Innovative Work Practices: A Time to Go Beyond Experimentation

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In the US there have been three major evolutionary steps in the development of organizations after World War II. The first stage is with management as a function, the second is with the command and control organization and the third is decentralization and distinction between policy and operations. The third stage is evolving away from the command-and-control organization to knowledge-based organizations. Organizations implement innovative work practices that create knowledge-based organizations. This paper discusses some of these practices and the issues faced in implementing them. The authors conclude by pointing out that aside from entities such as civil society and unions etc., institutional support and support from public policy bodies is crucial to implementing innovative work systems that create sustainable organizations.

Keywords: innovative work practices, quality improvement, high-performance work systems, knowledge-based organizations

INTRODUCTION

In the US, the period after the Civil War heralded the modern business enterprise. Since then, there have been three major evolutionary steps in the development of organizations. The first stage (1895-1905) distinguished between ownership and management of the enterprise. This period established management as a function in itself. The second phase, occurring 20 years after the first one, established the command-and-control organization. These organizations had the features of decentralization, personnel management, centralized staff, and stress on the distinction between policy and operations. The third stage, which is the current development, is evolving away from the command-and-control organization to knowledge-based organizations in which knowledgeable employees assess and manage their work (Drucker, 1988).

The pertinent question of our time is, why business enterprises are evolving towards knowledge-based systems? The Golden Era that started after WWII was considered to be one of great prosperity in the industrialized world (Appelbaum & Batt, 1994). This period was dominated by institutionalist economists, who focused on fair competition, leveling of the playing field, and a regulatory system instituted by state legislation (Appelbaum & Batt, 1994). It was, as the economists say, a profits-investment-productivity-wages-profits chain that led to this prosperity. The main features of the system were: mass production, Taylorist work organization, bureaucratic systems, little innovation in products, less skilled workers with no emphasis on skill development, strong unions, less inequality of wages, fringe benefits, and a large

middle-class sustaining consumption and demand. All the above features lead to a 'virtuous cycle of prosperity (Appelbaum & Batt, 1994).

The 'virtual cycle' started to malfunction in the late 60s and early 70s. One very important reason was the development of technology, which increased the capacity to produce diverse and customized products (Marsden, 2004; Appelbaum & Batt, 1994; Klein & Miller 1993). Technology made the cost advantage of mass production less important and led to the competition in "quality conscious markets (Appelbaum & Batt, 1994; Appelbaum et al, 2000; Drucker 1988). Another important reason was the competition from the newly industrialized countries with the developing nations, in this case, the US, in the "price-conscious markets for standardized goods" (Appelbaum et al, 2000; Appelbaum & Batt, 1994). Other than the above two very specific reasons there were other broader changes like greater acceptance of capitalism, regional alliances, a greater volume of trade between countries, and social development in industrialized nations (Klein & Miller, 1993). These changes have created an impetus for competition for the attention of customers, quality consciousness, continuous improvements in products, collaboration at all levels, integration of knowledge, and greater knowledge work (Klein & Miller, 1993).

The above-mentioned global changes in technology and competition have necessitated changes in the work organization and design of US business enterprises. These changes are aimed at giving greater flexibility to the organizations and utilizing the specific knowledge of workers, hence requiring greater participation of workers in decision-making processes and enhanced involvement in the workplace. The efforts to move the work systems towards a greater participation direction have occurred since the Western Electric Hawthorne plant experiments in the 1920s (Appelbaum & Batt, 1994). But it is in the last 25-30 years that the pace of change in the work systems has increased tremendously, both internationally and within the US (Heckscher & Donnellon, 1994; Appelbaum et al, 2000). It is these innovative and flexible work systems that are the focus of this paper.

Herbert Simon while discussing the adoption of computers in the 1960s commented that management decision-making is influenced by fads rather than economic realities (Cole, 1980). The main purpose of this paper is to: describe the multitude of innovative-flexible-participatory practices in vogue in the US today; assess how they are implemented; discuss their merits and demerits; discuss whether they fulfill their professed goals of flexibility, productivity, and employee self-actualization; and analyze whether they are necessary or as Herbert Simon puts it, just fads. We will begin by describing these practices and discuss their issues, merits and demerits, and implementation. This would be followed by a discussion on the above-mentioned aspects based on some understanding of how organizations change and learn and the importance of the human aspect in organizations.

INNOVATIVE WORK PRACTICES

A major issue that one faces while trying to define innovative work practices and work systems is that there are so many meanings attached to them. There is, in fact, no settled meaning for innovative practices (Ichniowski et al, 1996). On the other hand, depending on one's point of view, there could be numerous dimensions on which innovative practices could be measured like: employee involvement, organization of work, the financial well-being of the firm, flexibility, and participation. Furthermore, the application of practices is also done in several ways. The degree of the above dimensions can differ in different organizations for the same practices. Therefore, even the established innovative terms can have different meanings in different situations. For example, teams could be anything from off-line quality circles to self-managed, depending on how much power, resources, and decision-making is allocated to them.

Based on the given reasons, different scholars look at transforming work systems through different lenses. They differentiate between the second stage of development of the business enterprise with the third stage based on various aspects. Some differentiate between the "traditional" New Deal system and the transformational relationship based on cooperation and mixed motives (Cutcher-Gershenfeld, 1991). Walton (1985) differentiates between three systems: command and control (Tayloristic); commitment (based on the principles of multiple stakeholders and employee commitment); and transitional systems. Goddard and Delaney (2000) agree with Kochan, Katz, and McKerisie (1986) and call it the "New

Paradigm" that includes: flexible work assignments, cross-training, and teamwork, employee participation, and other supportive HR policies. Heckscher and Donnellon (1994) call it the "Post Bureaucratic Interactive", defined based on "an organization in which everyone takes responsibility for the success of the whole". This model has the features of managed relationships, consensus, dialogue based on influence and not hierarchical authority, sharing of information, egalitarian, mutual gains, decision-making based on the nature of the problem, and an open system based on peer evaluation.

The above discussion gives us varying vantage points to look at innovative work practices. But there is one thing that is common to all of the views i.e. innovative systems are moving away from traditional work systems. Therefore, for this paper, I would use a broader definition for innovative work practices and systems i.e. systems and practices that depart from the traditional work systems and labor-management relations (Ichniowski et al, 1996; Gittleman et al, 1998). Traditional work systems are defined as the systems established by the New Deal legislation, characterized by: tight job definitions with corresponding rates of pay; clear division in the rights of the workers and prerogatives of supervisors and management; formal chains of command; grievance procedures; and conflict resolution (Kochan, Katz, McKersie, 1986).

Before we go into the discussion on different innovative and flexible work practices, it is pertinent to talk about how to categorize them. Categorization also presents a major issue. As already discussed, innovative work practices have been described in various ways. The differences in the practices also come to form various motives for which they are used. There is also the problem of single practices and innovative systems. Some scholars have discussed particular practices like quality circles or teams. On the other hand, some scholars have researched umbrella systemic terms like the HPWS, socio-technological, and quality of work-life. Even within single practices, there are numerous variants, for example,e various forms of teams.

Based on different views, scholars categorize innovative practices and systems in different ways. Rubinstein and Heckscher (2003) give four categories based on the relative position of the systems from Tayloristic model and levels of cooperation, they are off-line joint management committee; off-line teams; on-line team-based; and co-management. They further discuss two models based on several firms, that is, single firm (co-management), and multiple firms (networked organization). Zager and Rosow (1982) take into account several case studies of innovative organizations and give three models: workers as consultants, towards self-managed work, and corporate strategy (signifying organizations that have opted not for single practices or systems but complete corporate culture and organizational change).

Marsden (2004) surveys international literature on the forms of work organization and gives the following types: low wage (most countries); bureaucratic mass production (many countries); HRM (US); Japanese oriented (the US and Japan); joint team based (Germany and Sweden); network/project employment (media, high technology industry and universities). Applebaum and Batt (1994) classify four systems: quality circles and continuous improvement (Japanese firms); worker participation at the plant level (Germany); autonomous teams responsible for decision-making (Sweden); and inter-firm networks (responsive to changing markets, for example, Italy).

This discussion does not make the job of differentiating innovative practices easy for our paper. The main purpose of this section is to focus on innovative practices in the US, define and differentiate these practices, evaluate their merits and demerits, and assess conditions for their success and failure. Keeping in view the motive and focus of this section the international categorizations and comparisons between traditional and innovative systems will not serve the purpose. Therefore, for our discussion, there will be two basic categories: specific innovative practices focusing on quality improvement, involvement, and productivity; and larger innovative systems that are combinations of various practices. The first category would include Quality circles (QC); Total quality management (TQM); and different types of teams. The second category would include HPWS; Quality of work life (QWL); Socio-Technological Systems (STS); and Union-management collaboration. As a word of caution, it is pertinent to add here that there is a great amount of overlap between these categories and terms; secondly, these categories are by no means 'all inclusive, only the more researched ones have been discussed.

QUALITY IMPROVEMENT

Quality Control Circles

Quality circles (QC) are small, voluntary, relatively autonomous, problem-solving groups. These groups are formed to solve work-related issues and problems (Appelbaum & Batt, 1994; Cole, 1984; Griffin, 1983; Bradley & Hill, 1983, Ledford, Jr. et al, 1988). They exist as parallel structures -separate and distinct from regular organizational activities- to the production process and as such are off-line structures (Appelbaum & Batt, 1994; Verona & Ravasi, 2003). The main features of the QCs are: voluntary participation, power of suggestion but not decision-making, basic training in statistical process control and problem-solving techniques, regular meetings, no real monetary rewards for participation, not much information sharing by the company, decision to install taken at the top level and the circles are formed at the bottom (Ledford, Jr. et al, 1988), and regular meetings to decide their agenda (Bradley & Hill, 1983). The QCs have three basic claims: increase employee involvement (Ledford, Jr. et al, 1988; Griffin, 1988), enhance business effectiveness, and commitment of the companies to change the organizational culture (Hill, 1991; Ledford, Jr. et al, 1988), and increases employee satisfaction and motivation through participation (Ledford, Jr. et al, 1988).

Suggestion systems date back to the human relations movement of the 1930s (Appelbaum & Batt, 1994). QCs are rooted in the humanistic approach advocated by human rationalists like Argyris, McGregor, and Likert (Griffin, 1983). QC is also an example of the Japanese borrowing a management technique from the US and adapting it to their environment. After WWII, it was the lectures and teachings of two US quality control experts: Dr. Juran and Dr. Demings, which led to the initiation of QCs in Japanese manufacturing. QCs are not instituted to solve specific issues but they are structures that are used for continuous quality improvement (Cole, 1980). The main idea behind QCs is that the workers hold reservoirs of work-related knowledge that should be used to improve quality. Quality improvement is made as the responsibility of all i.e. managers and workers (Cole, 1983, Bradley & Hill, 1983). Finally, it is supposed to enhance employee motivation through involvement (Cole, 1983).

QCs increase the level of organizational learning in some cases. During the 1980s organizations recognized the limits of work units and expanded to include a wider variety of issues in QCs. QCs have also been used as the first step toward forming self-directed teams (Appelbaum & Batt, 1994). It has other benefits like dealing with issues that are not dealt with in regular structures, and they are easily implemented, without much disruption to the regular structure of the organization (Lawler III & Mohrman, 1987). QCs are a low-cost strategy to elicit employee opinions on quality issues (Appelbaum & Batt, 1994).

Coming to the problems, QCs by their very nature have limited impact as they are not integrated into the regular work processes (Appelbaum & Batt, 1994). As the participation is voluntary it creates a situation of duality among the employees. Several studies also indicate declining interest in QCs after early enthusiasm (Bradley & Hill 1983; Kochan, Katz, & McKersie, 1986; Lawler III & Mohrman, 1987; Drago, 1988; and Hill, 1991). On the whole, QCs improve cost-effectiveness, quality, and absenteeism (Cole, 1984, Bradley & Hill, 1983). They have limited effects on employee-management relations and attitudes (Hill, 1991). They are considered a poor vehicle for increasing employee participation (Griffin, 1988; Cole, 1980), which is one of the professed reasons behind their adoption. In most cases, employee self-development is ignored (Cole, 1984) and often they entail coercive participation, rather than voluntary (Cole, 1980). Finally, they are considered to undermine unions (Bradley & Hill, 1983).

QCs have had initial and limited success in the US because these structures are parallel and, therefore, are not part of the regular duty of anyone; they have no authority, no budget, and no implementation method; participation in these circles remains limited and so does the training component; Finally, their scope is limited to few issues (Verona & Ravasi, 2003). Keeping in view the above issues, scholars have pointed out some measures to improve QCs: more participation (Cole, 1984); middle management support, and involvement (Cole, 1980). In Japan where it has been more successful the middle management is evaluated on their success in QCs (Hill, 1991); and getting them more institutionalized within the organizational structure (Verona & Ravasi, 2003, Hill, 1991).

Total Quality Management (TQM)

TQM with statistical control processes originated in the US in the 1920s at Bell Labs and was the central feature of war production during WWII (Appelbaum & Batt, 1994). TQM aims at improving product quality and customer satisfaction by changing traditional management practices (USGAO, 1991) and by bringing a cultural change to the organization (Hill, 1991). It aims at planned and continuous quality improvement by making quality the responsibility of the whole organization (Hill, 1991; Jacob, 1993; Manley, 2000). There is no single established formalization of TQM because it is like a system based on the philosophy of quality, employee involvement, and planned continuous improvement (Hill, 1991; Manley, 2000).

But some of its common features are customer-driven quality; strong focused leadership with top management as the main driver (Hill, 1991, USGAO, 1991); cross-functional management (vertical and horizontal); the importance of middle management who stands at the crossroads of vertical and horizontal planes (Hill, 1991); continuous improvement; use of statistical techniques in decision-making (Hill, 1991; USGAO, 1991); employee participation in achieving quality goals (employees are held responsible for the quality and are provided with the tools and training to fulfill these responsibilities) (USGAO, 1991, Manley, 2001). To further clarify the ambiguity regarding the scope and use of TQM it would be pertinent to make a few distinctions. Employee involvement and QCs can be part of TQM programs. The recent trends of Six Sigma are believed to be an extension of TQM, as TQM talks about the processes and Six Sigma about the matrices for improvement (Revere, 2003). Reengineering is considered different from TQM as TQM works within the existing framework of the organization while reengineering aims to revolutionize work processes (Hmmer & Champy, 1993).

As already discussed, TQM focuses on quality improvement, therefore, as a management technique and philosophy, it has the same antecedents as QCs. But in many ways, TQM is considered an improvement over QCs. In the section on QCs, we discussed that due to the voluntary and off-line status of the QCs there are issues of less participation, participation limited to few issues, the problem of dualism, and organizational design issues (off-line structure not matching with the regular organizational structure) (Hill, 1991). TQM is supposed to solve these issues as it is supposed to involve all employees and managers in the process of quality management. It removes dualism by involving rank-and-file in the process. It focuses on cultural change, subsuming the participation, involvement, and intrinsic reward element of QCs (Hill, 1991).

QCs show that there can be benefits from employee participation (Hill, 1991) and are considered by scholars a step away from Taylorism (Cole, 1980; Bradley & Hill, 1983). On the other hand, we can surmise from our earlier discussion that they can exist in hierarchical and Tayloristic organizations. It would seem that TQM, as they aim at broader change, will not fit well with Tayloristic organizations. But, the fact is that there are many features in TQM that still keep them well within the Tayloristic tradition. The underlying assumption in TQM is that almost 85% of the issues originate with the management. Therefore, the main stress is to improve management methods and coordination (Appelbaum & Batt, 1994). TQM requires substantial top-down coordination. It emphasizes heavily on managerial control (Appelbaum & Batt, 1994). Finally, the basic tools used to change culture are leadership and education with very little stress on financial rewards (Hill, 1991).

Evidence shows that TQM work in organizations is mostly done through parallel structures like QCs and problem-solving teams and less through autonomous teams as used in the STS model (Appelbaum & Batt, 1994). Evidence also shows that: TQM application in organizations is partial and not in the whole organization; TQM programs show mixed results in improvement of quality and employee involvement; TQM programs are mostly adopted for productivity increase and employee involvement is a far less important reason; TQM programs share limited information with the employees; finally, power seems to be an important aspect in the decision by the management to institute TQM programs, mostly those programs are put in practice that does not disturb the power distribution too much (Lawler III et al, 1992). These practices have prevailed in the US, it has also been established that reward programs and greater involvement improve employee satisfaction and commitment to the organization and contribute to the success of organizations (Lawler III et al, 1992) leading us to the conclusion that employee involvement and participation and power sharing is lower on the priority list of management.

Other issues include incomplete application and implementation of TQM programs; a cookie-cutter approach to implementing TQM in various organizations (Jacob, 1993; Lawler III et al, 1992). TQM programs have indeed been implemented in a large number of organizations in the US but they are implemented in part of the organization. They are not implemented as systems but only one or two practices are changed, and a limited number of employees are involved (Lawler III et al, 1992). These aspects of the actual implementation of TQM programs go against the professed goal of TQM i.e. involving all to improve quality.

Teams

Whenever there is a need for multiple attributes, expertise, skills, and judgment, teams can work better than individuals operating in confined roles and prescribed jobs. As compared to larger organizational groupings teams are more flexible as they can be constituted and deployed quickly and their composition can be altered when needed (Katzenbach & Smith, 1993). In the current environment of competition and increasing knowledge work and with stress on customer satisfaction and customization, teams have become vital for organizations (Sundstrom, 1990). As we will see in the ensuing discussion there are many types of teams, but generally, they can be defined as, "a team is a small number of people with complementary skills who are committed to a common purpose, performance goals, and approach for which they hold themselves mutually accountable" (Katzenbach & Smith, 1993).

Two important events focused attention on the benefits of work teams: the Hawthorne studies and the European experiments with autonomous work groups (Sundstrom, 1990). Since then, the application of teams has been wide and frequent. They have been used in the role of bodies that advise and improve employee involvement like the QC circles. They have also been used in all types of organizations involved in manufacturing, services, and professional services. They have been used in all types of white-collar, blue-collar, and public or private settings.

There are many types of teams and there are many dimensions on which teams can be differentiated. Klein & Miller (1993) believe that there are three dimensions of job design: the number of functional tasks included; the scope of managerial and administrative activities, and the depth of knowledge related to tasks and activities. They argue that small business teams (more like autonomous teams) are high on all three elements. Teams can also be categorized based on the autonomy they exercise: supervised teams (supervisor a central role), semi-autonomous teams (team assumes responsibility but team leader has the role of a coach), autonomous teams (without supervisors) (Appelbaum & Batt, 1994). Goodman et al (1988) equate self-managing teams and autonomous work groups and differentiate between them and traditional work groups, semi-autonomous, and self-designing teams, based on wider or narrow control of production processes and the extent of control over group design. Self-managing teams, according to scholars, have wider control over production processes and also have design control. Finally, teams can be defined based on their relationship with the organization: offline (parallel structures) and online (part of the organizational structure) (Rubinstein & Heckscher, 2003).

As discussed above, we can see that there are many types of teams based on autonomy, design power, and scope. Though less autonomous and limited teams have seen some success, we have discussed the inadequacies of those teams. On the other hand, many scholars support the use of semi-autonomous and autonomous teams (Osterman, 2000; Manz, 1987; Toby et al, 1986; Cordery et al, 1991, Klein & Miller 1993; and Katzenbach & Smith, 1993). Even with this academic support, the use of semi-autonomous and autonomous teams has not been without its limitations and issues. Carnall (1982) discusses two features that can limit the use of semi-autonomous teams: diversity in workers (as to the preference of work organization forms and various interests in functional autonomy) and prevailing social structure that may also provide counteracting pressures for teams.

There has also been resistance to teams based on: lack of conviction (people and management not believing in teams except for special purposes); executives and top management failing to distinguish between teams, which are discrete units of performance and not a positive set of values; dislodging the old system, in many cases institution of teams means disturbing the old systems, which means discomfort and anxiety for many participants; and weak performance ethics that stops individuals to trust their fate to

teamwork (Katzenbach & Smith, 1993). Finally, there is the issue of 'double loop' learning as described by Argyris. Teamwork requires a change in the basic values of individual workers and organizations. Argyris (1991) argues that like organizations, professional workers also have great difficulty in acquiring the capability of double-loop learning.

The effectiveness of teams can be defined as "quality, quantity, downtime, satisfaction, and group stability over time" (Sundstrom, 1990). There are, however, several factors that are important for team effectiveness: organizational (organizational culture, task design and technology, autonomy, mission clarity, performance feedback, reward and recognition, training, and physical environment); group boundaries (integration with the larger organization through coordination with managers, suppliers, peers, etc. and differentiation or the level of "specialization, independence, and autonomy of a work team about other work units"); team development (interpersonal processes, norms, cohesion, and roles) (Sundstrom, 1990).

INNOVATIVE AND FLEXIBLE SYSTEMS

Socio-Technical System (STS)

Cohen (1993) gives two main theoretical explanations of the effectiveness of teams: job characteristics theory and sociotechnical theory. Job characteristics theory holds tasks as the basis of team effectiveness and socio-technical holds self-regulation as the primary element that influences team effectiveness and performance. In Socio-Technical System (STS) continuous improvement is achieved through autonomy and treating work as a system rather than a set of individual jobs. The main assumption in STS is that workers rather than managers know how to manage their work and workers are "complementary to, rather than extensions of the machines". Therefore, the STS aims for a fit between the social and the technical systems of the organization (Appelbaum & Batt, 1994).

The STS started in conjunction with the early Tavistock mining studies in the 1950s (Trist, 1981). At the time of its early formulation, it represented a complete transformation from the old system based on mass production and Taylor's Scientific Management. Its main features are work system as the basic unit; workgroup as the central job holder; internal regulation by the group; based on the principle of redundancy of systems rather than the redundancy of parts; the value of the discretionary part of the work roles; individuals as complementary to the machines; and increasing verity for both the individual and the organization (Trist, 1981). The STS has been developed in terms of an open system theory as it is concerned with the environment for a stable existence (Trist, 1981).

One major issue with STS is that it requires the transfer of power to the lower levels. This issue came to light in its early applications in India in 1953. The experiment was initially successful in the textile industry. But it did not catch up in other industries or other factories within the textile industry, as other owners were not willing to share power (Trist, 1981). This approach also faced the same issue in Britain in the early 1950s. In the US power issue has also been prominent. Additionally, the efforts in the US for job enrichment and job enlargement have focused on individuals rather than on work systems (Trist, 1981); making the application of STS in the US incomplete. The system aims at a deeper level of attitudinal and behavioral change in the management and the whole environment. Therefore, to make the STS a comprehensive and sustainable system it is necessary to develop it at three levels: primary work system level; whole organizational levels; and macro-social level (Trist, 1981).

Quality of Work Life (QWL)

Quality of Work life (QWL) was widely experimented with in the 70s and the 80s. These experiments were an attempt to overcome the limitations of Taylorism (Appelbaum & Batt, 1994; Beck & Schneider, 1984; Havlovic, 1991). QWL is based on the principle that employees are the most important resource of organizations and they can make positive contributions to the organization. Therefore, they should be treated well and with dignity (Straw & Heckscher, 1984). Organized efforts were made in the 1970s, funded by the Ford Foundation, to assess QWL in the US. In these experiments, the common features found in QWL programs in the US were: directions were top-down and QWL structures were outside the normal

work structures; change efforts were focused on workplace organizations; and unions considered these experiments separate from collective bargaining efforts (Appelbaum & Batt, 1994).

One important question, regarding QWL, is about its real nature and what is included in it. QWL programs are envisaged at meeting two requirements: improved quality of work life of the workers and improved production process (Havlovic, 1991). It is an attempt to influence behavior and attitudes to improve performance (Katz et al, 1983). These goals are to be achieved through worker participation. There are various approaches to worker participation that aim at involving the managers and the employees in joint efforts to improve quality and solve work-related issues. Some of these approaches are QCs, autonomous work groups, Scanlon productivity groups, and Socio-Technical systems, etc. QWL is a generic umbrella term encompassing these approaches (Beck & Schneider, 1984; Guest, 1979).

Given the wide range of practices and meanings, Nadler and Lawler (1983) while stressing educating participants in QWL, consider QWL in five distinct meanings: variable (an attitude or element that is changeable and affects the job satisfaction of the employees); approach (experiments of union-management cooperation); method (the wide range of practices that can be used to achieve QWL); movement (worker relationship with the organization); everything (based on the above four meanings that are used interchangeably, QWL includes everything). To sum up, QWL is a wide term that is used in many ways and describes many practices and systems. But it has two undisputed features of improved quality of work life of the employees through participation and improved productivity.

The initial reasons for the QWL programs were: competition from Japan and Europe (Beck & Schneider, 1984; Havlovic, 1991); improved quality of work life and as a result, improve quality and quantity of production; and issues related to grievances, absenteeism, quits, and industrial accidents (Havlovic, 1991; Beck& Schnieder, 1984). On the result side, the QWL programs have achieved: rapid spread; they have grown in number even in difficult times; have achieved some measure of improvement in absenteeism, etc. (Straw & Heckscher, 1984; Havlovic, 1991); and reduction in accidents and grievances (Havlovic, 1991).

On the other hand, the negative indicators are loss of momentum after the initial period and slow diffusion (Straw & Heckscher, 1984; Dunlop & Weil, 1996); in some cases, union-management relation was strained; and resistance at the middle level of management (Straw & Heckscher, 1984). One significant and important negative indicator has been the ambivalent attitudes of the unions toward these programs (Beck & Schneider, 1984). The reason for this attitude is that QWL programs have an impact on the way unions meet their basic functions. QWL affects negotiations, and grievance administration (due to mutual problem-solving). QWL increases the flow of information and that can be an issue for the traditional collective bargaining setup (Cohen-Rosenthal, 1984).

The basic aim of the QWL programs is to change the traditional adversarial attitude of the employees and the management. It promotes cooperation, open communication, employee involvement, the dignity of work and treatment, equity, and basic human values. In short, it aims at a cultural change at the organization level. Therefore, for these programs to be successful one basic requirement is education (Katz et al, 1983). The changes envisaged by the QWL programs can only be achieved if these programs are implemented throughout the organization with stress on double loop learning, an important concept that we will discuss later, on the part of individuals and organizations.

Union-Management Collaboration

In the past two decades, it has become clear to American labor leaders that the system of employment, based solely on collective bargaining, cannot adequately serve the workers anymore (Rubinstein & Heckscher, 2000). There has been extensive experimentation with union-management cooperation in the late 70s and the 80s (Cooke, 1989). Like all other innovative programs, labor-management cooperation also suffers from the issue of sustainability and duplication (Rubinstein & Heckscher, 2000). But before we go into some explanation as to why it has not been able to sustain itself, it would be pertinent to define it. It is defined as "formalized collaborative efforts between union representation and plant management". These efforts: are outside traditional contract negotiation and administration; have formal processes for union input, and are aimed at improving performance, productivity, quality, efficiency, employee wellbeing, and

labor-management relations (Cooke, 1989. These programs can be viewed as an attempt to increase the total utility for all by increasing total organizational collaborative power (Cooke, 1989).

Rubinstein and Heckscher (2003) discuss the extreme form of labor-management cooperation. They give four models that supplement the collective bargaining system, based on how close it is to the old Tayloristic system: off-line joint union-management committees (long history, mostly problem solving, work outside the usual production and management activities, fits within the Taylorist scheme); off-line teams (bargaining unit members in joint-management problem-solving efforts, fits in the Taylorist system); on-line team based (based on horizontal integration, this system is a departure from Tayloristic horizontal fragmentation); and finally, strategic partnership and co-management. It is called co-management, as in its extreme form, it involves the complete sharing of managerial functions. This system entails co-management at all levels; performance and risk-based compensation; a new set of skills for the union members like strategic planning and financial analysis; and strong support from the management and government regulations. The experiment of this type e.g. Saturn, have not only increased the power of unions but also improved quality, productivity, and employee satisfaction (Rubinstein 2000 & 2001).

Though we see that union-management cooperation has been experimented with in the last 30 years or so, it is not a new phenomenon. There were experiments of this nature in the 1920s and during WWII. These experiments resulted due to the merging of interests of the Taylor Society and the AFL in the 1920s (Jacoby, 1983). These experiments happened in the backwaters of the US industry and were not successful and long-lasting. The reasons behind this cooperation were economic pressure, competition from non-union plants, and loss of power on the part of the AFL (Jacoby, 1983). The reasons for union-management cooperation have remained the same i.e. economic pressure, competition, and the aim at higher productivity (Brown & Reich, 1989).

To get a clearer picture we can discuss some recent prominent union-management experiments. In the case of Saturn, the evidence shows that unions played an important role in increasing intra-organizational communication and eventually productivity. It was instituted in the wake of international competition (Rubinstein, 2000). There was complete co-management between the union and the management at all levels. The experiment did not work as it did not have wider institutional support. Adler et al (1997) do a case study of NUMMI's ergonomics program and conclude that "when managements' reliance on employee involvement is complimented by strong employee voice and strong regulators, managers may find it in their interest to improve safety as a means of maintaining high employee commitment and thereby improving business performance".

Wever (1989) does a case study on Western Airlines and concludes that meaningful and lasting employee involvement occurred only when the union had enough power to induce management to compromise on some of its traditional powers. In this equation, union security is also considered an important factor. This is illustrated by Brown and Reich (1989), who compare the two cases of NUMMI and GM-Van Nuys and conclude that NUMMI workers had stronger commitment as NUMMI was able to build trust through job security. On the other hand, GM-Van Nuys did not create loyalty and commitment as it had periodic layoffs.

High-Performance Work Systems (HPWS)

HPWS is again one of those umbrella terms or systems that are constituted through many diverse sets of practices (Osterman, 2000). So, in defining HPWS it would be better to clarify the philosophy behind it and differentiate it from other management schools. HPWS are sometimes called high-commitment and high-involvement organizations. These systems are opposed to Tayloritic, mechanistic, or control-based systems. The main idea behind HPWSs is to create an organization that is based on employee involvement, commitment, empowerment, and not control (Tomer, 2001). These systems have the following key dimensions: employment security, selective hiring of new employees, self-managed teams, decentralization of decision-making, comparatively high compensation (based on organizational performance), extensive training, reduced status distinction in all organizational respects, extensive sharing of financial and performance information throughout the organization (Tomer, 2001).

As already pointed out, HPWSs are created through the combination of several practices. Most researchers include teams in it; some other practices could be QCs, TQM, and job rotation (Osterman, 2000). Some scholars argue that TQM could be used with HPWS but they are different from HPWS (Tomer, 2001). The TQM approach stresses employee involvement, but the involvement is limited to certain aspects of the production process and suggestions to improve quality. It does not involve a restructuring of the organization on the above-mentioned dimensions. On the other hand, HPWS aim at a different form of organization that is based on commitment and much more comprehensive employee involvement (Tomer, 2001). Finally, there seems to be no clear distinction between QWL and HPWS. Considering the literature and research on both systems, we can say that both have the same logic of employee involvement based on their capability to improve productivity and quality. On the other hand, it would seem that HPWS is at a higher level of decentralization and self-management than QWL.

Coming to the evidence of their success, Tomer (2001) has, based on the analysis of several studies, concluded that overall HPWSs help in improving the productivity in organizations, and these practices are even more effective if used in complete systems. Benefits also include higher productivity and mutual gains (Osterman, 2000; greater earnings, and greater intrinsic satisfaction for the employees (Appelbaum et al, 2000). On the other hand, the evidence also shows that: the assumption of mutual gains is not entirely achieved by HPWS (Osterman, 2000); in most cases, HPWSs are associated with layoffs and the use of more contingent work; and they are also not always associated with an increase in real wages of the employees (Osterman, 2000, Milkman, 1998).

Another negative aspect, like all innovative systems that we have discussed, is that there is slow diffusion of these practices and systems (Tomer, 2001; Pil & MacDuffie, 1996). The reasons for this are: practices are not implemented as systems (Osterman, 2000); and the absence of complementary HR practices leads to slow diffusion (Pil & MacDuffie, 1996). One important aspect of these systems is that they represent competence-destroying changes that are difficult to achieve and not economically feasible in the short term. Finally, they also change the power dimension at the shop floor level and make employees responsible for decision-making (Appelbaum et al, 2000). This is a feature that goes against managerial views in the US, an aspect that we will discuss later.

DISCUSSION

In the previous section, we discussed various innovative practices and systems. We have defined them, discussed their differences, and evaluated them. In doing so, we have come across some of the issues faced by organizations when they experiment with innovative practices. Three major issues that are most prominent in all the discussed practices are long-term sustainability, duplication, and incomplete or piecemeal application. The surprising element is that these issues remain dominant even with evidence that the above practices help the organizations achieve benefits of quality, productivity, better relations with employees, and other HR benefits like absenteeism, etc. There are downsides to these practices as well, but on the whole, they fare better than the old traditional bureaucratic/Tayloristic system. But, they remain experiments, with no deep roots in the organizational culture and society in the US, as compared to countries like Japan, Sweden, and Germany.

In this section, the attempt is to understand the reason behind the lack of sustainability, duplication, and piecemeal application. We will start this section with a discussion on what is required for organizational change and the importance of the informal organization in bringing change. Then we will discuss the current trends in US work systems; ending this section with a discussion, in the light of the discussion on organizational change, on the important factors that contribute to these trends.

Transition in Organizations

Organizations have entered the era of a paradigm shift (Kochan, Katz, & McKersie, 1986). It is a shift from the traditional bureaucratic model to a post-bureaucratic model (Heckscher & Donnelon, 1994; Heckscher 2007). The post-bureaucratic model has distinct features of horizontal, across the boundary, and across functional communication between individuals and organizations (Heckscher 2007). These systems

are organic, encourage employee participation at different levels (Appelbaum & Batt, 1994; Appelbaum et al, 2000), and go against the basic tenets of Taylorism i.e. separation of conceptualization of work from its execution.

Most of the 20th century has been dominated by the bureaucratic model of organization. Even today, with increasing competition and customer demand diversity, some organizations have bureaucratic systems. But it is also true, and the evidence shows, that in the past three decades or so several organizations have adopted flexible and innovative work practices (Osterman, 2000; 49Osterman, 1994; USGAO, 1991; Lawler III et al, 1992; and Heckscher & Donnellon, 1994).

This brings up the important question of organizational change and organizational learning. The old paradigm is still intact and to some extent is needed to keep cohesion in organizations. On the other hand, the new paradigm of innovative systems is also becoming more prevalent. The question that we need to ask is what are the ways in which organizations learn and what are the factors that hinder or facilitate change in organizations? In this section, the attempt is to discuss the works of some scholars and to pinpoint some factors that are important for organizational change and learning. This discussion will increase our understanding of the changes being brought in organizations and the issues faced by them.

Comfort (1997) analyzes the findings of several papers on organizational change and comments that a critical aspect of change is the path dependency process of organizations. This is a "self-reinforcing process that creates a structure of decisions dependent on the previous allocation of resources to a given area". Comfort advocates a change strategy that is non-linear, complex, and based on qualitative judgment. The idea is to change macro-level organizational behavior through micro-level shifts in the behavior of the participating units and sub-units. The process would also require clear identification and widely repeated communication of organizational goals, through socio-technical systems that combine the technical system of computers and the human cognitive system of decision-making.

Kochan and Useem (1992) differentiate between traditional conception and the transformed view of the organizations. In the traditional conception, the purpose of the organization is to maximize shareholder benefit. These organizations are formed when markets are inefficient to handle opportunistic behavior. Relations between organizations and between organizations and their participants are based on self-interested behavior. These organizations are based on technical and rational standards and human context is not emphasized. Employee voice is centered on task-related problems and independent and collective voice is avoided. On the other hand, the transformed view of organizations focuses on multi-stakeholders and responding to their multiple interests, loyalty and commitment of stakeholders, permeable boundaries, a combination of technology and human inputs, and individual and collective voice.

Kochan and Useem believe that the transformation from the traditional to the transformed organization is "neither easy nor a natural phenomenon. Change is confronted by several factors like social setup and tradition, local socioeconomic and historical factors, and the pressures of external financial markets. To bring change, the scholars advocate a systemic change that alters technological, human resource, and organizational aspects simultaneously; recognition of and confrontation with traditional organizational politics and constituencies;the important role of the management; involvement of all organizational stakeholders; and continuing systemic change through creating a permanent learning capacity in organizations.

Eisenhardt & Jeffery (2000) state that the Resource Based View (RBV) argues that when firms have resources that are: valuable, rare, inimitable, and non-substitutable, then they give the firm a competitive advantage over other firms. The question that the authors try to answer is, how does RBV work in a dynamic market with rapid changes? The answer, according to them, lies in developing dynamic capabilities by which managers "integrate, build, and reconfigure internal and external competencies to address rapidly changing environment". Verona and Ravasi (2003) also talk about the dynamic capabilities and ability of organizations for continuous change and innovation. The authors find two factors that are important for continuous learning and innovations in organizations: reducing physical and cultural barriers in creating, absorbing, and integrating knowledge simultaneously; and creating an environment that spurs creativity from all participants of the organization.

Weick (1982) considers individual learning as the basis of organizational change. He also considers organizations as quasi-biological systems and calls them "natural". The main point by Weick is the tightness or looseness of organizational parts and the implication of these states on organizational change. He calls them loosely coupled (in natural organizations) and tightly coupled systems (rational systems). In loosely coupled systems actions taken at the top don't need to be followed by other parts of the organization. In these situations, the strategy should be to recognize these ties, recognize what meaning people have for their organizational experiences, and build a change strategy based on them. Smith (1982) emphasizes first changing the way we think before initiating changes in our organizations. He stresses "morphogenetic" learning that emphasizes altering the basic value systems of individuals.

Argyris and Schon (1978) argue that there can be no organizational learning without individual learning. They distinguish between single-loop and double-loop learning. Single-loop learning involves the detection and correction of an error, while double-loop learning, like the "morphogenetic" learning mentioned above, involves the correction of errors by modifying the norms and basic policies of individuals and organizations. Organizations inhibit their capacity to learn and develop through single-loop learning. They avoid scrutinizing their values and look for only symptomatic solutions. Just like that, individuals, especially specialists, also have the problem of evaluating their developed beliefs and values which can inhibit development (Argyris, 1991). To overcome this issue, Argyris proposes a multilevel approach: at individual, interpersonal, and organizational levels. The change starts with individuals altering their views and then is reverberated throughout the organization. It is induced through interpersonal resources. The change must begin at the top of the hierarchy and must be applied to groups of people working together (Argyris, 1982).

Goodman and Dean (1982) while commenting on the diffusion and durability of change, state that change is institutionalized when: people know about it, it has performed well, it is preferred, and is incorporated in norms and values (5). Cole (1982) compares the diffusion of participatory work systems in the US, Japan, and Sweden. He concludes that the support of a larger society is very important in bringing changes in organizations. He further concludes that the diffusion of participatory work systems is part of a social movement and in the US supportive conditions for this movement are not present.

Summing up the above discussion, we can enumerate the basic factors required for organizational change as: non-linear complex strategy, open and repetitive communication (Comfort, 1997); systemic change, confronting traditional views and politics, involvement of all stakeholders and management (Argyris, 1982; Kochan & Useem, 1992), developing a permanent learning capacity in organizations (Kochan & Useem, 1992); dynamic capabilities in organizations in vibrant and changing environments (Eisenhardt & Jeffery, 2000: Verona & Ravasi, 2003); understanding how individuals see change, encouraging individual learning leading eventually to organizational learning, understanding the closeness or looseness of the components of the organization (Weick, 1982); double loop or morphogenetic learning, change strategy instituting at individual, interpersonal, and organizational levels (Argyris & Schon, 1978; Smith, 1982); change strategy implementing at the systemic level (Goodman & Dean, 1982); and greater societal support (Cole, 1982).

The Human Relations Aspect

In the last three decades or so there has been a lot of discussion on new work systems. These systems aim at workforce participation, workforce involvement, autonomy, empowerment of the employees, and enrichment of the job content. They intended to increase workforce commitment, increase productivity, and make the workplace more humane (Cutcher-Gershenfeld, 1990). They are, as already pointed out, opposed to the old Tayloristic and bureaucratic work organizations. They are "organic" in nature and are more team-based, flexible, and less run by strict rules and regulations (6). The evidence shows that these new practices have proliferated in the past three decades (Osterman, 2000; Osterman, 1994; and Lawler III et al, 1992). But, it is also true that many companies that have tried these new practices have not been very successful in implementing them and getting the promised gains from them (Kochan & Useem, 1992).

One important aspect of the success or failure of organizational change and innovative new practices is the human factor or the informal organization. The recognition of the informal organization i.e. presence of

horizontal, across the boundary, and functional communication between the individuals in an organization, in the conventional organizational theory literature started with the Hawthorne Experiments (1927-1932) conducted at Western Electric (Heckscher, 2007). Since then, many scholars have discussed the pathologies of the bureaucratic system and have emphasized on personal and informal contacts of the employees (Bernard 1942; Blau, 1963; Gouldner, 1954; Crozier, 1964; Kanter, 1977). The discussion in this section is on the questions of why people are supposed to work better in innovative high-performance work systems (HPWS); what is the importance of employee perception in the success or failure of organizational changes; and what issues are created by empowerment.

Why do workers in HPWS perform better? In a traditional mechanistic organization, the workers are frustrated due to adversarial relationships, internal tussles, counterproductive informal activities, and focus on individual parts of the organization rather than the whole organization (Tomer, 2001). But when organizations provide workers with the opportunity to expand their horizons and satisfy the need for self-actualization, the workers exert more effort as they are intrinsically motivated (Tomer, 2001; Paul et al, 2000). Worker motivation is also based on: the match between the individual and characteristics of the job; clear and meaningful goals of the job; control over how work is done (Tomer, 2001); satisfaction of higher needs (Tomer, 2001; Paul et al, 2000); personal growth; and sense of equity (Paul et al, 2000). The motivation that is achieved through HPWS is 'deep owner motivation', which is based on a sense of ownership and belonging as opposed to "agent motivation" which is based on reward and punishment (Tomer, 2001).

As pointed out earlier, several scholars have talked about informal organization and the importance of how people see their work, organization, rules, and regulations, and the implementation of those rules and regulations. If individual and group perception is important in the working of an organization then it must also be important in organizational change. The "classic attitude" of the managers and workers i.e. mistrust and conflict, is based on scientific management, labor conflicts, adversarial relationship, and tight control (Straw & Heckscher, 1984). The new systems and work organizations are trying to develop an environment of trust and reciprocity, which is quite opposed to the previously established attitudes. Therefore, successful organizational change, towards innovative organizations, heavily depends upon how various parties within the organization perceive the changes and determine if they can contribute to organizational and working condition improvements (Cole, 1984).

Organizational climate is based on attitudes, beliefs, and mechanisms (Straw & Heckscher, 1984). We have discussed the importance of attitudes and beliefs. Therefore, the next step is to ascertain mechanisms or methods to create the right type of attitude. The attitude that we are hoping to achieve is trust and reciprocity. The ways to achieve this could be: maintaining job security, management keeping in view two consistent and simultaneous goals of productivity and improved quality of work life, sharing of benefits of productivity, involving unions and maintaining their security (Cole, 1984), and involvement and commitment of the top management (Straw & Heckscher, 1984; Cole, 1984).

One important aspect of beliefs is that it is based on the perception of the employees regarding their entitlement (Paul et al, 2000). Employee beliefs based on certain entitlements constitute a psychological contract, a breach of which can be detrimental to any efforts at organizational changes based on employee involvement and empowerment (Paul et al, 2000). To deal with the issues of entitlement, psychological contract, and the creation of a system that promotes trust and reciprocity the organization must look at complete systemic change. Expectations should be managed through orientations, surveys, training, and discussions. The changes should be visualized at the individual, group, job, and organizational levels. Finally, all other human resource functions like a reward, recruitment, training, etc. should also be designed to support change (Paul et al, 2000).

The last pertinent question is regarding the importance and the issues created by empowerment. Innovative work systems aim at empowering employees. The degree of empowerment and employee involvement can differ in different situations. But it is assumed that empowerment and involvement motivate workers to do better work and be more productive. It is also assumed that workers know their work better than the managers and if they are given wider discretion in the performance of their work, quality and productivity would increase. Empowerment means that authority is passed on to lower levels

of the organization. It can be achieved through the right mix of information with the employees, rewards, knowledge of the workers, and power to take decisions about pertinent aspects of work (Paul et al, 2001). The paradox that is created is, the managers need to maintain a balance between the power of the employees and economic problems and "entitlement beliefs of more empowerment that will be unfulfilled eventually" (Paul et al, 2001). It is a paradox of juxtaposing traditional power dimensions with collaborative podimensionssion and also maintaining the intensity of joint efforts (Cooke, 1989). Workers will want to have more power; the employers lose control as the worker power increases. More employee power can also mean that they will get a greater share of the management pie. For this purpose, the employers will have to change their view regarding three aspects: one, employees can contribute to the organization; second, this contribution increases if the employees have more power to design and operate their jobs; third, management instead of dominating the share of the existing pie should create a situation in which size of the pie for all is increased.

To conclude this section, we can say that workers work better in participative and innovative work systems because they get dignity, self-actualization, personal growth, and satisfaction of higher needs. The innovative organization aims at a comprehensive overhaul of the system. To achieve this, an earnest effort must be made to fulfill the above-mentioned needs of the employees. It should not just be a perception but should be achieved in reality as well. The reason for this is: one, cooperation of the informal organization is vital for bringing about organizational change; and two, it would create the needed environment of trust and reciprocity. Several measures can be taken to create this environment, like job security, sharing or rewards of organizational success; keeping in view the consistent two goals of productivity and employee welfare; involvement in decision-making; and aiming at systemic change.

Emerging Systems in the US

In this section, we will discuss the emerging work systems and the evidence of flexible practices in the US. Wood (1988) discusses the case of the US auto industry. He identifies three eras of participation debate in the auto industry: the human relations (blue-collar alienation) stage; the crisis (quality and productivity) stage; and the technical (Saturn) stage. He argues that- in the late 1980s- the developing system cannot be termed as between Fordism and flexible systems. The transition, according to Wood, is certainly going on, but most managerial prerogatives are still intact, schemes are mostly confined to operational levels, their main purpose is immediate managerial goals, and they are dependent upon management as far as the implementation of employee suggestions and contribution is concerned.

Applebaum and Batt (1994) give us an overall view of the development of work systems in US manufacturing. They identify two distinct models of high-performance work systems in the US: the American version of Lean production and the American version of Team Production. The main feature of lean production is significant reliance on managerial and technical expertise for decision-making and centralized coordination. It is centralized, focuses on process management, and has a centralized approach to the alignment of vision in the organization. It combines quality control techniques with traditional hierarchical organizations.

On the other hand, the team production method "combines the Swedish socio-technical systems with those of quality engineering and locates the source of competitive advantage and continuous improvement in the front-line, or production-level, workforce". This system can exist in either union or non-union settings and relies more on decentralization and representation of workers at different organizational levels. According to the scholars, there are three important conditions surrounding these two work systems: huge reliance on management's support; the need for economic crisis for implementation of these programs; and lack of institutional support for these programs.

We have already mentioned the increased incidence of innovative practices in the US. Now we will attempt to get a clearer picture of the proliferation of these practices. Gittlemann et al (1998) take six flexible work practices: work teams, TQM, QC, peer review of employee performance, employee involvement in the firm equipment purchase decision, and job rotation, and assess their incidence in the US firms. They conclude that 42% of all organizations, in their data set, employ at least one of these practices, out of which 70% of establishments had 50 or more employees.

Paul Osterman (1994) goes into the frequency of the use of HIPW in the American economy. His study of diffusion of flexible work practices shows 35% of the organizations with 50 or more employees have used some of the innovative practices. Almost 80% of organizations had experimented with two or less number of practices. One main point that this article makes is that practices should complement each other and a cluster of practices matter in implementing these new forms of work organizations. In another work, Osterman (2000) finds the same trend of greater proliferation of high-performance work organizations (HPWO), in the 90s. Almost 40 % of the organizations range from the adoption of two or more practices, as opposed to 20% in 1994. In 1994, almost 25% of establishments had two or more practices at a 50% level of penetration. In 2000 the figure was 38 %. One interesting find of the article is that these practices do not seem to have lived up to their promise of mutual gains, as they are positively related to layoffs and are not associated with a wage increase for the employees.

In sum, the incidence of innovative practices has increased in the US. But the important points for our discussion are: the majority of the organizations have experimented with one or two practices, which can hardly be called a systemic change; in most cases the majority of the workers are not affected by these practices as they are not involved in them; the mutual gains aspect has not been fulfilled; management prerogative still plays an important role and is still, in most cases, intact; and these innovative systems have no institutional support.

Contributing Factors

Organizational change requires systemic, multi-level, and complex effort, the inclusion of all stakeholders including management, individual learning, dynamic organizational capabilities, double-loop learning at individual and organizational levels, and confronting traditional views. The human aspect of organizations tell us that workers work better in participative systems because they value personal growth and dignity. It also tells us that informal organization is vital in bringing change in organizations. To create an environment of trust and reciprocity, it is necessary to give the employees a sense of belonging through job security, involvement in decision-making, and sharing the rewards. All of the innovative practices discussed in this paper seem to purport two main goals i.e. organizational achievements and improved employee work lives. But it is also clear that both of these goals are not being fulfilled and productivity seems to trump quality of work life. The following are the contributory factors to this fact.

Industrial Democracy

Cole 1984 argues that employee participation plans have two sources: personnel management policies (emphasis on increased productivity and quality and modest influence on employee welfare); the tradition of industrial democracy (to give more control to people on their work). In theory employee, participative and innovative programs are supposed to fulfill both requirements. Research shows that these programs improve quality and reduce costs and absenteeism. But, on the employee development side management's tendency for the bottom line is more dominant (Cole, 1984). We have already discussed in the section on organizational change that to create an environment of trust and reciprocity it is essential to provide a certain level of autonomy to the employees. The absence of real autonomy and voice has negative effects on any change initiated by the management.

Management Philosophy

The western management philosophy that developed in the 20th century focuses on shareholders. It considers management as a trusted agent whose sole goal is to serve the interest of the stockholders, and labor as a factor of production (Bradley & Hill, 1983). The effects of these policies on labor have been low trust based on the low-cost strategies of the management. Coming to the managerial philosophy in the US, Jacoby (1991) argues that American employers and their hostility towards unions are also more extreme than in any other nation. In the US the employers faced a union that was already averse to socialism and radical doctrine. Jacoby believes that individualism exists in all classes but in managers, it is found to an extreme degree.

There are many examples of union-management cooperation. But in many cases, this cooperation is based on economics faced by the management and the unions cooperate from a weaker position. Even in the 20s, when there was union and Taylor Society detent, the Taylor Society was skeptical of unions and did not favor them. The AFL attempted the detent as it was faced with declining power and needed to portray itself as a responsible leader and not as a radical element that was against business. Keeping in view that research supports the hypothesis that union presence can improve the possibilities of the effectiveness of systems (Alder et al, 1997) surprisingly, management is still not willing to share power with unions in normal circumstances.

In non-union settings, the management stance is even worse. Many times, non-union workplace reforms are adopted to avoid unions (Kochan, Katz, & McKersie, 1986). In short, managerial prerogative remain intact (Wood, 1988) and management's resistance to sharing power and managerial intransigence are major cause for incomplete measures, as far as devolution of participation and decision-making is concerned.

The Union Position

Unions have always had a weaker position vis-à-vis employers. Due to the management's recalcitrant behavior, radical unions were never really established in the US (Jacoby, 1991). The unions gained some ground after the New Deal legislation, but even during this period and in the ensuing 'Golden Era' unions remained mostly non-radical. They were more interested in bread-and-butter unionism and stayed away from the managerial prerogative.

In the last 40 years or so unions have dwindled in numbers and strength making it more difficult for them to represent their members and counter the employers. We have already seen that innovative practices need management support. They are also in most cases initiated by the management. These practices, as already discussed, are supposed to serve the dual purpose of quality and productivity, and self-actualization for employees. But, in most cases the unions are either not strong enough or not present at all, making the second objective less important. Unions in the present circumstances can have three responses to innovative initiatives by the management: they can ignore it; fight it; get involved and join it (Cole, 1984). In some cases, unions have joined the effort but in many cases, unions are also skeptical of these innovations. This ambivalence is also due to peer pressure that unions face when they try to join hands with the management; especially if there have been adversarial relations between the groups (Cole, 1980).

Lack of Institutional Support

Applebaum & Batt (1994) argue that firms in advanced nations must develop new sources of organizational learning and overcome the institutional obstacles that hinder such learning processes. By institutions they mean private and public institutions like employers' associations, unions, education and training institutes, research and development institutes, public policies, products, financial, and technological markets that need to be reformed. Time and again scholars have stressed the need for institutional support for organizational change, especially a change as radical as from the traditional system to the participatory system.

In the US, the system established by the New Deal legislation, which is still intact, does not cater to the changing workforce, economic environment, and institutional needs. Unions have become weak and are still stuck in the old mode of adversarial relations. Business enterprises are also not making the transition to the new model comprehensively. They are applying innovative practices in a piecemeal manner and undermining sharing of benefits because in most cases they start these initiatives under economic duress. Due to this pressure, it becomes difficult for them to ensure employment security and a share in rewards and decision-making. The situation is exacerbated because weak unions are also unable to constrain employers.

We have concluded from our discussion on organizational change that to achieve it we need to have a systemic change, which includes new institutions or radically changed ones. Goodman and Dean (1983) take this discussion one step further when they argue that there is a need for larger societal support in the US for implementing the new practices. They discuss work systems in the US, Japan, and Sweden and

argue that without larger societal acceptance and support changes do not get rooted in society and organizations.

Erroneous Implementation Policies

Our discussion of innovative practices and requisites for organizational change also brings forth many deficiencies in the approach to the implementation of innovative practices. Those deficiencies are cookie-cutter approach in the formulation and implementation of innovative practices, instead of formulating practices and systems that suit particular organizations (Jacob, 1993); unsystematic and piecemeal efforts of implementation, not in sync with other HR practices and rest of the organization (Jacob, 1993); lack in organizational commitment for change (Lawler III, 1992); not a complete systemic change, which means that it does not involve all of the organization and all of the employees; in some practices like QC and TQM heavy dependence on managerial control and narrower participation (Appelbaum & Batt, 1994; Cole, 1980); ignoring the aspect of self-development (Cole, 1984) and security and hence not creating the atmosphere of trust and cooperation; finally, incomplete and insufficient transfer of power, information, knowledge, and rewards to the lower levels, which is important to institute participatory systems in organizations (Lawler III et al, 1992).

CONCLUSION

What are the implications of the three dominant issues i.e. long-term sustainability, duplication, and piecemeal application, in the implementation of innovative work practices? Long-term sustainability means that these innovative programs many times start with flying colors. But after the honeymoon period, the enthusiasm recedes and the practices are either discontinued or put on the back burner. Lack of duplication implies that these practices are difficult to institute in every organization. One question that comes out of this aspect is, are these systems good for certain organizations and not so beneficial for others? But looking at the history of organizational development it seems that new innovative-participatory-flexible practices and systems are the next steps in organizational evolution rather than a matter of being contingent upon circumstances (Heckscher & Donnellon, 1994). The issue of non-duplication also arises even in situations where the experiments are successful, for example, Saturn. The piecemeal application means that these practices: are not implemented in the whole organization; do not include all the employees; and are not synched with other HR practices.

We have discussed several factors that have contributed to the above-discussed issues. But, the most important factor that hinders the comprehensive proliferation of innovative practices is the lack of institutional support. Therefore, to deal with the above issues the required institutional support must be created. In a broader sense, institutions would include all private and public bodies. These would include unions, employer bodies, public policy organs, educational bodies, research institutes, non-governmental organizations, other business institutes, and financial bodies. But to rectify the problems faced by innovative practices the most important of these institutes are public policy bodies.

Unions are important, but in recent years they have lost a lot of power and importance. They do not represent the bulk of a changing workforce in the US. They also need to radically change their tactics to deal with the increasingly powerful business interest in a global market. Keeping in view the discussion on managerial philosophy, relatively weak unions, and refusal of management to share power, we can assume that employers and their organizations will not solve this problem on their own. They might do it; if there is a major crisis or they get convinced that true participation will help productivity. Educational institutes and research institutes do matter but these take time and resources. They are also dependent upon other institutes with resources like unions, business and financial bodies, and the state. The NGOs are also very helpful but they do not specifically represent the problems of the working class. Secondly, they face problems sustaining their campaigns.

Government regulations are the most effective way to create and sustain a new system. Once certain regulations are legislated upon, a system is created and all the concerned participants formulate their strategies around that system. Here we can take the example of an earlier paradigm shift in the US union-

management history. In the 1930s the New Deal legislation created a union-management system based on collective bargaining. The main aim of the system was to promote industrial peace and create a level playing field for the concerned parties. It was for the first time that labor was recognized as a stakeholder in the business. Once the regulations were passed, they created their momentum and changed views and opinions. All the parties then developed their strategies around these regulations and new norms were created.

The greater importance of government regulations does not mean that all other institutions are not important in the process of change. In the current circumstances, unions and civil society can play a vital role in mobilizing pressure and support for the required changes in public policy in the US. For this purpose, unions will have to develop themselves into decentralized, flexible, and networked organizations. They should not only be able to attract a more diverse membership but also be able to develop mutual help networks with numerous NGOs and civil society.

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