

Foreword

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Foreword

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Performance improvement is important for any organization in Europe. The trend of a globalizing economy forces many companies to improve their competitive position. Within the European Union markets are broadened from national levels to a European level. Traditionally, companies focus on investments in new technology, research and marketing to enhance competitive advantage. The management of human resources still is an underutilized force in building competitive advantage. Pfeffer (1994) describes 16 practices for managing people that can help organizations to sustain a competitive edge. He concludes that many organizations failed to use the power of the workforce by keeping outdated notions of managing people. Other authors, for example Bolwijn and Kumpe (1996), point to the same phenomenon. Human Resources Management (HRM) did not evolve according to the change of competitive factors in companies, although HRM should play a crucial role.

Bolwijn and Kumpe (1996) present an evolutionary process description of the change in competitive factors in industry since the 1960s. In the 1960s efficiency was the key competitive factor, and firms produced standard products on a large scale. In the 1970s quality became a crucial factor, in addition to efficiency. Flexibility by shortening throughput times and time to market was added as a competitive factor in the 1980s. In the 1990s innovativeness will be the crucial factor in the competitive position of organizations. In the innovative firm, efficiency, quality improvement and increasing flexibility are combined in an attempt to create new goods and services that can satisfy the customers.

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Bolwijn and Kumpe (1996) argue that disappointing results in these strategic changes in organizations can at least partly be attributed to insufficient changes in the practices of managing people. For example, flexibility is achieved by downsizing and hiring workers on a temporary basis—a choice against quality. The introduction of self-managing teams often turns out to be a process that has to overcome much resistance from within the organization; changing from control to commitment is a bridge too far for many organizations. In other words, we are confronted with the paradoxical situation that HRM practices have lagged behind, although the management of people is the key success factor for competitive advantage today.

The impact of work and organizational psychology on these developments is very modest. The gap between scientific knowledge and practice is prevalent in many areas of work and organizational psychology. In preparing this special issue we concluded that, for example, in the area of quality improvement, psychologists are almost totally absent. In the implementation of Total Quality Management (TQM) managers and consultants mainly rely on straightforward intervention programmes introduced by means of an expert approach. Theoretical notions on how to change the role of people are often missing. As Bolwijn and Kumpe (1996) state, most firms are able to manage technical renewal but fail in the area of social renewal.

From the field of work and organizational psychology very few intervention programmes for performance improvement have been proposed, apart from the traditional areas such as selection and training. One of the exceptions to the rule is the Productivity Measurement and Enhancement System (ProMES) that has been developed by Pritchard and others (see Pritchard, 1990, 1995). ProMES can help to define performance indicators for work groups. Feedback and goal setting are the crucial elements that operate in the use of this system in practice. In Europe, ProMES was introduced in The Netherlands and in Germany in the early 1990s, and more recently in other European countries (e.g. Switzerland and Sweden). In this issue we have tried to bring together the experiences of European researchers in implementing the ProMES system. The first three articles cover these experiences. The last two articles focus on the subject of improving quality in particular.

The first article by Algera, Monhemius, and Wijnen compares ProMES with Statistical Process Control, (SPC) an approach that has been developed in the field of quality management. Both approaches can be compatible in trying to give people cues to work smarter.

The second article by Van Tuiji et al. is based on experiences in many projects and tries to give an answer to three fundamental questions:

- In what way can people contribute to the effectiveness of the organization?
- What kind of motives do people have to contribute to organizational effectiveness?

· How can people actually improve performance?

The answer to the first question can be found by specifying what effectiveness really means for the organization as a whole. ProMES is mostly implemented at the group level in the operating core of an organization. It turns out that the networks of performance indicators across departments and organizational levels are of major importance. The implementation of ProMES in practice can only be successful if performance indicators across departments and organizational levels are congruent. The second question refers to the possibility of relating performance measurement systems to rewards. Traditional problems that occur, for example, in implementing payment-byresult systems, are discussed. The third question covers the issue of improving task strategies. Essentially it boils down to what kind of information people need to be able to learn. ProMES helps group members to learn task strategies that are appropriate for improving group productivity.

Schmidt and Kleinbeck focus in their article on the organizational context factors that hinder or stimulate the potential effects of the ProMES approach. For example, the style of supervisory behaviour that fits best with ProMES and the degree of task interdependency within groups. These authors conclude that a number of contextual conditions should change simultaneously with the introduction of ProMES to improve the chance of a significant increase in productivity.

The major lesson that can be learned from these three articles on the implementation of ProMES is that an intervention like ProMES triggers many organizational issues. In other words, the compatibility of ProMES and organizational context variables is the crucial factor for success.

Dijkstra presents a critical evaluation of the heuristic model that is used by the European Foundation for Quality Management. This EFQM-model is applied in many European organizations to assess the quality management systems that should lead, in the end, to better business results. This article can be seen as a first step to bridge the gap between quality management practices and a more rigorous scientific approach. It illustrates that rather vague notions about leadership and business results, as expressed by this EFQM-model, seriously require a better methodological and conceptual underpinning.

The last article by Pepermans, S'Jegers, Moenaert, and Buelens presents the results from a European study about the social impact of the implementation of a quality policy in organizations. It shows that a quality policy can have impact on commitment, job security, upward communication, and so on. It also discusses the relations between the company's objectives when implementing a quality policy, and the social effects.

We hope this compilation of articles will stimulate work and organizational psychologists, both theoretically and practically. Hopefully they will be able to use these articles for managing performance improvement in organizations and

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for the development of some of their own concepts in order to support people to improve the effectiveness of organizations.

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