a steady growth rate of two percent since 1970 (Ulmer, 1990). However, the general public perceived a decline in corporate health and cried for immediate action to stop the drop in productivity. Productivity in other countries has increased more rapidly than U.S. productivity, but U.S. corporate productivity rises each year (Ulmer, 1990).

The size of the acquisition and merger economy as discussed by Horton (1987) provided an illustrative point. In 1986, mergers and acquisition involved U.S. companies valued at approximately $150 billion, the largest leveraged buyout, financed entirely by debt, approximated $6.2 billion, and by the end of 1986, corporate debt surpassed $1.75 trillion. Horton claims that many observers deny the "paper wealth/transaction society," claiming reduced productivity by the diversion of management's attention from operation of the business to dealmaking. Horton explained that others claimed that corporate takeovers improved productivity by creating more efficient corporate organizations.

The determinants of conglomerate mergers, researched by Auoretsch (1989) centered on the life-cycle hypothesis

for merger behavior. The industry life cycle evolved
through four distinct phases; introduction, growth,
maturity, and decline. The life-cycle hypothesis predicted
that industries in the growth phase have a greater chance
of being acquired than firms in the more advanced stages of
the life cycle. Acquisition of a firm in the introductory
or growth phase, generally enhanced both profit and growth
potential. The life-cycle theory targeted potential firms
for acquisition. The life-cycle theory provided criteria
for acquiring firms to evaluate when seeking growth and
expanded profits.

The success of mergers and acquisitions seemed elusive
and vague. Haspeslagh and Jemison (1987) estimated that 50
percent of mergers and acquisitions failed to reach the
stated objectives of the acquiring firm. Haspeslagh and
Jemison (1987) provided insight into this phenomena with
six myths and realities concerning acquisitions. The
authors stated that "What determines the success of an
acquisition was not the acquisition itself, but the
acquisitive development strategy that underlies it."
Shareholders usually comprised the least important slot
since they shared little interaction relating to the
acquisition process. The authors say that managers of the
acquiring firm tended to capture economic value rather than
create economic value through acquisition of another firm.
The authors suggested that the acquisition process

determined the success of the acquisition. However, the diversity of the people involved, time pressures, and ambiguity of purpose often destroyed more value than it created. No specific guidelines or constant factors guaranteed success because chances for success or failure varied with the type of acquisition, the type of synergy, and the degree of interdependence. Few companies learned from their mistakes and recorded specific factors relating to success or failure of the acquisition (Haspeslagh and Jemison, 1987).

Factors affecting the acquisition process and the resultant fallout to employees provided Walsh (1989) seven attributes to investigate management turnover. The approach of the acquirer, the nature of the bargaining, explicit talk of management retention, the press characterization of the nature of the transaction, the nature of payment, and the premium paid for the company affected management turnover. The research results suggested that management turnover reached 60 percent after five years. Turnover rate after the first year of acquisition approached 20 percent (Walsh, 1989). These turnover rates exceeded "normal" turnover in non-acquisition companies. Post-acquisition research (Walsh, 1989) suggested that the period immediately following an acquisition agreement can be a time of great organizational trauma and conflict.

The negative effects of acquisition placed a heavy load on the new human resource department. Hambrick, Frederickson, Korn, and Ferry (1989) conducted a survey of 1,500 business executives in 20 countries. The resultant recommendations for dealing with organizational upheaval described five policy recommendations for transforming the human resource function. Making the human resource planning an intrinsic part of corporate strategy, making the human resources executive a member of the top management team, transforming the role of the human resource function from processing mechanism to key activator in sourcing and deployment, emphasizing training and development for all managers, and ensuring the unity of the corporation by choosing leaders and managers who possessed the attributes needed to survive acquisition and merger. The successful strategy that alleviated the need for corporate nurturing of employees required innovative human resource techniques.

The human factor, as discussed by Galosky (1990) asserts that employees played an important role in the success or failure of a merger or acquisition. Sources estimated 800,000 employees in 3,400 firms were affected by mergers and acquisitions by 1990. The key word from the employee's perspective centered on loss. Generally, productivity suffered because people put their energy into planning their survival. Often power struggles consumed

large amounts of time and energy. A survey (Galosky, 1990)
of 2,000 employees indicated three key areas for
consideration: An explanation of the salary administration
process, team building, and an understanding by employees
of where they fit in the new organization and manager's
expectations. Actions that enhanced chances of successful
transition in a merger contained a creative communication
strategy, appointing a "swat" team to guide the merger, and
rewarded managers who addressed employee concerns.

Acquisitions and mergers altered human relationships
in both the buying and selling organizations. Hayes (1979)
discussed the human side of acquisitions and conducted a
survey that showed that only 42 percent of top management
remained as long as five years. These results substantiated
Walsh's (1989) figures, presented earlier. Hayes (1979)
suggests that neither party recognized the human side of an
acquisition until conflict and misunderstanding emerged on
a large scale. The author considered factors such as
annual compensation, acquirer's objectives, reporting
relationships, and degree of autonomy as strong points of
contention in the acquisition process.

Most mergers and acquisitions caused employee
insecurity. Davy, Kinicki, Scheck, and Kilroy (1989)
completed a survey over a ten-month time frame following
the sale of an organization. The questionnaire was
administered four times during the ten-month period. The

results showed a steady decline in organizational commitment and job satisfaction and a significant increase in intent to leave the company. Sources (Davy, 1989) reported transition periods exceeded six years and adversely affected organization performance. The first step, awareness, minimized negative employee responses to an acquisition. The second step, continuous monitoring of the situation, allowed management to address employee problems in a timely manner.

Post-acquisition organizational structures supported or deterred the success of an acquisition or merger. Rahim (1979) discussed the effects of organizational design on organizational conflict. The mesh of homogenous groups minimized interpersonal conflict. Structures that clustered around congruent people reduced intragroup conflict. Group diversity increased intragroup conflict. The effects of organizational structure in an acquisition required analysis to minimize conflict. The authors say that results of planned post-acquisition strategies include careful analysis of employee job tasks and flows.

The ability to motivate employees during and after an acquisition contributed greatly to reducing negative effects on the organization. Herzberg (1987) developed motivator factors that provided avenues for job satisfaction. Achievement, recognition for achievement, the work itself, responsibility, and growth or advancement

comprised the motivator (positive) factors. The
dissatisfaction (negative) factors of the job included
company policy and administration, supervision,
interpersonal relationships, working conditions, salary,
status, and security. These principles applied to the
acquired organization that needed successful programs to
build up the organizational output. Programs that
supported motivator factors assured positive organizational
outcomes.

A contrasting view of the general planning for
employee participation in organizations after acquisition
required a new organizational fit. Randall (1987)
discussed commitment and the organization. Randall (1987)
concluded that high levels of commitment presented dangers
for the organization. Application of this thesis to the
acquiring organization revealed several possible pitfalls.
The non-acceptance of acquired employees and their
management style caused conflicts and misunderstandings.
The acquiring company's high commitment may not allow
inclusion of outside ideas or principles since the
acquired company perceived no need for improvement. The
uncertainty of acquired employees was perceived by the
acquiring company as disloyalty. The ability of the
acquiring company to monitor employee satisfaction in an
acquisition provided valuable information for development
of strategic programs for success. Directed, dictated

organizations. Members of both organizations experienced

feelings of being taken over. Employee comfort level

became threatened; therefore, resistance to the new way

increased. The merger of two autonomous organizations

required an enormous amount of change in a short period of

time. Pre-merger planning that discussed operational

difficulties and employee interaction produced separate

ethnocentric viewpoints concerning the "right" way to meet

both employee and organizational needs. The salient point

evolving from this study suggested that the greater number

of shared experiences that can be reproduced within the

compressed time frame, the faster a set of symbols and

shared meanings will develop, supporting a system for

employee identification, and a new culture formation.

An example of differing approaches toward management

between American and Japanese companies illustrated the

culture collision concept. Muta and Stern (1990)

illustrated differing concepts toward management.

Japanese management centered on three fundamental concepts:

long-term employment, the use of seniority for pay and

promotion, and enterprise-based unions. American

management centered on completely opposite concepts. If a

Japanese company acquired an American company, then the

culture clash would present immeasurable conflict, unless

modification of management style could be achieved by both

parties.

Another illustrative example concerning the merger/acquisition process facilitated understanding of management and employee apprehension. Taylor (1987) illustrated the merger/acquisition process in a takeover. In February 1986, the parent company announced its intentions to recapitalize the target company. The parent company refused to let the employees share in the ownership of the company. In March 1986, the Human Resources Department developed a communication plan to facilitate understanding of the capitalization program. In May 1986, another company announced intentions to buy the company through a Wall Street investment firm. In September 1986, still another company announced intentions to buy the company. In late September, the first acquiring company completed the buyout. In October, terms of the sale were announced and the transition plan seemed both generous and humane. In November, the President of the acquired company resigned and was replaced by an acquiring company employee. The first wave of layoffs produced anxiety and negative emotions for the remaining employees. By March 1987, all personnel at corporate headquarters disappeared. Sixty percent of salaried employees accepted positions with the new company. Nearly one-third retired under the early retirement package. This example showed that a relatively smooth transition carried negative emotional events for employees.

The negative effects of a merger/acquisition contributed to losses for the organization. Gaddis (1987) went beyond the employee problems of mergers/acquisitions and addressed business functionality. Gaddis advocated that one of the most important ramifications of takeover exists in the massive destruction the merger/acquisition imposed on the raided organization's capacity to achieve. The real cost of mergers/acquisitions was an ownership of productivity loss.

The effects of changes in ownership on productivity provided Lichtenberg and Siegel (1987) grounds for a research project to assess these effects. Their research analyzed the relationship between total factory productivity and ownership change. Analysis of the factors relating to productivity of plants found that low levels of productivity increased the likelihood of ownership change. Low levels of productivity indicated that the plant and owners lacked congruency, and ownership change became likely. Acquired plants showed a deterioration of performance and lower levels of productivity in the first year after acquisition. The research suggested that productivity gains resulted from more efficient management.

Productivity measurement presented immense problems for the organization. Chew (1988) presented methodology for measuring productivity in a clear manner. The most efficient productivity measurement focused not on dollars

per hour but on labor dollar per product (labor content, not labor cost). The author stated that the ultimate purpose of a productivity index allowed emphasis on how a company could produce more units of output per labor hour, per machine, or per amount of materials compared to the competition. He further stated that the measurement of productivity provided a scorecard for management to address problems and issues. When an organization changed ownership, productivity generally declined. Productivity measurement provided a measuring stick to determine the rate of change and information needed to develop strategies for problem resolution. Productivity measurement also provided valuable financial information that supports necessary capital investment questions.

In summary, mixed perceptions still cloud the issue of mergers/acquisitions. Moral, philosophical, and financial questions still emerge with each new merger/acquisition. Each merger/acquisition presented its own questions and problems. Analysis of the effects of mergers/acquisitions exhibited general, common guidelines but few specific pin-point guidelines. A case-by-case evaluation of the environment, culture, and employee apprehension comprised the main issues for research consideration. These factors seemed to affect the success or failure of most mergers/ acquisitions.

Productivity

The road to productivity is paved through employee participation. Coates (1989) provided four specific cautions for organizations that embark on productivity improvements through employee participation. First, know your culture. Second, identify and eliminate conflicts between individuals for team leadership positions. Third, provide adequate training. Fourth, treat all employees as life-long investments.

Investigation of a gainsharing program also provided an incentive for involvement and productivity gains (Schuster, 1987). Through gainsharing employees perceive the company as their company. When the company makes money, the employees make money. Gainsharing supported a win-win situation for employees, managers and owners.

Akin and Hopelain (1987) developed five elements of the culture of productivity. These five elements were: types of people, teamwork, work structure, the person in charge, and management. Types of people referred to the willingness of employees to identify themselves with their job and possession of the "right worker characteristics." Teamwork required team identity, trust, support, and status determined by knowledge of job and performance. Work structures required skills for accomplishing job tasks, the ability to use skills autonomously, uniqueness of the job,

and job identity. The person in charge provided support for accomplishment, and mediation of meaning for the employee. The author suggested these elements be present in the organization, enhancing chances for productivity improvements.

Since 1973 the American business output has averaged one percent per year on average. The period of growth from 1900-1972 averaged two percent (Blinder, 1989). Blinder (1989) advocated that pay policies and participation might supply answers to the productivity problem. Alternate forms of compensation such as gainsharing improved productivity. The role of joint consultation between labor and management allowed an atmosphere of positive industrial relations (Blinder, 1989).

A related study of productivity by Poza (1983) identified seven managerial categories that increased productivity. These common areas were boundary management, supervisory roles, technology, plant layout, job design, pay systems, and personnel policies. The ability of management to merge existing cultures with new, innovative methods required sizeable commitment to nurturing new work paradigms that enhanced productivity.

Productivity improvement not only applied to shop floors but also to the white collar sector. Berglind and Scales (1987) developed a model that consists of focus, organization, process, motivation, and management effort.

Focus was the linkage between strategy and the activities of the professional workforce. Organization referred to the structure which allowed coordination and communication of the efforts of the professional work force. Process referred to methods and procedures required to complete work tasks and ways to link work tasks together to produce a measurable output. Motivation encompassed the entire work environment and its role in encouraging workers to achieve high levels of performance. Management effect entailed monitoring activities and results, identifying problems, taking corrective action and providing feedback on performance.

Productivity measurement, simply defined, was output divided by input. The ability to measure productivity appeared illusive because numerous factors comprise output and input. The measure of productivity sometimes becomes an end in itself, but the question of whether productivity is improving becomes the central issue of concern.

Communication

Communication provided the vehicle for management to articulate messages and information within the organization. Communication allowed employees to voice their opinions and contribute ideas. However, the communication process received attention only after problems occurred. Communication planning occurred in

reaction to a crisis, rather than being proactively planned. Managers gave employees, via voice or paper, information, and believed the communication process was complete. They failed to check for understanding and comprehension. When instructions or actions did not match the intentions of the manager, they did not understand why employees could not follow instructions. The measurement of communication was closely tied to leadership style within the organization.

Communication processes within participative companies was discussed by Sims and Manz (1982). Their findings supported the concept of employees being more productive when communication flowed freely in an organization. Team meetings provided a valuable source of information for employees. Team meetings provided opportunities for information flow within the group and other parts of the organization. The connection between communication and productivity centered on information sharing and influences on employee motivation. The author suggested that inadequate communication often means inadequate information sharing. Communication with work groups provided a means by which interpersonal influence gets translated into motivation and, ultimately, into bottom-line results.

Another example of how communication problems influenced organizational efficiency was discussed by Wiggenhorn (1990) in an article about Motorola, Inc.

Wiggenhorn (1990) explained that training was completed,
and they simply taught employees new techniques on top of
the basic math and communication skills they assumed
employees brought with them from school. Reality proved
that a large portion of their workforce was illiterate in
math and communication skills. This error in judgment
required a complete revamping of the way training was
developed and delivered. The company embarked on a
company-wide education program to upgrade skills to a ninth
grade level. The salient point associated with Motorola's
experience exposed the idea of assuming employees
understand and possessed the skills to complete job tasks.
The changing environment of industry demanded computer
skills, presentation skills, writing skills, and
communication skills for employees and companies to compete
in a worldwide environment.

Clarity of communications referred to how the expected
results of change was shared across various levels of the
organization. Schoonover and Dalziel (1986) constructed a
model for change that included communication as a key
factor in initiating change within an organization. Their
communication factors included planning, publicizing future
actions, and soliciting formal and informal feedback.
These factors allowed the communication process to form a
method to check for understanding and clarity. The author
stated that the communication plan should contain clear,

simple, time-bound goals and timetables and solicited frequent face-to-face feedback.

The value of efficient communication processes, as discussed by Fisher (1986), ensured an avenue for feedback. These processes allowed management to frequently articulate a vision for their organization which people were committed to achieve. The author stated that communication became a first step in building trust and openness. With proper communication channels, understanding and cooperation became attainable goals.

Both implicit and explicit information systems, as discussed by Ouchi (1979) required creating and maintaining to support organizational improvement. The explicit information system overtly disseminated the information that management wanted its employees to know. The implicit information system was contained in the rituals, stories, and ceremonies which conveyed the values and beliefs of the organization (Ouchi, 1979). A genuine understanding of both implicit and explicit information systems required management to understand the culture and maximized opportunities to communicate in both systems.

The measure of communication entailed the amount of information disseminated, the trust employees had for the information received, and the results achieved because of the information. The efficiency of the communication channels were measured by the flow of information in the

organization, both vertically and horizontally. The effects of communication showed an elevated awareness by employees.

Leadership

Management leadership continued to change as new processes of work evolved. The "traditional" manager controlled, planned, directed and organized employees and processes. The "new" manager coached, taught, motivated, and delegated to employees and sometimes managed processes. The changing leadership scene, as discussed by Gilbert (1985), contrasted transactional leadership vs. transformational leadership. This transactional approach was attributed to other perspective leadership/ management styles that were used to train supervisors, managers, and executives throughout American industry during the past two decades; grid management, situational leadership, and management by objectives. They were developed and used to guide managers through their relationships with their subordinates.

Transformational leadership qualities were frequently found among highly effective work units (Gilbert, 1985). Some of these qualities were: gave support, had high performance expectations, gave subordinates the opportunity to be responsible, was available when needed, was a good listener, sought input before making decisions, and was a

good role model. Management needed to create positive
working relationships with their subordinates upon which
high expectations for task performance were built and
managed. The relationship was the foundation upon which
excellence in task performance was developed. The
transformational manager communicated sincere interest in
the employee, showed respect for high task accomplishments,
and dedication to the employee's future development
(Gilbert, 1985).

Today's managers were developing new styles to meet
the changing conditions of business. Managerial work was
undergoing such enormous and rapid changes that managers
were developing their new positions as they went. Some
managers perceived the new work role as losing power
because most of their authority came from a position within
the organization. Kanter (1989) discussed how new
strategies challenged the old power of managers. She
offered five elements that managers must do to achieve
results in the new companies. First, there were a greater
number and variety of channels for taking action and
exerting influence. Second, relationships of influence
were shifting from vertical to horizontal, from chain of
command to peer networks. Third, the distinction between
managers and those managed was diminishing, especially in
terms of information, control over assignments, and access
to external relationships. Fourth, external relationships

were increasingly important as sources of internal power and influence. Fifth, career development had become less visible. There were fewer assured routes to success, but career paths were more open to innovation, which provided opportunity.

Leaders encouraged subordinates to engage in self-management by providing a positive role model, social reinforcement, and reinforcing patterns of the leader change as the subordinate became more and more capable of self-management. Manz and Sims (1980) suggested that the role of the leader as one who encouraged and developed self-managed subordinates. There were several factors that influenced attempts to develop self-management in subordinates. These factors included the nature of the task, the nature of the problem, the availability of time, and the importance of subordinate development. Leaders critically analyzed when and how to develop these factors. Employee factors, such as eagerness, desire, and current capability influenced decisions on employee self-management.

Companies and their management displayed leadership by sharing the vision, developing management structures to support change, educating their employees, and encouraged local innovations and experiments (Kanter, 1987). Kanter (1987) described three important leadership competencies for changing organizations. First, management must

understand the environment and be connected to data and problems, so they know when to challenge traditional attitudes, beliefs, and practices. Second, management has a clear vision and communicates it. Third, management created partnerships across different areas for support.

Fisher (1988) developed a list of factors to support creative leadership from his conversations and experiences with high commitment companies like Procter and Gamble, Cummins Engine, Xerox and others. These factors included institutionalizing continuous improvement, treating everyone else like a business partner, showing that work was, developing people, and eliminating barriers to succcess. The study also suggested that "management separate these aspects of the management role into two categories: things that were observable, such as behavior and styles, and things that were not observable, such as the individuals' values, assumptions, paradigms, and vision."

Rationale and Research Questions

The expanding trends toward more employee participation and expanding competitiveness in organizations offered opportunities to develop new work methods. Participation and new work designs emerged as experiments in the 1960s and a few successful new design plants were established in the early 1970s. However, few

companies have heartily endorsed movement toward the new paradigm of work.

Actual field experiments have been documented but they remain inconclusive due to the limited number of successful implementations. The failure to integrate social science and business objectives has deterred the acceptance of a new work paradigm. The social scientist and the business analyst supported mutually exclusive objectives and views. The social scientist researches attitudes and employee behavior while the business analyst researches maximized profits with little regard for how the work was accomplished.

The mutually inclusive ingredients of productivity, communication and management leadership provided a bridge for more efficient business operations. If productivity increased, then profits improved. If communication between management and workers increases, then attitudes and behaviors become less adversarial. If management leadership addressed problems and concerns relating to business operations, then organizational effectiveness improved.

Due to social conditions decreasing the scope of the available work force, the literature indicated that industry developed methods to retain employees. There were fewer workers to choose from in the 20th century and employees demanded more voice in managing the work

environment. The literature says that new generation workers demanded less autocratic leadership, requiring a shift in management style.

Industry responded to these social changes through employee participation, but continued to measure success through traditional measures that included employees as a variable cost. Fixed assets (machinery and buildings) required long-range planning and top-level approvals. The challenge seemed to revolve around the ability and willingness of industry to turn employees into assets rather than liabilities.

The development of employee skills and knowledge through training produced a viable alternative to move employees into the asset column. Motorola, IBM, Square D, and other companies have discovered the value of training their employees to compete in world markets. Japanese companies offered strict, structured training to their employees that supported definite, on-the-job activities needed to improve performance.

The primary aim of work redesign was to improve business operations and efficiencies. More study and research were needed to identify effective methods and models for improvement. As competition increased, proven methods needed validation to support the move toward a new work paradigm.

The main reason for this study centered on whether

the measures of perceived productivity improvement, communication, and leadership provided a foundation of organizational effectiveness. The above discussion justifies posing the following research questions:

1. Did respondents rate productivity in the work unit as lower after the elimination of training and participation?

Researchers and numerous studies have indicated that training had a positive effect on employees. As employees developed a better understanding of themselves and business operations, their perception of completing needed tasks improved. Thus, productivity improved.

Participation in decision making by employees has also been shown to improve productivity. Participation allowed input that led to ownership. As the level of participation increases, so should ownership.

2. Did respondents rate communication in the work unit as lower after the elimination of training and participation?

Training in social skills and the ability to apply this training through participation should improve communication in the organization. Opening communication channels that allowed employees to understand how they were progressing provided personal growth and commitment. Open communication was the first building block toward trust and respect. Communication of information provided

the employee with the ability to make legitimate,
responsible decisions. Participation required
communication to resolve conflicts and problems.

3. Did respondents rate the management leadership and
employee leadership lower after the elimination of training
and participation?

Understanding and cooperation between individuals
allowed leadership qualities to expand and develop, both in
management and employees. The expected skill development
through training enhanced interactions relating to
leadership qualities. Leadership abilities and their
application became evident because the training
provided understanding. Application of leadership
abilities improved the perception of a change in management
style.

This study provided data to examine the proposed
improvement relating to training and participation.
If positive correlations could be shown regarding training
and improvement, then costs relating to training could be
justified more easily. Data of this type could support the
espoused benefits relating to training and participation.

CHAPTER II

METHODOLOGY

Introduction

Data for this study was collected in a division of a
Fortune 100 company which manufactures home appliances.
The Division consisted of approximately 800 hourly and 200
salaried employees. The Division developed quality circles
in the early 1980s and established plans to develop work
teams in 1988. Prior to 1988, employees had participated
in idea generation, improvement opportunities, and limited
problem solving.

The Division had operated under traditional management
principles since 1970. These principles had proven
successful and the Division was profitable. However,
competitive cost pressures demanded a change in order to
remain competitive. High labor costs and operational
expenses had eroded profit margins to the point that the
existence of the Division was being questioned by 1988.

The southern, rural location and past experience with
employee involvement, made the Division a likely candidate
for participative management systems. The shift toward
participative management systems started in late 1988. The
first steps were plant visits and the introduction of new

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work concepts to the upper and middle management group.

This process took approximately twelve months. In late

1989 and early 1990, training of supervisors and hourly

employees started. This training effort provided over

30,000 hours of instruction. Work teams were implemented

in several areas of the plant, mostly where employees

expressed an interest in involvement. One entire

department (approximately 120 employees) elected to form

work teams in their area. By the end of 1990, 40 percent

of the plant was involved with work teams. Several office

groups (accounting, information systems, etc.) were

involved in work teams. The training effort continued to

introduce and apply work team concepts.

This training developed both social and business

operation skills. Interpersonal and communication skills

proved most beneficial on the social side. Actual

accounting, material handling and quality training provided

a good understanding of business operations.

In February 1990, the parent company announced the

sale of the Division. The sale took place in August 1990.

A large Japanese company bought the Division. The entire

work team structure was dismantled in October 1990 and

management and operations returned to a more authoritarian

style. The new management style was more authoritarian

than the one in place prior to the change to a

participative system.

An employee survey, conducted in April 1990, provided a benchmark of organizational opinion. Results from this survey form the initial data base for this study. (See Apendix B)

A second employee survey (same questionnaire) was conducted in August 1991. The sample included the entire department that had received the most training and had the most experience in work team concepts.

Several dynamic changes happened during the time period between the surveys. The Division had been sold to a Japanese company, work team structures were dismantled and management style had regressed to traditional ways. The work force of 800 hourly employees had been reduced to 450 employees. No training was completed after September 1990. These confounding variables present opportunities for further study and analysis.

Procedures

An employee survey was developed to gather opinions relating to work teams, communication, employee involvement and improved business operations. The survey contained fifty statements that were evaluated on a scale of one to five. Demographics were collected to possibly use in determining possible reasons for certain responses. In April 1990 the initial survey was administered and 585 respondents completed the survey out of 900 distributed,

with results tabulated in June 1990. The response rate of 65% provided a cross-section of the organization. The results were communicated in the daily newspaper to all employees.

The second survey, conducted in August 1991, provided data for comparison of responses over a sixteen month period. Onr hundred seven questionnaires were distributed, and 36 usable questionnaires were completed, for a 34 percent return rate.

At the time of distribution of both surveys, participants were told to answer the statements to the best of their ability and were assured that all answers would remain confidential and data would only be shared in a general format. Collection of surveys was accomplished by designating a location where each person could anonomously deposit the survey.

The survey questionnaire was developed and tested by a group of ten individuals for content and understandability. Revisions were made from the comments of each individual. After revision to the survey questionnaire, ten other individuals completed the survey and reported on any discrepancies they found. Their responses needed no revisions.

The results of the surveys were compared to detect any significant differences of perception over the sixteen

month period. The effects of training and participation were correlated with productivity, communication, and leadership statements. Tests of differences supplied information on significant differences over the sixteen months.

Measurement of Variables

Productivity

"Productivity" is defined as the perceived increase or decrease of output from the effects of employees. This definition measures the organizational systems and structures that allow employees to complete job tasks and identify with the organization. The organizational systems and structures either encourage or inhibit the ability of the employee to affect output. Measurement of the productivity factor relies more on the implicit elements of productivity (motivation, responsibility, and ownership) rather than the explicit elements of productivity (financial, cycle time, and actual hard, enumerated improvements).

Perceived productivity is measured by comparing means of the two samples. A list of questions (see Appendix A) that pertain to this factor provide the data for analysis. A t-test was used to identify any statistical significance between the means. Specific statements were measured by comparing differences of means to identify the larger,

possibly more important sections. The researcher
expects the overall measurements of each factor to
decline from 1990 to 1991.

Communication

Communication, entails the exchange of information
through the established channels in an organization. The
main channels for information flow in organizations travels
up and down the heirarchy. This study deals mainly with
downward communication in the organization. Measurement of
the communication factor relies on both the quantity and
quality of information exchanged within the organization.

A list of questions (see Apendix A) relating to
communication within the organization provide the data for
analysis. A t-test was used to test for statistical
significance between the means of the samples. The
statistical analysis will measure the improvement or
decline in the communication process. The researcher
expected both the quality and quantity of information to
decline in 1991 when compared to 1990. Specific statements
that exhibited the largest differences of means will be
categorized to identify the important issues in this
factor.

Leadership

Leadership, is the ability of an individual to
motivate, direct, coach, and enable other individuals to

reach their maximum capability. Leadership is not reserved

for management or any other specific group. Individual

leadership, by a person not in a position of power,

qualifies the individual as a candidate for leading others.

Measurement of leadership in this study is accomplished by

assessing respondent's perception of management leadership

capability. The statements include: trust, change,

sharing power, and interpersonal skills.

A list of questions (see Apendix A) relating to

leadership qualities provide the data for analysis. A t-

test was used to test the statistical significance between

sample means. The analysis was to determine whether the

training in leadership has lasting effects. Specific

statements that show the greatest difference in means were

categorized to identify important points.

Mergers and Acquisitions

Mergers and acquisitions are defined as an ownership

change of a business entity, whether by an outright sale or

combination of entities to create a new, stronger company.

This definition entails ownership, leadership, and

management change that occurs when a merger/acquisition

takes place.

A list of questions (see Appendix A) relating to the

acquisition provide the data for analysis. The survey

contains only three statements about the acquisition that were in the initial survey. Two questions were added to the second survey to help measure attitudes after the acquisition but not for comparison of means. The researcher expected attitudes to show a decline in 1991, compared to 1990.

Work Teams

"Work team", as defined in the context of this study, comprises a group of individuals who plan, direct, coordinate and organize their day-to-day operations. A team takes responsibility for solving problems and improving its work area. Work teams require increased involvement through communications and business operating principles. Work teams take responsibility for administrative duties that once were reserved for management.

A list of questions relating to work teams provides the data for analysis. A t-test will be used to test the statistical significance between the sample means. The analysis will determine the effect of returning to an authoritarian management with little chance for employee participation in work teams. The researcher expected that attitudes toward work teams to decline from the 1990 survey to the 1991 survey. Specific statements that showed the greatest difference in means were categorized to

identify salient points.

Employee Participation

"Employee participation", constitutes the level of employee participation in decision making and the level of employee participation in the actual operation of the business. The degree that employees are allowed to participate signals the openness of management to accept the value of employee ideas and suggestions.

A list of questions (see Apendix A) relating to employee participation provide the data for analysis of this factor. A t-test was used to test the statistical significance between the sample means. The analysis measured the increase or decline of employee participation in the study period. The data was expected to show a decline in participation in 1991 compared to 1990. Specific statements that showed the greatest difference in means were categorized to identify important statements.

Analysis

The t-test was used to compare data collected from the two experiments. The t-test is generally used for small samples that approach the normal curve distribution. Both z and t tests were used to test for consistency but only t-test scores were reported and analyzed.

The 1991 survey contained only 36 samples, while the 1990 survey contained 585 samples. Through random

sampling, 80 surveys from the 1990 survey were used for data analysis. Means, standard deviations, and sample variance of each survey provides data to test for statistical significance.

An interesting aspect of the data analysis centered on the fact that the organization moved from a participative approach to a more authoritarian approach. Therefore, the difference of samples moves from a higher value to a lower value. The data actually represents regression of means.

Data were analyzed to check for possible differences in six areas: mergers and acquisitions, work teams, employee participation, productivity, leadership, and communication. Each factor was assessed for statistical significance by calculating t-scores. A one-tailed significance level was used on t-scores.

Each survey was assessed for validity by viewing responses for invalid or constant selection. Any questionable surveys were discarded and replaced with valid surveys.

Means, standard deviations, and sample variance followed a consistent pattern throughout the data analysis process. The data analysis revealed no abberations or hint of response set of the data. Sample variances and standard deviations remained fairly constant throughout data analysis across all six factors, indicating consistent

response in both samples. The data analysis in both

samples provided ample information to assess any

statistical significance.

CHAPTER III

RESULTS

The results of the study provide insight into the
areas of the organization most affected by the change or
transition. The six factors analyzed suggested that
communications and productivity displayed statistical
significance ($p < .05$), while employee participation and work
teams showed statistical significance at the $p < .10$ level.
Leadership and mergers/acquisitions showed no statistical
significance. Each factor will be discussed briefly in
more detail.

Communication

Communication displayed statistical significance
($t = 1.82$), which exceeds $p < .05$ significance (critical value
$t = 1.64$). The differences of sample means (.4179) displayed
perceived differences (negative direction) in the
communication process after the change of ownership. A
relatively large number of statements in the survey
pertained to communication; therefore, ample data supports
the claim of significance between the two samples. In
addition to sample means, additional breakdown of
individual elements showed six important items that created
the major difference in means. Table 1 summarizes the

69

important items identified in the survey. All the

statements pertain to downward communication except for the

last one relating to response to questions and suggestions

by management. The comparison focuses on items identified

that regressed during the sixteen months between the

surveys.

TABLE 1

COMMUNICATION DATA FACTOR (Comparison)

Item	1990 (Mean)	1991 (Mean)	Difference	t-Score
Management lets me know how I am doing	3.28	2.88	.40	1.32**
Proper use of safety equipment	3.84	3.26	.58	2.27**
Clear direction on goals and objectives	3.14	2.53	.61	2.26**
Goals communicated throughout the organization	3.34	2.66	.68	2.28**
Feedback on depart- ment performance	3.41	2.94	.47	1.58**
Quick response on questions and suggestions	3.08	2.53	.55	1.96**

*Significant at $p < .01$, Critical Value $t = 2.34$
**Significant at $p < .05$, Critical Value $t = 1.64$

Productivity

Perceived productivity within the organization also

displayed statistical significance ($t = 1.71$) which exceeds

$p < .05$ (critical value, $t = 1.64$). Differences between sample

means (.5425) supported the perceived drop of productivity in the organization. The results of the productivity factor mirror results from the communication factor, although sample variance was larger in the productivity factor.

A further breakdown of individual items in the productivity factor reveals four important issues. Table 2 identifies these issues and the differences of the means in each survey. The productivity factor data identified four of the six total items with strong regression over the survey period. Motivational statements appear more frequently than results statements. The absence of hard, quantifiable data (numbers) contributes credence to the issue of perceived vs. actual shifts in productivity.

TABLE 2

PRODUCTIVITY DATA FACTOR (Comparison)

Item	1990 (Mean)	1991 (Mean)	Difference	t-Score
Look for new ways to do my job	4.58	4.15	.43	2.44*
Allowed to work to my full potential	3.95	3.40	.55	2.01**
Problem solving has improved in the organization	3.30	2.66	.64	2.17**
Employees working smarter, not harder	3.31	2.42	.89	3.21*

*Significant at p<.01, Critical Value t=2.34
**Significant at p<.05, Critical Value t=1.64

Employee Participation

The results support mild statistical significance (t=
1.53, critical value=1.28, p<.10) relating to decreased
employee participation.   The t-value did not meet the p<.05
significance level of t=1.64.   Differences of sample means
(.4242) and sample variation combined to keep this factor
from reaching the p<.05 significance level.   The employeee
participation factor supported the drop in employee
participation but did not load as heavily as communications
or productivity.

A further breakdown of individual items surfaced four
statements that contributed heavily to the difference of
means.   All four of these statements showed wide
differences of perception from the first survey to the
second.   (See Table 3).   Although the combined total of the
employee participation factor exhibited slight
significance, these items showed wide divergence.   The
return to authoritarian managements seems to have affected
these items most severely.

TABLE 3

EMPLOYEE PARTICIPATION DATA FACTOR (Comparison)

Item	1990 (Mean)	1991 (Mean)	Difference	t-Score
Allowed more decision making power	3.61	3.00	.61	1.95**
Working with other to solve operational problems	4.11	3.32	.79	3.53*
Recognition for good performance	3.33	2.65	.68	2.45*
Inputs into goal setting	3.37	2.50	.87	3.06*

*Significant at $p < .01$, Critical Value $t = 2.34$
**Significant at $p < .05$, Critical Value $t = 1.64$

Work Teams

The data results suggest displeasure with the cessation of work teams but was not statistically significant at $p < .05$, (critical value, $t = 1.64$). However, the results ($t = 1.46$) did support statistical significance at $p < .10$, (critical value, $t = 1.28$). Differences of sample means (.4179) and sample variation combined to keep this factor below $p < .05$ significance.

In an effort to identify the most divergent items affecting this factor, three important issues emerged. Two of the items identified the cessation of training as a

contributing factor in the regression of the mean of the
second sample. The other item, receiving guidance/
direction from other members also showed a large regression
from the first sample to the second sample.

TABLE 4

WORK TEAMS DATA FACTOR (Comparison)

Item	1990 (Mean)	1991 (Mean)	Difference	t-Score
Receiving guidance/ direction from other team members	3.77	3.12	.65	2.53*
Enough training to acquire skills to get ahead	3.01	2.21	.80	2.94*
Receive training to do my job better	3.24	2.49	.75	2.55*

*Significant at $p < .01$, Critical Value $t = 2.34$

Leadership

The data results suggest a slight shift (negative
direction) of means in the leadership factor (.2703) but
the difference was not statistically significant at either
alpha level. The t-value of 1.02 suggests a slight
difference in the leadership factor. The leadership factor
loaded less than expected because of the change in
ownership and management style.

The breakdown of the leadership factor surfaced three
items of importance. The issues of change and sharing
power displayed the largest differences of means. The

management support of work teams showed a lesser

divergence. The low mean associated with sharing power

indicated that a real transformation of leadership did not

happen in the sixteen month period. It appears that

management had changed, but the change was perceived

negatively by the respondents.

TABLE 5

LEADERSHIP DATA FACTOR (Comparison)

Item	1990 (Mean)	1991 (Mean)	Difference	t-Score
Manager would support work teams	4.39	4.00	.39	1.59
Management willing to change	3.08	2.63	.45	1.54
Management willing to share power	2.49	1.79	.70	2.56*

*Significant at p<.01, Critical Value t=2.34
**Significant at p<.05, Critical Value t=1.64

Mergers and Acquisitions

Data results showed no differences in means and a t-value of .02, which is negligible. The survey contained

limited (three) statements and the response rate was less

than seventy-five percent to the questionnaire statements.

The means of both samples approached the neutral position

on the questionnaire. Both sample means were within .05 of

the median score of three on the questionnaire.

Additional breakdown of the merger and acquisition

factor indicated only one important item that was viewed

differently during the study period. The respondents' view
of favorable career opportunities displayed a regression of
means during the study period. The possible reality of
fewer career opportunities could cause the outlook for
the future to be viewed less optimistically.

TABLE 6

MERGER AND ACQUISITION DATA FACTOR (Comparison)

Item	1990 (Mean)	1991 (Mean)	Difference	t-Score
Favorable career opportunities after the sale	3.49	2.84	.65	2.18**

**Significant at p<.05, Critical Value t=1.64

A summary of the factors and accompanying data in
Table Seven depict survey results to compare overall
analysis of the study.

TABLE 7

COMPARISON OF SURVEY RESULTS

Factor	1990 (Mean)	1991 (Mean)	t-Score
Communication	3.60	3.18	1.75*
Employee Participation	3.93	3.51	1.53**
Leadership	3.44	3.17	1.02
Mergers and Acquisitions	2.96	2.97	.02
Productivity	3.88	3.33	1.71*
Work Teams	3.46	3.04	1.46**

* Significant at $p < .05$, Critical Value $t = 1.64$
** Significant at $p < .10$, Critical value $t = 1.28$

(No factor was significant at $p < .01$ level)

Overall, the data provided consistency of response and enough variation to rule out response set. However, specific results raise questions that the researcher had not anticipated.

CHAPTER IV

DISCUSSIONS AND CONCLUSIONS

Discussion

The survey results provide a mixture of anticipated responses. Response levels in the 1990 survey consistently rank higher than or equal to 1991 survey results. The consistency of lower scores in the 1991 survey, excluding the merger/acquisition factor, raises several questions relating to the perceived decline in organizational effectiveness.

Did the shift from participative management to a more autocratic style foster the decline? This shift in management style would curtail employee participation in decision-making processes. Less employee participation could cause employees to perceive a loss of power and prestige. The Review of Literature suggests that employee participation in decision-making processes positively correlates with job satisfaction and enhanced performance. This study provides the reversal of roles and suggests that lessening employee participation in decision-making processes decreases employee job satisfaction.

Did cultural differences between the Japanese and Americans affect performance? Although, the survey results

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showed no difference in employee perception relating to the
merger/acquisition, the culture differences could affect
overall organizational performance in other areas. The
fact that the company's wages were forty (40) percent
higher than neighboring companies may have contributed to
the apparent lack of concern about the merger/acquisition.
Another consideration for the lack of significance in the
merger/acquisition could stem from the four stages of the
grief cycle: denial, anger, grief, and renewal. The mean
of the responses lies between fear and anxiety on the five
point scale. At the time of the second survey this
organization may still have been in the denial stage.
Research suggests that some organizations have spent six
years in the transition stage and not reached the renewal
stage to support improvements. The survey results
apparently do not depict an organization in the renewal
stage.

The study suggests that the apparent changes that take
place when management styles change affect organizational
performance. The entire organization was exposed to
considerable amounts of training during 1989 and the
initial survey in 1990 provided a benchmark of what had
been accomplished. The joint venture began August 1990 and
the second survey was completed in mid-1991. All training
ceased in September 1990.

Survey results suggest that downward communication in

the organization decreased during the sixteen month period between the two surveys. Such results would be expected in changing from a participative management style to a more autocratic management style. The effects of less communication within an organization suggests a decline in organizational performance.

Survey results suggest a decline in perceived productivity. The confusion and chaos relating to completion of job tasks could be attributed to a lack of information and unclear direction. The loss of productivity hinders the company from maximizing profits and the efficient utilization of human resources.

Employee participation and work team results supported the decline of overall organizational performance. Both of these factors point toward the change in management style. Although these two factors did not provide as much statistical significance as productivity and communication, they suggest that employees perceive a difference in business operations within the survey period.

The most surprising survey result comes from the fact that the differences in perceptions of leadership within the organization was not statistically significant. Management styles have changed but the respondents perceived little change in leadership style. Although ownership changed, most of the same people remained in leadership positions. Leadership style may not have

changed even though there was enhanced employee
participation in work teams, better communication, and more
ownership of business operations by the employee.
Possibly, the employee's world had broadened, but the
leadership of the organization remained constant.

Survey results showed no difference relating to
mergers/acquisitions. These results are startling, given
the massive research which gemerally concluded that the
merger/acquisition process has devastating effects on both
employees and organizations. The large turnover, as
predicted by research, has not happened. Possibly, the
training that employees received in the 1989-1990 period
provided enough skills to deal with the massive amount of
change and chaos within the organization. Several
employees verbally expressed frustration and anxiety with
the joint venture, but the survey results do not support
the expression of frustration and anxiety.

Overall, the survey results generally support the
benefit of training and participation as tools to improve
organizational performance. However, the effects probably
evolve over years instead of months. Survey results also
suggest that segments of the organization change at
different rates, as suggested by statistical significance
of the factors over a sixteen month period.

Limitations

The limitations of this study include the chaotic
environment of the organization during the study period and
the limited sample size of the second survey. During the
sixteen month period of the survey the Division was sold, a
new Japanese management system was implemented, and
employee training stopped. The response rate on the second
survey was thirty-four (34) percent as compared with fifty-
plus (50+) percent on the first survey. Because of these
added complexities, some survey results could be slanted.

This study grouped general factors and made no attempt
to break these factors into specific components. Also,
there has been no attempt to establish correlation between
factors to study their interrelationship. Because of the
stoppage of training after two years, no long-term trends
or generalizations can be made relating to training.

Recommendations for Future Study

The possibilities for future study abound from the
findings of this study. The relationship among all six
factors would provide insight into the effects on
organizational performance. A longer longitudinal study
(possible 5-10 years) of the factors included in this study
could provide valuable information concerning the benefits
of training. Future study of the merger/acquisition
process would provide much needed data to deal with this

phenomena.

The actual measurement of productivity, rather than perceived productivity gains, could provide concrete, quantifiable data to support training and participation activities. A year-to-year longitudinal study over a period of time could support the suspected long-term gains of training and participation.

A comparison of changed leadership style of management and production employees offers an interesting study option to determine if a correlation exists as to rate of change and timing of the change. This study did not detect the suspected change in leadership style by management. If management style refuses to change, can changed employee leadership style force management to change? Does the leadership change by management and employees happen simultaneously or can this change happen independently?

Conclusions

None of the three research questions were affirmed at the $p < .01$ significance level. Perceived productivity and communication declined at the $p < .05$ alpha level in the work unit during the study period. (1990 results were more positive than 1991 results). Management leadership did not improve during the study period.

The decline of perceived productivity and communication through employee participation supports the

general research of the past. Generally, researchers have found similar results. Open, honest communication supports trust building and participation. Expanded channels of communication allow grievances and frustrations to surface and demands resolution in a time-efficient manner. Once these issues and concerns are addressed properly, then employees can focus on improving operations and efficiencies. Therefore, productivity declines when non-administrative problems are not addressed.

Although related, management leadership does not appear to positively correlate to the increase in employee participation. The data suggest that improved organizational performance can be accomplished without substantial management leadership change. This suggestion runs contrary to most research findings. The possibility of a changed leadership style and active employee participation enhancing and speeding improved organizational performance certainly exists.

This study affirms the value of training and participation in improving organizational performances perceived by employees. The intensity and depth of the training and participation provides an interesting question for the organization that is facing critical, life-threatening changes: Will the organization start soon enough to survive?

APPENDIX A

I. Statements relating to each factor were selected and grouped as follows: (See Appendix B for all survey statements)

*COMMUNICATION

No. 18. My supervisor regularly lets me know how well I am doing.

No. 19. My supervisors give me guidance and help rather than orders.

No. 20. The organization insists that eveyone use the latest safety equipment.

No. 21. I am encouraged to learn about what is going on in other parts of the organization.

No. 26. I know the goals of my department.

No. 27. I know how my work affects the work of the person who gets it next.

No. 33. I receive clear directions on how to support the Division goals/objectives.

No. 34. Division goals have been communicated throughout the organization.

No. 42. I understand what my Department has to accomplish in order to be successful.

No. 45. I receive regular feedback about how well my department is doing.

No. 46. Workers receive a quick response to questions and suggestions from supervisors and management teams.

*PRODUCTIVITY

No. 5. I look for new ways to do my job.

No. 15. I am allowed to work to my full potential.

No. 23. I care more about the success of the whole operation than about individual success.

APPENDIX A

No. 24. I feel personally responsible for how well this organization does.

No. 32. Problem solving has improved in this organization in the past twelve months.

No. 40. I believe employees are working smarter, not harder.

*EMPLOYEE PARTICIPATION

No. 11. The role of employees has changed in the past twelve months.

No. 12. I welcome changes in the way we do things here.

No. 13. I am encouraged to try new ways of doing things, even if they might not work out.

No. 28. I am encouraged to solve problems that involve my job.

No. 29. I have been allowed to make more decisions about my area of work in the past twelve months.

No. 31. I am willing to change to improve business operations.

No. 39. I work with others to identify, analyze, and solve operational problems.

No. 41. I receive recognition for good performance.

No. 43. I have input into setting performance goals for my department.

*WORK TEAMS

No. 4. I feel comfortable taking guidance/ direction from other team members.

No. 7. Work teams would improve our business operations.

APPENDIX A

No. 16. This organization provides enough training
for me to get the skills I need to get
ahead.

No. 22. The training I have received has helped me
to do my job better.

No. 25. I receive training which helps me do my
job better.

No. 36. I trust my co-workers.

No. 37. The work team concept exploits workers.

*LEADERSHIP

No. 8. I believe my supervisor would support work
teams.

No. 9. I believe my manager would support work
teams.

No. 10. The role of the supervisor has changed in
the last twelve months.

No. 14. My supervisors see their role as
encouraging new ways of doing things.

No. 17. My supervisors have excellent skills in
dealing with people.

No. 30. Management is willing to change to improve
business operations.

No. 38. Management is willing to share power with
employees.

No. 44. Ideas get passed up to my manager through
the supervisor meeting.

*MERGERS/ACQUISITIONS

No. 1. What was your feeling on the day the sale
was announced.

No. 2. The Division's future is brighter after the
sale was completed.

APPENDIX A

No. 3. I believe employees have favorable career
         opportunities after the sale.

No. 48. Working conditions have improved since the
         sale.

No. 49. I feel more secure in my job after the sale.

APPENDIX B

INSTRUCTIONS

1. The purpose of this survey is to gather data about the transition of the Danville Division relating to the acquisition and changes from previous assessment.

2. There are no right or wrong questions. Give your honest opinion. Please respond to all questions or statements.

3. Your responses are confidential. Data will be collected on a general basis and will not be reported on an individual basis.

4. This data is for a research project and results will only be reported in a final general form.

5. The data from this research is intended for academic research and not for management decisions.

APPENDIX B

CIRCLE THE MOST IMPORTANT RESPONSE

TO EACH QUESTION/STATEMENT

Part I

(1) What was your feeling on the day the sale was announced?

1	2	3	4	5	6
Anger	Fear	Anxiety	Relief	Joy	Don't Know

(2) The Division's future is brighter after the sale was completed.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

(3) I believe employees have favorable career opportunities after the sale.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

(4) I feel comfortable taking guidance/direction from other team members.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

(5) I look for new ways to do my job.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

(6) Current Red Book Policy works hand in hand with the work team concept.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

APPENDIX B

(7) Work teams would improve our business operations.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

(8) I believe my supervisor would support work teams.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

(9) I believe my manager would support work teams.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

(10) The role of the supervisor has changed in the past twelve months.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

(11) The role of employees has changed in the past twelve months.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

(12) I welcome changes in the way we do things here.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

(13) I am encouraged to try new ways of doing things here.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

APPENDIX B

(14) My supervisors see their role as encourageing new ways of doing things.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

(15) I am allowed to work to my full potential.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

(16) This organization provides enough training for me to get the skills I need to get ahead.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

(17) My supervisors have excellent skills in dealing with people.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

(18) My supervisors regularly let me know how well I am doing.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

(19) My supervisors give me guidance and help rather than orders.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

(20) The organization insists that everyone use the latest safety equipment.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

APPENDIX B

(21) I am encouraged to learn about what is going on in other parts of the organizaton.

```
    1         2         3         4         5         6
Strongly  Somewhat  Neutral  Somewhat  Strongly  Don't
Disagree  Disagree            Agree     Agree    Know
```

(22) The training I have received has helped me to do my job better.

```
    1         2         3         4         5         6
Strongly  Somewhat  Neutral  Somewhat  Strongly  Don't
Disagree  Disagree            Agree     Agree    know
```

(23) I care more about the success of the whole operation than about individual success.

```
    1         2         3         4         5         6
Strongly  Somewhat  Neutral  Somewhat  Strongly  Don't
Disagree  Disagree            Agree     Agree    Know
```

(24) I feel personally responsible for how well this organization does.

```
    1         2         3         4         5         6
Strongly  Somewhat  Neutral  Somewhat  Strongly  Don't
Disagree  Disagree            Agree     Agree    Know
```

(25) I receive training which helps me do my job better.

```
    1         2         3         4         5         6
Strongly  Somewhat  Neutral  Somewhat  Strongly  Don't
Disagree  Disagree            Agree     Agree    Know
```

(26) I know the goals of my department.

```
    1         2         3         4         5         6
Strongly  Somewhat  Neutral  Somewhat  Strongly  Don't
Disagree  Disagree            Agree     Agree    Know
```

(27) I know how my work affects the work of the person who gets it next.

```
    1         2         3         4         5         6
Strongly  Somewhat  Neutral  Somewhat  Strongly  Don't
Disagree  Disagree            Agree     Agree    Know
```

APPENDIX B

(28) I am encouraged to solve problems that involve my
      job.

```
      1          2          3         4          5         6
      Strongly  Somewhat  Neutral  Somewhat  Strongly  Don't
      Disagree  Disagree            Agree     Agree     Know
```

(29) I have been allowed to make more decisions about my
      area of work in the past twelve months.

```
      1          2          3         4          5         6
      Strongly  Somewhat  Neutral  Somewhat  Strongly  Don't
      Disagree  Disagree            Agree     Agree     Know
```

(30) Management is willing to change to improve business
      operations.

```
      1          2          3         4          5         6
      Strongly  Somewhat  Neutral  Somewhat  Strongly  Don't
      Disagree  Disagree            Agree     Agree     Know
```

(31) I am willing to change to improve business
      operations.

```
      1          2          3         4          5         6
      Strongly  Somewhat  Neutral  Somewhat  Strongly  Don't
      Disagree  Disagree            Agree     Agree     Know
```

(32) Problem solving has improved in this organization in
      the past twelve months.

```
      1          2          3         4          5         6
      Strongly  Somewhat  Neutral  Somewhat  Strongly  Don't
      Disagree  Disagree            Agree     Agree     Know
```

(33) I receive clear directions on how to support the
      Division goals/objectives.

```
      1          2          3         4          5         6
      Strongly  Somewhat  Neutral  Somewhat  Strongly  Don't
      Disagree  Disagree            Agree     Agree     Know
```

(34) Division goals have been communicated throughout the
      organization.

```
      1          2          3         4          5         6
      Strongly  Somewhat  Neutral  Somewhat  Strongly  Don't
      Disagree  Disagree            Agree     Agree     Know
```

APPENDIX B

(35) I trust the information I received from management.

```
   1          2         3         4          5          6
Strongly  Somewhat  Neutral  Somewhat  Strongly  Don't
Disagree  Disagree            Agree     Agree     Know
```

(36) I trust my co-workers.

```
   1          2         3         4          5          6
Strongly  Somewhat  Neutral  Somewhat  Strongly  Don't
Disagree  Disagree            Agree     Agree     Know
```

(37) The work team concept exploits workers.

```
   1          2         3         4          5          6
Strongly  Somewhat  Neutral  Somewhat  Strongly  Don't
Disagree  Disagree            Agree     Agree     Know
```

(38) Management is willing to share power with employees.

```
   1          2         3         4          5          6
Strongly  Somewhat  Neutral  Somewhat  Strongly  Don't
Disagree  Disagree            Agree     Agree     Know
```

(39) I work with others to identify, analyze, and solve
      operational problems.

```
   1          2         3         4          5          6
Strongly  Somewhat  Neutral  Somewhat  Strongly  Don't
Disagree  Disagree            Agree     Agree     Know
```

(40) I believe employees are working smarter, not harder.

```
   1          2         3         4          5          6
Strongly  Somewhat  Neutral  Somewhat  Strongly  Don't
Disagree  Disagree            Agree     Agree     Know
```

(41) I receive recognition for good performance.

```
   1          2         3         4          5          6
Strongly  Somewhat  Neutral  Somewhat  Strongly  Don't
Disagree  Disagree            Agree     Agree     Know
```

(42) I understand what my department has to accomplish in
      order to be successful.

```
   1          2         3         4          5          6
Strongly  Somewhat  Neutral  Somewhat  Strongly  Don't
Disagree  Disagree            Agree     Agree     Know
```

APPENDIX B

(43) I have input into setting performance goals for my department.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

(44) Ideas get passed up to my manager through the supervisors meeting.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

(45) I receive regular feedback about how well my department is doing.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

(46) Workers receive a quick response to questions and suggestions from supervisors and management teams.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

(47) Productivity has improved since the sale.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

(48) Working conditions have improved since the sale.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

(49) I feel more secure in my job after the sale.

1	2	3	4	5	6
Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Don't Know

APPENDIX B

(50)   Information (communication of goals/happenings) is
       more open after the sale.

1	2	3	4	5	6
Strongly	Somewhat	Neutral	Somewhat	Strongly	Don't
Disagree	Disagree		Agree	Agree	Know

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