

# Timișoara Journal of Economics

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# **T**imișoara **J**ournal of **E**conomics

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# SOME ASPECTS ABOUT THE RELATIONSHIP BETWEEN PRODUCTIVITY AND WORK HUMANIZATION

Gh. Gh. IONESCU \*

Adina Letiția NEGRUȘA \*\*

*It is widely recognized that job dissatisfaction leads to a protest movement, directed generally towards technology and management. Job dissatisfaction was and still is determined mostly by dehumanizing the nature of work; work should be as natural as any other human activity.*

*Starting with these modern concepts regarding the work's nature, our study is aimed to be a historic and thorough analysis of the causes leading to work dehumanization, and as well a study of the main factors which lead to work humanization, following a slightly comparative perspective regarding the Japanese and American management, emphasizing the main developments in both management philosophies.*

## Key words:

work humanization, motivators, American management, Japanese management.

JEL classification: **B10; D24; N12; N15**

## 1. THE CRISIS IN THE AMERICAN MANAGEMENT

There has been a crisis in the American management since the late 1970s. This crisis has been mostly marked in the automobile industry, the prototype American industry, as Japanese car manufacturers have made steady inroads into the American market. Although many reasons have been cited for this Japanese success, there is no doubt that the decline of the morale American workforce, and hence the decline in American productivity, has been the major cause.

This was most strikingly demonstrated by the events at Lordstown. The Lordstown (Ohio) plant was supposed to be the jewel of GM's crown. It boasted highly automated production using the most modern facilities, but it was shut

down in 1972 by a walkout protesting the line speed and the robot-like work. In many ways, this walkout was a rebellion against technology-centered management<sup>1</sup>. Lordstown was not an isolated case. The same pattern was later repeated at Ford's Muhwah (New Jersey) Plant. At this plant, people on the "graveyard" shift found their work so dull that they resorted to smoking marijuana, frequent and unauthorized absenteeism was registered as well as general thievery to relieve the tedium. Eventually, productivity and quality deteriorated to the point that the plant had to be closed in 1980<sup>2</sup>.

In all of these cases — and there were many more — it was found that the

<sup>1</sup> *Work in America: Report of special Task Force to the Secretary of Health, Education and Welfare*, MIT Press, Cambridge, Mass., 1973. p.19.

<sup>2</sup> *Wall Street Journal*, June 16, 1980.

\* Prof. univ. dr. HC. HC., Universitatea de Vest din Timișoara

\*\*Lect. univ. dr., Universitatea "Babes- Bolyai", Cluj-Napoca



high labor mobility, rampant absenteeism, thievery, walkouts, and wanton destruction of company property were triggered by the increasingly dehumanized nature of the work.

Working in a car manufacturing plant is a very impersonal experience. John F. Runcie, a scholar who spent five months working on a car assembly line, found the repetition and boredom almost unbearable. The only ways to escape this tedium were either to call in sick or to devise ways to fight it in the plant. Among the most common means were shutting the surroundings out of the mind, talking with other people, playing team sports, among other activities. When these did not work, people turned to drinking, drugs, sabotage, and vandalism<sup>3</sup>.

Although the essential factors – a tedium and repetitive work – remain unchanged, there was a change in the quality of workers and their thinking. According to Daniel Yankelovich, American values are undergoing a rapid change. Getting ahead and making more money are no longer the motivating forces they once were, and people are now motivated by the intrinsic rewards they gain from the work itself<sup>4</sup>. It is only natural that these new values clash with today's increasingly repetitive work and authoritarian workplaces. According to a study made at the University of Michigan's Survey Research Center, American workers have become increasingly dissatisfied with their work, in every regard, throughout the 1970s<sup>5</sup>.

It was against this background that American business became interested

in Japanese management. The need to rebuild American industry was eloquently argued by Amitai Etzioni in 1979, who pointed out how Japanese management could contribute to this reindustrialization. The mass media have greatly jumped on this bandwagon, sensing that this would become a current issue.

*Business Week*, for example, ran a cover-story feature on this theme in 1980 under the title "A New Social Contract." In what turned out to be one of the most-commented-on features that *Business Week* has ever run, *Business Week* emphasized the need to learn from Japan in encouraging teamwork at all levels and advocated the adoption of the Japanese practice of quality control (QC) circles. The broadcast media have also done their part. In 1980, NBC broadcast a special entitled *If Japan Can, Why Can't We?* that, contrasting the sick state of American industry to the vigorous one in Japan, conveyed a message of Japanese management's superiority and achieved very high ratings and considerable post-showing debates nationwide.

Summing up this swelling tide, WorldWatch's Bruce Stokes wrote in "East Teaches West: Reaping Profits from Worker Participation in Management" and again in "The Japanese May Provide Aid to Ailing U.S. Industries" of the need for a "Japanese Marshall Plan for American industry." This infatuation with Japanese management was also supported by generally positive feelings about Japan itself. Edwin O. Reischauer's *The Japanese* and Ezra F. Vogel's *Japan as Number One* were widely read in the United States. These Japanologists' ideas were given further credence and theoretical structure by

<sup>3</sup> John F. Runcie "By Days I Make Cars" *Harvard Business Review*, May - June, 1980, p.107.

<sup>4</sup> Daniel Yankilovich: *New Rules: Scarehing for Seef- Fulfdment in a World Turned Vpside Down*, Random House, New York, 1981.

<sup>5</sup> *Business Week*, June 4, 1979 p.157

George C. Lodge's advocacy of communitarianism<sup>6</sup>.

Believing that the United States had much to learn from Japan, a nation that had succeeded with both industrialization and democratization, Lodge suggested a new ideology for Americans based upon what he perceived as the Japanese ideology. Intended to supplant the emerging American ideology, this was defined as the synthesis of five prime elements: (i) communitarianism (making the community central) in place of individualism, and with it a new emphasis on consensus instead of contracts and on adapting to inequality instead of make-believe equality, (ii) membership rights in place of property rights, (iii) decision-making based upon the needs of the community instead of on competitive principles, (iv) the state as planner rather than the limited state, and (v) holism in place of scientific specialization<sup>7</sup>.

Can Japanese management meet these American expectations? Before attempting to answer this question, it is important first to look at the American management itself and to analyze it to see how it is structured and what the basic managerial principles are. Only then can we meaningfully see if Japanese management provides a possible remedy for its illnesses.

<sup>6</sup> Edwin O. Reischamer, *The Japanese*, Harvard University Press, Cambridge, Mass, 1977 și Ezra F. Vogel, *Japan as Number One Lessons for America*, Harvard University Press, Cambridge Mass. 1979.

<sup>7</sup> Lodge George C, *The New American Ideology* Alfred Knopf, New York 1975.

## 2. AMERICAN MANAGERIAL CONCEPTS

Although the humanization of work should be a basic concern of modern management, it has traditionally been neglected in favor of productivity. Relegated to secondary status at best, the humanization of work has never been integrated into productivity theories. As a result, people have generally looked at humanizing the work only in terms of what it can contribute to higher productivity, and the two concepts have been viewed as going hand in hand. However, they exist independent of each other; and there are times when they are in convergence and times when they are in conflict.

*Figure 1* shows how the leading American management theorists have perceived the relationship between humanization and productivity.

As can be seen, the horizontal axis indicates the degree of emphasis on humanizing the work (with increasing humanization moving to the right) and the vertical axis indicates the emphasis on productivity (with higher productivity toward the top). In the first quadrant there is a strong drive for both humanized work and high productivity, in the second quadrant there is a strong drive for high productivity but little concern for humanizing work, in the third quadrant there is little desire for either productivity or humanization, and in the fourth quadrant the drive is for humanization of work but low productivity.

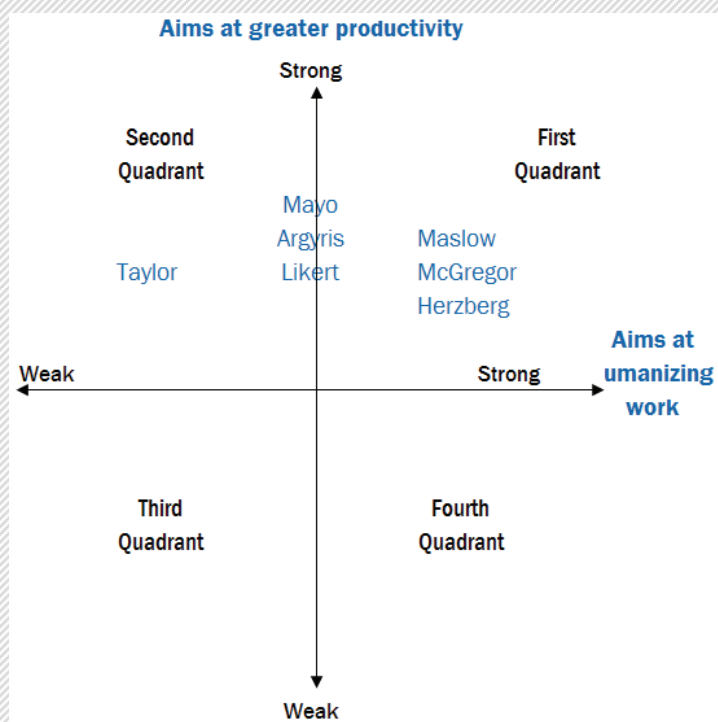


Figure 1. Conflict between Productivity and Humanization of Work

Perhaps the first major focus of American management theory was Frederick W. Taylor's scientific management, shown in Figure 1 in the second quadrant. Scientific management entailed having experts do time-and-motion studies, breaking all of the work down into its constituent elements and measuring the time required for each element to scientifically discover the best methods and best tools for doing the work<sup>8</sup>. It was Henry Ford's genius to see how this could be applied to the modern assembly line.

Taylor believed that maximum prosperity could be achieved for both employer and employee by maximizing labor productivity, and he thus advocated

a mental revolution for employees and employers alike<sup>9</sup>.

Attempting to introduce scientific management without providing higher wages and other employee rewards would, he argued, alienate the workers and invite militancy<sup>10</sup>. Aware of the problems created by the increasing routinization of work, Taylor believed that they could be solved by enabling workers to learn new skills and to move on to increasingly complex and sophisticated tasks<sup>11</sup>.

Reinhard Bendix has explained the circumstances leading to the emergence of this management ideology as follows. Prior to Taylor, management had

<sup>8</sup> Frederick W. Taylor "The Principles of Scientific management" in Scientific Management Harper & Row, New York 1974 p.24 - 25.

<sup>9</sup> Ibid. p. 9-11

<sup>10</sup> F.W. Taylor „Testimony before the Special House Subcominitte” in ibid p.27 - 30, și 192.

<sup>11</sup> F. W. Taylor "Shop Management" in Ibid. p.72 - 73.



lorded over the workers in a kind of social Darwinism. The rise of trade unionism led management to demand that it be granted absolute authority and greater obedience. Questioning management's claim to better judgment and superior abilities, Taylor sought to control production scientifically<sup>12</sup>. It might be added that this approach succeeded with the tacit approval of the unions, which emphasized the external rewards and did not pay much attention to the content of the work itself.

Whatever its theoretical underpinnings, it is clear that the drive for ever-greater productivity and the willingness to reward productive workers with higher wages leads unerringly to the dehumanization of work. In the process, work became the most routine of rote tasks and each worker was assigned a simple, standardized skill. One of the core concepts in this approach was the idea of the interchangeability of labor. Taylor stressed that workers should not be lumped together but should be treated as discrete individuals<sup>13</sup>. Since the work was standardized and broken down into simple units, it did not matter who did any specific task and it was very easy to replace one worker with another. In effect, this was the attainment of what Frederick Herzberg has termed, "interchangeable people working on the interchangeable parts of the interchangeable assembly line."<sup>14</sup>

Productivity enhancement was also the underlying value for the theorists

who followed Taylor. Among them, Elton Mayo and his theory of human relations, Chris Argyris and his critique of the organization, and Rensis Likert and his managerial system theory were especially influential. Like Taylor, Mayo was interested in productivity and restrictions on output, and he finally decided that human factors were decisive. To summarize the two most important findings to come out of studies conducted by Mayo and his associates at Western Electric's Hawthorne plant outside of Chicago, (1) the output of female workers in the test room rose slowly to stabilize at a record high, but this was completely unrelated to experimental changes in the physical working conditions and was rather the result of the fact that the atmosphere within the test room did not have the same constraints and feelings of personal futility that existed outside the test room<sup>15</sup> and (2) there were informal organizations in the room and workers, seeking to preserve their position by obeying the group conduct norms, restricted output even when this was counter to their own economic interests<sup>16</sup>. And where these restrictions on output existed, there was a conflict between loyalty to the company and loyalty to co-workers.

Thus the Hawthorne study team suggested a counseling program for improved two-way communication between the company and workers as one practical means of helping the individual to adjust and to implement changes. This later came to be called the human relations approach.

<sup>12</sup>Reinhard Bendix, *Work and Authority in Industry*, Harper & Row New York. 1963 p.215-218.

<sup>13</sup> F.W.Jayler op.cit. p.72 -73

<sup>14</sup> Frederick Herzberg *The Managerial Chain: To Be Efficient and To Be Hitman* Dow Jones - Irwin Homewood Illinois, 1976.s

<sup>15</sup>F.S. Raethlisberger and William J. Dickson *Management and the Worker*. Harvard University Press Cambridge Mass. 1939 part.I.

<sup>16</sup>Ibid, part.IV.

According to Mayo himself, the problem is not simply one of restricting output but is the lack of communication and the feelings of futility that led to the restrictions on productivity<sup>17</sup>. In this sense, it signals an awareness of the worker as a cooperator whose personality and attitudes must be respected within the organization<sup>18</sup>. Despite this, the human relations approach was unable to correct the basic causes of the restrictions on output and sought to paper over the situation with deceptive attitudinal manipulation, with the result that it was rightly criticized for not ultimately leading to any significant increase in production. Argyris found that the basic incongruence between the mature personality and the formal organization resulted in low worker identification with the company and hence low productivity. While the formal organization is composed of task specialization and a chain of command in a hierarchal order, if these principles were ideally applied, workers would work in an environment where: (i) they exercise minimal control over the workday world, (ii) they are expected to be passive, dependent, and subordinate, (iii) they are expected to have a short time perspective, (iv) they are induced to perfect and value the frequent use of a few superficial skills, and (v) they are expected to produce under conditions leading to psychological failure. In effect, "All these characteristics are incongruent to the ones healthy human beings are postulated to desire. They

are much more congruent with the needs of infants in our culture"<sup>19</sup>.

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Thus the individual can adapt to this conflict with the formal organization by (i) leaving the organization, (ii) climbing the corporate ladder, (iii) employing defense mechanisms, or (iv) lowering his own work standards and becoming apathetic and disinterested. Informal work groups are organized to perpetuate these individual adaptive acts and provide feedback to reinforce individual attitudes, resulting in output restrictions, gold-bricking, and group slowdowns<sup>21</sup>.

<sup>17</sup>Elton Mayo *The Herman Problems of on Industrial Civilization* Mac - Millan, 1933 p.1 14 - 116.

<sup>18</sup>Bendix, op.cit. p.295.

<sup>19</sup>Chris Argyris *Personality and Organization: The Conflict Between System and the Individual*. Harper & Row, New York 1957, p.66.

<sup>20</sup>Ibid p.87

<sup>21</sup>Ibid p.95 - 97.

Likert provided an answer to the questions raised by Argyris. As a result of his studies of the functional characteristics of management control, Likert showed that there were four possible systems. Naming these four systems for their organizational characteristics, he called them exploitive authoritative, benevolent authoritative, consultative, and participative<sup>22</sup>. He also found that both productivity and worker morale decline the closer management approximates the exploitive authoritative mode and increase the closer it approximates the group participative mode<sup>23</sup>.

There are three basic concepts underlying the participation group system of management. First it is the principle of supportive relations by which the individual in the organization feels supported by the interpersonal relations and interworkings of the organization and maintains a sense of personal worth and importance. Second it is the principle of group decision making within the multiple, overlapping group structure. This is not the traditional man-to-man model of interaction (i.e., superior to subordinate), but is one in which decisions are made by the group in an overlapping structure with each group linked to other groups. As a result, the organization here is not the traditional line organization or even the line/staff organization but is a complex grid structure. The third principle is that of having the employees themselves set and aspire to high performance targets<sup>24</sup>.

The reason why that participation group management in line with these

three principles results in high morale and high productivity is because workers have favorable attitudes toward their superiors, communication is good, and there is a strong sense of peer-group loyalty. Peer leadership is especially important, since it can work to increase output as well as to restrict it<sup>25</sup>.

While there was increasing emphasis on the humanization of work as theory moved from Taylor to Mayo, Argyris, and Likert, this was primarily a realization that ignoring the human dimensions of work resulted in lower productivity. The humanization of work was not a primary concern for these theorists, with enhanced productivity remaining their ultimate goal. Thus they may be characterized as very concerned with increasing productivity and indifferent to the human dimensions of the work *per se*, putting them between the first and second quadrants on *Figure 1*.

Independent of Taylor's scientific management and the discovery of human factors, A. H. Maslow's self-actualization theory has had an increasing influence on modern management. Maslow's theory of self-actualization is fundamentally different from Taylor's scientific management in that it says higher productivity naturally results from the humanization of work. As Maslow explains it, proper management is not "simply in terms of improved production, improved quality control, improved labor relations, [and] improved management of creative personnel" but is management that "can improve the people involved and improve the world<sup>26</sup>.

According to Maslow's theory of the human personality, human needs may

<sup>22</sup>Rensis Likert, *The Hitman Organization: Its Management and Value*, Mc Graw - Hill, New York, 1967, p. 14-26.

<sup>23</sup>*Ibid.* p.137 -173.

<sup>24</sup>*Ibid.* p.47 -52.

<sup>25</sup>*Ibid.* p.137 -173.

<sup>26</sup>Abr. H. Maslow, *Eupsychian Management*, Richard D. Irwin, Homewood, Illinois, 1965,p.1-2.



be ranked on a hierarchy from the lowest basic physical needs to the highest need for self-actualization. So long as the lower needs are not satisfied, the higher needs do not make themselves felt. Yet once the lower needs are satisfied, the higher needs come into play. From bottom to top, these needs are for physiological sustenance, for safety, for belonging and love, for esteem, and for self-actualization. The physiological and safety needs are self-evident. The need for belonging and love is essentially a desire for affectionate relationships in general and for a place in the group or family. The need for esteem is a need for self-esteem, self-respect, and the esteem of others. And the need for self-actualization is the individual's need to realize his potential. It is the desire to be all that he possibly can. It should be repeated, however, that this need for self-actualization does not emerge unless the lower needs (physiological needs, safety, love, and esteem) have already been met<sup>27</sup>.

Regarded from the present, Maslow's hierarchy of needs may also be termed a ranking of the ease with which the different needs can be met. Because the lower needs are most easily met, meeting them soon ceases to be an immediate concern. By contrast, the higher needs are difficult to satisfy and hence continue to be important to the individual. Thus it may be postulated that all of these needs exist simultaneously and in parallel.

Whatever the theoretical details, it is clear that the best management is that management that facilitates self-actualization, and that such management will also result in higher productivity. Thus Maslow has been placed in the

first quadrant in Figure 1-1 because of his strong emphasis on both the humanization of work and the achievement of high productivity. In turn, Maslow's theory of self-actualization gave birth to Douglas McGregor's Theory Y and Herzberg's theory of motivation/hygiene factors. Both of these men are in basic agreement with Maslow in arguing that the humanization of work is prerequisite to productivity gains.

Looking first at McGregor's Theory Y, McGregor has postulated that there are basically two diametrically opposing ways of treating people. One is the traditional theory with its emphasis on directions and control. This he calls Theory X, and it is premised upon the assumptions that (1) people have an inherent dislike of work, (2) they therefore must be coerced, controlled, directed, and threatened with punishment, and (3) people actually prefer to be controlled, wish to avoid responsibility, have rather little ambition, and want security above all. People managed in accordance with this theory to see work as a kind of punishment and as the price to be paid for the many pleasures they can obtain outside the job.

In contrast to this traditional position, McGregor says there is also a pattern that seeks to integrate individual goals (self-actualization) and organizational goals (productivity). This he calls Theory Y. Theory Y is premised upon the assumptions that: (1) depending upon controllable conditions, work may be a source of satisfaction or a source of punishment, (2) man will exercise self-direction and self-control in the service of objectives to which he is committed, (3) commitment to objectives is a function of the rewards, e.g., the satisfaction of ego and self-actualization needs, (4) people learn, under proper conditions,

<sup>27</sup>Abr. H. Maslow, *Motivation and Personality*, Harper & Row, New York, 1954, p. 35-47.

not only to accept but also to seek responsibility, (5) the capacity to exercise a relatively high degree of imagination, ingenuity, and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population, and (6) under the conditions of modern industrial life, the average person's intellectual potential is only being partially utilized<sup>28</sup>.

To sum up, the central tenet of Theory X is that of the hierarchy with clear exercise of authority through command and control, while Theory Y is based upon the integration of individual and corporate goals.

While Theory Y uses the concept of self-driven behavior, McGregor employs basically the same hierarchy of human needs as postulated by Maslow. Starting from the lowest, these are physiological needs, the need for safety, social needs, personal needs, and self-actualization<sup>29</sup>. The idea of social needs as used by McGregor is basically the same as Maslow's need for belonging and love, and the personal needs roughly the same as Maslow's need for recognition.

Next it is Herzberg's theory of motivation/hygiene factors. In this, Herzberg argues that the factors producing job satisfaction are separate and distinct from the factors creating job dissatisfaction. Job satisfaction factors include achievement, recognition, the job itself, responsibility, and the potential for promotion and growth. Yet while the presence of these factors can result in satisfaction, their absence seldom results in dissatisfaction. Of them, the job itself, responsibility, and promotions are long-term satisfaction factors, and recognition is in the sense of rec-

ognition for achievement. By contrast, job dissatisfaction is determined by company policies and management, supervision, wages, interpersonal relations, working conditions, status, job security, and the impact on the individual's private life. All of the dissatisfactions generated by these factors are short-term. Just as the absence of satisfaction factors does not generate dissatisfaction, the absence of dissatisfaction factors is not easily translatable into satisfaction. Because the dissatisfaction factors essentially describe the work environment and serve primarily to prevent job dissatisfaction, they have been called hygiene factors. The satisfaction factors, on the other hand, because they motivate the individual to superior performance and effort, have been called motivators<sup>30</sup>. It is the motivators that compel people to stay with a given organization, and the hygiene factors that propel them to leave it<sup>31</sup>.

As may be seen, the hygiene factors roughly correspond to Maslow's lower needs and the motivators to the higher needs. The hygiene factors, like the lower needs, are easily met, so that just as they lose their power as rewards and incentives, they take on added force as deterrents and disincentives<sup>32</sup>. Particularly noteworthy is that Herzberg had found that these motivators correlate positively, and the hygiene factors negatively, with productivity, job performance and morale. This means that both morale and productivity improve when management is oriented toward self-actualization, and this is in agree-

<sup>28</sup>Dauglas Mc Gregor, *The Human Side of Enterprise*, Mc.Grow - Hill, New York, 1960.

<sup>29</sup>Ibid p.96.

<sup>30</sup>Frederick Herzberg, *Work and the Nature of Man*, Thomas Y. Crowell, New York, 1966 p.72-79.

<sup>31</sup>Ibid. p.144- 160.

<sup>32</sup>Peter Drucker, *Management: Tasks Responsibilities, Practices*, Harper & Row, New York. 1974 p.195-196.

ment with McGregor's contention. As a result, McGregor and Herzberg have been placed in the first quadrant of *Figure 1* indicating that they emphasize both productivity and the humanization of work.

Although everyone since Taylor has continued to make production into a general goal, the trend continued increasingly to emphasize the importance of the human factors of work. In recent years, this trend has given rise to a new concern regarding the quality of work life, which is the subject of the next section.

### 3. QUALITY OF WORK LIFE

It was the 1972 Work in America report of the Special Task Force to the Secretary of Health, Education, and Welfare that forcibly impressed upon the American consciousness the need to recognize that the pursuit of humanizing work is separate from the pursuit of production and emphatically emphasized the need to improve the quality of work life (Quality of Work Life) QWL<sup>33</sup>. This report notes explicitly that QWL is directed not to improved production efficiency but at social efficiency. Through enhancing QWL, society can avoid "some of the very large costs of such job-related pathologies as political alienation, violent aggression against others, alcoholism and drug abuse, mental depression, an assortment of physical illnesses, inadequate performance in schools, and a larger number of welfare families than there need be. These costs are borne by the citizen and by society<sup>34</sup>.

While this report thus took a social cost-benefit approach to promoting QWL, the international trend is toward

making the humanization of work itself the objective. One of the most famous examples is the white paper issued by the Commission of the European Community in 1973 calling for a number of reforms, including an effort to eliminate assembly line work from plants throughout the EC. Another is the 1975 resolution by the International Labour Organisation (ILO) on making work more human.

According to Ted Mills, one of the leaders of the QWL movement in the United States, while industrial democracy is being established in Europe as a means of humanizing work, Americans have adopted the QWL idea<sup>35</sup>. While there is a transfer of authority from the capitalist owners to the laborers and unions in Europe consistent with Europe's socialist traditions, the American tradition is more individualistic and resentful of government control.

How is QWL defined? Richard E. Walton, a leading authority on QWL, although he uses the term "work innovation" in preference to the term QWL, cites the following nine points as characterizing QWL: (1) autonomous work groups and self-management, (2) integrated support functions free of staff functions and job specialization, (3) challenging job assignments, (4) job mobility and rewards for learning, (5) facilitative leadership, (6) managerial decision information for operators, (7) self-government for the plant community, (8) congruent physical and social context, and (9) learning and evolution<sup>36</sup>.

Likewise, Jerome M. Rosow of the Work in America Institute cites the fol-

<sup>33</sup>Work in America, op.cit.

<sup>34</sup>Ibid p.28.

<sup>35</sup>Ted Mills „Europe's Industrial Democracy An American Response" *Harvard Business Review*, November. December, 1978, p.151 - 152.

<sup>36</sup>Richard E. Walton „How to Counter Alienation in the Plant", *Harvard Business Review*, November - December, 1972.



lowing ten factors in improving QWL: (1) full and fair wages, (2) fringe benefits, (3) a safe and healthful work environment, (4) job security, (5) free collective bargaining, (6) growth and progress (a personnel system that sees employees as resources for growth and progress), (7) social unity (creation of a work environment that workers can identify with and where they can feel that the work they are doing is important, with special emphasis on teamwork and cooperation work), (8) participation, (9) industrial democracy, and (10) concern for the total life (concern for harmony between work and worker's lifestyle)<sup>37</sup>.

However, when these various lists are examined, it seems that QWL is essentially a question of (1) redesigning the workplace, (2) participative management, and (2) self-management of group activities.

The redesigning of the workplace is an attempt to redesign the work so that it more closely facilitates self-actualization. Argyris has proposed doing this with job enlargement, increasing the number of tasks performed by the employee along the flow of work<sup>38</sup>. Herzberg, contending that there is no point in simply collecting meaningless fragments together, has rejected job enlargement in favor of job enrichment, and has argued that what is needed is not horizontal enlargement but vertical enrichment. The eight elements that he postulates for job enrichment are: (1) direct feedback from the results of behavior, (2) client relationship, (3) new learning, (4) scheduling, (5) unique expertise, (6) control over resources, (7)

direct communication authority, and (8) personal accountability<sup>39</sup>. In addition, redesigning the work includes job rotations.

As defined by Kunio Odaka, participative management is a concept including participation in decision-making at each corporate level and at each stage of the production process. In this concept, Odaka sees both industrial democracy with labor representatives participating in the organization's decision-making and self-managed group activities as will be discussed below as elements of participative management<sup>40</sup>.

The European experience is very instructive on industrial democracy. Of the many experiments that have been tried, particular attention has been paid first to the establishment of an active organization of plant employees (not the labor union) and having employee representatives participate in board meetings. This system was legally mandated in France in 1946 and in West Germany in 1952<sup>41</sup>. In the 1970s, legalization spread to the Scandinavian countries and other countries throughout Europe. The second point of particular attention is self-management at the plant level. This was systematically introduced in Yugoslavia in 1950 and has since spread throughout Eastern Europe<sup>42</sup>.

Self-management of work groups derives from the idea that workers have the right of self-determination and self-

<sup>37</sup>Jarome M. Rosow, „Salving the Human Equation in the Productivity Puzzle”, *Management Review*, August 1977.

<sup>38</sup>Argyris, op.cit.p.177 - 187.

<sup>39</sup>Herzberg, 1976 op.cit. p.l 14 - 119 și p. 128 - 150.

<sup>40</sup>Kunio Odako, *Japanese Management* Chuo-Koran - sha, 1965, p.171.

<sup>41</sup>Kazuo Koike, *Management participation For Workers the West European experience and Japan*, Nihon - Hyoron - sha, 1976, Takyap. 19-26 și 99 - 101.

<sup>42</sup>Masumi Tsuda, *In defense of Japanese style Management*, Toyo Kuzai - Strimpo - sha, 1976 p.219.

management in the workplace<sup>43</sup>. Argyris has proposed the formation of individual-need-oriented groups separate from the formal organization<sup>44</sup>. The British idea of socio-technical systems is close to this concept<sup>45</sup>. In addition, this movement is also supported by the East European trend toward self-management.

Among the best-known examples of companies that have actually instituted QWL programs are two car manufacturing companies: Volvo of Sweden and GM of the United States. Volvo president Pehr G. Gyllenhammar has summarized Volvo's innovation in pursuit of the humanization of work as follows. "The ideal goal for the new plan was to make it possible for an employee to see a blue Volvo driving down the street and say to himself: I made that car<sup>46</sup>". The innovation at the Kalmar plant involved both doing away with the assembly line and forming autonomous human groups. Instead of the line, Volvo introduced individual carriers (electrically powered platforms capable of carrying a single vehicle) controlled by the workers. The second focus, the autonomous human working groups, were groups of approximately 20 workers voluntarily taking joint responsibility for their work. Inspection stations were eliminated. The only contract the workers had with management was to make a certain number of vehicles.

It is noteworthy here that, as a result of these innovations, Volvo achieved striking improvements in mo-

rale (low morale having previously shown up in high employee turnover, absenteeism, wildcat strikes, and other problems) and improved productivity. Although the Kalmar plant was somewhat more expensive to build than other plants, the improved productivity more than offset these added costs<sup>47</sup>.

In Volvo's Torslanda plant, the revolution manifested itself in (1) the establishment of a hierarchy of work councils, (2) job enhancement, and (3) expanded autonomy in group working. The work councils include representatives from both labor and management. For job enhancement, the company initially introduced job rotations every day or half-day and later gave the workers themselves the authority to conduct inspections and to decide whether or not reworking was needed. With autonomy, production requirements rested on the group, not on the individual, with the result that all of the work became group work. Here too, there was a dramatic improvement in morale and sharply improved product quality. One of the lessons learned from this plant was that there is a higher likelihood that innovation will succeed when the idea for innovation comes from the union or work group<sup>48</sup>.

Looking at GM's QWL movement, the main objective in the 1970s was that of improved productivity, and improving the quality of work was only a secondary concern when it was started in 1970. With the deterioration in morale, GM's Tarrytown (New York) plant ranked among the worst in terms of both quality and productivity. Responding to this situation, QWL was introduced in two departments to start

<sup>43</sup>Kunio Odaka, *Lectures on industrial sociology*, Iwanami Shoten, Tokyo, 1991 p.222.

<sup>44</sup>Argyris op.cit.p.193 - 200.

<sup>45</sup>Herzberg, 1976, op.cit.p.193 - 200.

<sup>46</sup>Peter G. Gyllenhammar, *People and Work* Addison - Wesley, Reading Mass. 1974 p.54.

<sup>47</sup>Ibid p. II - 15.

<sup>48</sup>Ibid p. 27.

with in 1971. As introduced, QWL involved both redesigning the workplace and involving workers in process. In 1973, GM signed an agreement with the United Auto workers (UAW) on introducing QWL. This was the first instance of QWL being specifically included in a labor agreement. In 1977, GM started a program of QWL group training at all of its plants throughout the United States. The results of this program were striking reductions in the incidence of absenteeism and grievances, a smooth transition to production of new models, and a change in Tarrytown from one of the worst GM plants anywhere to one of the best<sup>49</sup>.

Encouraged by this success, GM has changed the objectives of QWL to focus not simply on enhanced productivity but also on enhanced quality of work life, and as of 1981 QWL programs existed in various forms and guises in 95 GM plants<sup>50</sup>. The introduction of QWL has resulted in higher morale and better productivity at both Volvo and GM. However, different results are also possible so long as QWL has the humanization of work as its main objective.

Reviewing the results of ten years of QWL, Richard E. Walton has concluded that work innovation sometimes results in improved productivity and sometimes it does not. However, he adds that success is most likely when the two goals of QWL and productivity are pursued equally with no tilt to either side.<sup>51</sup> QWL in the United States was begun on the assumption that its enactment would be consistent with

improved productivity, and it has now been generally accepted by industry. Looking back over the first ten years, Walton says that companies with QWL programs are still in the minority but their numbers are increasing and the movement is now at the bottom of the "S" curve<sup>52</sup>.

Unions, even though gradually, are shifting from their traditional emphasis on wages, employment, and other factors external to the work itself and becoming increasingly interested in QWL. The agreement between GM and the UAW has already been mentioned, but the UAW also moved in 1973 to include provisions in its contracts with the other leading automobile companies for the establishment of joint labor-management committees.

The labor-management committees were charged with promoting QWL and publicizing the results to other companies<sup>53</sup>. In 1979, representatives of 20 international labor unions met in Washington to discuss labor management cooperation in QWL improvement efforts. Included were representatives from the American AFL-CIO and the U.S. Department of Labor<sup>54</sup>.

When considering the Japanese studies in the United States, it must be emphasized that this was both a desire to raise productivity and an attempt to find in Japan specific methods for the QWL movement. The interest in Japanese management, which formed the core of the interest in Japan, was an idealistic pursuit of both improved

<sup>49</sup>Robert H. Guest, „Quality of Work life: Learning from Tarry town”, *Harvard Business Review*, July - August, 1979.

<sup>50</sup> Newsweek May. 11, 1981 p.36

<sup>51</sup>Richard E. Walton, „Wark Inovations is the United Statis” *Harvard Business Review*, July - August, 1989 p.93 - 94.

<sup>52</sup>Ibid. p.93-94.

<sup>53</sup>Masaru Ogiwana, *The Well to work - issues of Japanese - style QW.*, Daiyamando - sha, Tokyo 1979 p.5.

<sup>54</sup>Paul D. Grenborg and Edward M. Glaser, *Some Issues in Joint Union Management, Quality of Work Life Impoavement Efforts*, W.E. Upjohn Institute for Employment Research, Kalamaza Michigan, 1980 p.7.



productivity and the humanization of work.

#### 4. TURNING TO JAPANESE MANAGEMENT

The main features that Type Z should take from Type J are (i) trust among people and groups within the organization and (ii) subtlety with relationships between people, and (Hi) intimacy<sup>55</sup>.

Peter F. Drucker agrees that the interpersonal relations arising from shared interests and mutual trust are the decisive factor in Japanese management's success.

Yet the work that really brought Japanese management to America's attention was William Ouchi's Theory Z. Named in contrast to McGregor's Theory Y, Ouchi's Theory Z is an attempt to take what he sees as the best of Japanese management practices and to apply them to American companies. To begin with, Ouchi divides management into three types (Type J for Japanese management, Type A for American management, and Type Z for something that is not identical to Japanese management but close to it) and argues that each of these types can exist in any country and any culture but that Type J exists in Japan and Types A and Z in the United States and Western Europe<sup>56</sup>. The main features that Type Z should take from Type J are (i) trust among people and groups within the organization and (ii) subtlety with relationships between people, and (Hi) intimacy<sup>57</sup>.

However, Type Z differs from Type J in that (1) both assessment and promotions are quick, (2) both implicit and explicit means of control are used, (3) the individual bears final responsibility for group decisions, and (4) the holistic concern (not just for the work but for the total person) is not in a hierarchical relationship but in an egalitarian relationship.<sup>58</sup> At the risk of over-simplification, the thing that American management wants to learn from Japan is worker involvement in the organization as the core for productivity growth. Backing his claim that Japanese companies are more competitive, Ouchi notes that Japanese firms in the United States have succeeded by adopting Japanese management but American firms in Japan have failed to introduce American management.<sup>59</sup>

Thus it is that the surge of interest in Japanese management stems from the hope that the features that characterize Japanese management (shared interests and mutual trust as expressed in Lodge's communitarianism) can provide solutions for the deterioration in American productivity and hopes that Japanese management can provide practical models for QWL enhancement. It is worth noting in this regard that the Japanese QC circles are widely regarded as the prototype of working group self-management for QWL.

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<sup>55</sup>James C. Abegglen, *The Japanese Factory: Aspects of its Social Organization*, MIT Press Cambridge, Mass. 1958.

<sup>56</sup>William Ouchi, *Theory Z: How American Business Can Meet the Japanese Challenge*, Adalison & Wesley Mass, 1981 p.67 - 70.

<sup>57</sup>Ibid p.51.

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<sup>58</sup>Ibid p.71 -83.

<sup>59</sup>Ibid. p.14- 15.

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