

# From Control to Commitment in the Workplace

by [Richard E. Walton](#)

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**T**he larger shape of institutional change is always difficult to recognize when one stands right in the middle of it. Today, throughout American industry, a significant change is under way in long-established approaches to the organization and management of work. Although this shift in attitude and practice takes a wide variety of company-specific forms, its larger shape—its overall pattern—is already visible if one knows where and how to look.

Consider, for example, the marked differences between two plants in the chemical products division of a major U.S. corporation. Both make similar products and employ similar technologies, but that is virtually all they have in common.

The first, organized by businesses with an identifiable product or product line, divides its employees into self-supervising 10- to 15-person work teams that are collectively responsible for a set of related tasks. Each team member has the training to perform many or all of the tasks for which the team is accountable, and pay reflects the level of mastery of required skills. These teams have received assurances that management will go to extra lengths to provide continued employment in any economic downturn. The teams have also been thoroughly briefed on such issues as market share, product costs, and their implications for the business.

Not surprisingly, this plant is a top performer economically and rates well on all measures of employee satisfaction, absenteeism, turnover, and safety. With its employees actively engaged in identifying and solving problems, it operates with fewer levels of management and fewer specialized departments than do its sister plants. It is also one of the principal suppliers of management talent for these other plants and for the division manufacturing staff.

In the second plant, each employee is responsible for a fixed job and is required to perform up to the minimum standard defined for that job. Peer pressure keeps new employees from exceeding the minimum standards and from taking other initiatives that go beyond basic job requirements. Supervisors, who manage daily assignments and monitor performance, have long since given up hope for anything more than compliance with standards, finding sufficient difficulty in getting their people to perform adequately most of the time. In fact, they and their workers try to prevent the industrial engineering department, which is under pressure from top plant management to improve operations, from using changes in methods to “jack up” standards.

A recent management campaign to document an “airtight case” against employees who have excessive absenteeism or sub-par performance mirrors employees’ low morale and high distrust of management. A constant stream of formal grievances, violations of plant rules, harassment of supervisors, wildcat walkouts, and even sabotage has prevented the plant from reaching its productivity and quality goals and has absorbed a disproportionate amount of division staff time. Dealings with the union are characterized by contract negotiations on economic matters and skirmishes over issues of management control.

No responsible manager, of course, would ever wish to encourage the kind of situation at this second plant, yet the determination to understand its deeper causes and to attack them at their root does not come easily. Established modes of doing things have an inertia all their own. Such an effort is, however, in process all across the industrial landscape. And with that effort comes the possibility of a revolution in industrial relations every bit as

great as that occasioned by the rise of mass production the better part of a century ago. The challenge is clear to those managers willing to see it—and the potential benefits, enormous.

## Approaches to Work-Force Management

What explains the extraordinary differences between the plants just described? Is it that the first is new (built in 1976) and the other old? Yes and no. Not all new plants enjoy so fruitful an approach to work organization; not all older plants have such intractable problems. Is it that one plant is unionized and the other not? Again, yes and no. The presence of a union may institutionalize conflict and lackluster performance, but it seldom causes them.

At issue here is not so much age or unionization but two radically different strategies for managing a company's or a factory's work force, two incompatible views of what managers can reasonably expect of workers and of the kind of partnership they can share with them. For simplicity, I will speak of these profound differences as reflecting the choice between a strategy based on imposing *control* and a strategy based on eliciting *commitment*.

### The “control” strategy.

The traditional—or control-oriented—approach to work-force management took shape during the early part of this century in response to the division of work into small, fixed jobs for which individuals could be held accountable. The actual definition of jobs, as of acceptable standards of performance, rested on “lowest common denominator” assumptions about workers’ skill and motivation. To monitor and control effort of this assumed caliber, management organized its own responsibilities into a hierarchy of specialized roles buttressed by a top-down allocation of authority and by status symbols attached to positions in the hierarchy.

For workers, compensation followed the rubric of “a fair day’s pay for a fair day’s work” because precise evaluations were possible when individual job requirements were so carefully prescribed. Most managers had little doubt that labor was best thought of as a

variable cost, although some exceptional companies guaranteed job security to head off unionization attempts.

In the traditional approach, there was generally little policy definition with regard to employee voice unless the work force was unionized, in which case damage control strategies predominated. With no union, management relied on an open-door policy, attitude surveys, and similar devices to learn about employees' concerns. If the work force was unionized, then management bargained terms of employment and established an appeal mechanism. These activities fell to labor relations specialists, who operated independently from line management and whose very existence assumed the inevitability and even the appropriateness of an adversarial relationship between workers and managers. Indeed, to those who saw management's exclusive obligation to be to a company's shareowners and the ownership of property to be the ultimate source of both obligation and prerogative, the claims of employees were constraints, nothing more.

At the heart of this traditional model is the wish to establish order, exercise control, and achieve efficiency in the application of the work force. Although it has distant antecedents in the bureaucracies of both church and military, the model's real father is Frederick W. Taylor, the turn-of-the-century "father of scientific management," whose views about the proper organization of work have long influenced management practice as well as the reactive policies of the U.S. labor movement.

Recently, however, changing expectations among workers have prompted a growing disillusionment with the apparatus of control. At the same time, of course, an intensified challenge from abroad has made the competitive obsolescence of this strategy clear. A model that assumes low employee commitment and that is designed to produce reliable if not outstanding performance simply cannot match the standards of excellence set by world-class competitors. Especially in a high-wage country like the United States, market success depends on a superior level of performance, a level that, in turn, requires the deep commitment, not merely the obedience—if you could obtain it—of workers. And as painful experience shows, this commitment cannot flourish in a workplace dominated by the familiar model of control.

## **The “commitment” strategy.**

Since the early 1970s, companies have experimented at the plant level with a radically different work-force strategy. The more visible pioneers—among them, General Foods at Topeka, Kansas; General Motors at Brookhaven, Mississippi; Cummins Engine at Jamestown, New York; and Procter & Gamble at Lima, Ohio—have begun to show how great and productive the contribution of a truly committed work force can be. For a time, all new plants of this sort were nonunion, but by 1980 the success of efforts undertaken jointly with unions—GM’s cooperation with the UAW at the Cadillac plant in Livonia, Michigan, for example—was impressive enough to encourage managers of both new and existing facilities to rethink their approach to the work force.

Stimulated in part by the dramatic turnaround at GM’s Tarrytown assembly plant in the mid 1970s, local managers and union officials are increasingly talking about common interests, working to develop mutual trust, and agreeing to sponsor quality-of-work-life (QWL) or employee involvement (EI) activities. Although most of these ventures have been initiated at the local level, major exceptions include the joint effort between the Communication Workers of America and AT&T to promote QWL throughout the Bell System and the UAW-Ford EI program centrally directed by Donald Ephlin of the UAW and Peter Pestillo of Ford. In the nonunion sphere, the spirit of these new initiatives is evident in the decision by workers of Delta Airlines to show their commitment to the company by collecting money to buy a new plane.

More recently, a growing number of manufacturing companies has begun to remove levels of plant hierarchy, increase managers’ spans of control, integrate quality and production activities at lower organizational levels, combine production and maintenance operations, and open up new career possibilities for workers. Some corporations have even begun to chart organizational renewal for the entire company. Cummins Engine, for example, has ambitiously committed itself to inform employees about the business, to encourage participation by everyone, and to create jobs that involve greater responsibility and more flexibility.

In this new commitment-based approach to the work force, jobs are designed to be broader than before, to combine planning and implementation, and to include efforts to upgrade operations, not just maintain them. Individual responsibilities are expected to change as conditions change, and teams, not individuals, often are the organizational units accountable for performance. With management hierarchies relatively flat and differences in status minimized, control and lateral coordination depend on shared goals, and expertise rather than formal position determines influence.

People Express, to cite one example, started up with its management hierarchy limited to three levels, organized its work force into three- or four-person groups, and created positions with exceptionally broad scope. Every full-time employee is a “manager”: flight managers are pilots who also perform dispatching and safety checks; maintenance managers are technicians with other staff responsibilities; customer service managers take care of ticketing, security clearance, passenger boarding, and in-flight service. Everyone, including the officers, is expected to rotate among functions to boost all workers’ understanding of the business and to promote personal development.

Under the commitment strategy, performance expectations are high and serve not to define minimum standards but to provide “stretch objectives,” emphasize continuous improvement, and reflect the requirements of the marketplace. Accordingly, compensation policies reflect less the old formulas of job evaluation than the heightened importance of group achievement, the expanded scope of individual contribution, and the growing concern for such questions of “equity” as gain sharing, stock ownership, and profit sharing. This principle of economic sharing is not new. It has long played a role in Dana Corporation, which has many unionized plants, and is a fundamental part of the strategy of People Express, which has no union. Today, Ford sees it as an important part of the company’s transition to a commitment strategy.

Equally important to the commitment strategy is the challenge of giving employees some assurance of security, perhaps by offering them priority in training and retraining as old jobs are eliminated and new ones created. Guaranteeing employees access to due process and providing them the means to be heard on such issues as production methods, problem

solving, and human resource policies and practices is also a challenge. In unionized settings, the additional tasks include making relations less adversarial, broadening the agenda for joint problem solving and planning, and facilitating employee consultation.

Underlying all these policies is a management philosophy, often embodied in a published statement, that acknowledges the legitimate claims of a company's multiple stakeholders—owners, employees, customers, and the public. At the center of this philosophy is a belief that eliciting employee commitment will lead to enhanced performance. The evidence shows this belief to be well-grounded. In the absence of genuine commitment, however, new management policies designed for a committed work force may well leave a company distinctly more vulnerable than would older policies based on the control approach. The advantages—and risks—are considerable.

## **The Costs of Commitment**

Because the potential leverage of a commitment-oriented strategy on performance is so great, the natural temptation is to assume the universal applicability of that strategy. Some environments, however, especially those requiring intricate teamwork, problem solving, organizational learning, and self-monitoring, are better suited than others to the commitment model. Indeed, the pioneers of the deep commitment strategy—a fertilizer plant in Norway, a refinery in the United Kingdom, a paper mill in Pennsylvania, a pet-food processing plant in Kansas—were all based on continuous process technologies and were all capital and raw material intensive. All provided high economic leverage to improvements in workers' skills and attitudes, and all could offer considerable job challenge.

Is the converse true? Is the control strategy appropriate whenever—as with convicts breaking rocks with sledgehammers in a prison yard—work can be completely prescribed, remains static, and calls for individual, not group, effort? In practice, managers have long answered yes. Mass production, epitomized by the assembly line, has for years been thought suitable for old-fashioned control.

But not any longer. Many mass producers, not least the automakers, have recently been trying to reconceive the structure of work and to give employees a significant role in solving problems and improving methods. Why? For many reasons, including to boost in-plant quality, lower warranty costs, cut waste, raise machine utilization and total capacity with the same plant and equipment, reduce operating and support personnel, reduce turnover and absenteeism, and speed up implementation of change. In addition, some managers place direct value on the fact that the commitment policies promote the development of human skills and individual self-esteem.

The benefits, economic and human, of worker commitment extend not only to continuous-process industries but to traditional manufacturing industries as well. What, though, are the costs? To achieve these gains, managers have had to invest extra effort, develop new skills and relationships, cope with higher levels of ambiguity and uncertainty, and experience the pain and discomfort associated with changing habits and attitudes. Some of their skills have become obsolete, and some of their careers have been casualties of change. Union officials, too, have had to face the dislocation and discomfort that inevitably follow any upheaval in attitudes and skills. For their part, workers have inherited more responsibility and, along with it, greater uncertainty and a more open-ended possibility of failure.

Part of the difficulty in assessing these costs is the fact that so many of the following problems inherent to the commitment strategy remain to be solved.

### **Employment assurances.**

As managers in heavy industry confront economic realities that make such assurances less feasible and as their counterparts in fiercely competitive high-technology areas are forced to rethink early guarantees of employment security, pointed questions await.

Will managers give lifetime assurances to the few, those who reach, say, 15 years' seniority, or will they adopt a general no-layoff policy? Will they demonstrate by policies and practices that employment security, though by no means absolute, is a higher priority

item than it was under the control approach? Will they accept greater responsibility for outplacement?

## **Compensation.**

In one sense, the more productive employees under the commitment approach deserve to receive better pay for their better efforts, but how can managers balance this claim on resources with the harsh reality that domestic pay rates have risen to levels that render many of our industries uncompetitive internationally? Already, in such industries as trucking and airlines, new domestic competitors have placed companies that maintain prevailing wage rates at a significant disadvantage. Experience shows, however, that wage freezes and concession bargaining create obstacles to commitment, and new approaches to compensation are difficult to develop at a time when management cannot raise the overall level of pay.

Which approach is really suitable to the commitment model is unclear. Traditional job classifications place limits on the discretion of supervisors and encourage workers' sense of job ownership. Can pay systems based on employees' skill levels, which have long been used in engineering and skilled crafts, prove widely effective? Can these systems make up in greater mastery, positive motivation, and workforce flexibility what they give away in higher average wages?

In capital-intensive businesses, where total payroll accounts for a small percentage of costs, economics favor the move toward pay progression based on deeper and broader mastery. Still, conceptual problems remain with measuring skills, achieving consistency in pay decisions, allocating opportunities for learning new skills, trading off breadth and flexibility against depth, and handling the effects of "topping out" in a system that rewards and encourages personal growth.

There are also practical difficulties. Existing plants cannot, for example, convert to a skill-based structure overnight because of the vested interests of employees in the higher classifications. Similarly, formal profit- or gain-sharing plans like the Scanlon Plan (which shares gains in productivity as measured by improvements in the ratio of payroll to the

sales value of production) cannot always operate. At the plant level, formulas that are responsive to what employees can influence, that are not unduly influenced by factors beyond their control, and that are readily understood, are not easy to devise. Small stand-alone businesses with a mature technology and stable markets tend to find the task least troublesome, but they are not the only ones trying to implement the commitment approach.

Yet another problem, very much at issue in the Hyatt-Clark bearing plant, which employees purchased from General Motors in 1981, is the relationship between compensation decisions affecting salaried managers and professionals, on the one hand, and hourly workers, on the other. When they formed the company, workers took a 25% pay cut to make their bearings competitive but the managers maintained and, in certain instances increased, their own salaries in order to help the company attract and retain critical talent. A manager's ability to elicit and preserve commitment, however, is sensitive to issues of equity, as became evident once again when GM and Ford announced huge executive bonuses in the spring of 1984 while keeping hourly wages capped.

## **Technology.**

Computer-based technology can reinforce the control model or facilitate movement to the commitment model. Applications can narrow the scope of jobs or broaden them, emphasize the individual nature of tasks or promote the work of groups, centralize or decentralize the making of decisions, and create performance measures that emphasize learning or hierarchical control.

To date, the effects of this technology on control and commitment have been largely unintentional and unexpected. Even in organizations otherwise pursuing a commitment strategy, managers have rarely appreciated that the side effects of technology are not somehow "given" in the nature of things or that they can be actively managed. In fact, computer-based technology may be the least deterministic, most flexible technology to enter the work-place since the industrial revolution. As it becomes less hardware-dependent and more software-intensive and as the cost of computer power declines, the variety of ways to meet business requirements expands, each with a different set of human

implications. Management has yet to identify the potential role of technology policy in the commitment strategy, and it has yet to invent concepts and methods to realize that potential.

## **Supervisors.**

The commitment model requires first-line supervisors to facilitate rather than direct the work force, to impart rather than merely practice their technical and administrative expertise, and to help workers develop the ability to manage themselves. In practice, supervisors are to delegate away most of their traditional functions—often without having received adequate training and support for their new team-building tasks or having their own needs for voice, dignity, and fulfillment recognized.

These dilemmas are even visible in the new titles many supervisors carry—“team advisers” or “team consultants,” for example—most of which imply that supervisors are not in the chain of command, although they are expected to be directive if necessary and assume functions delegated to the work force if they are not being performed. Part of the confusion here is the failure to distinguish the behavioral style required of supervisors from the basic responsibilities assigned them. Their ideal style may be advisory, but their responsibilities are to achieve certain human and economic outcomes. With experience, however, as first-line managers become more comfortable with the notion of delegating what subordinates are ready and able to perform, the problem will diminish.

Other difficulties are less tractable. The new breed of supervisors must have a level of interpersonal skill and conceptual ability often lacking in the present supervisory work force. Some companies have tried to address this lack by using the position as an entry point to management for college graduates. This approach may succeed where the work force has already acquired the necessary technical expertise, but it blocks a route of advancement for workers and sharpens the dividing line between management and other employees. Moreover, unless the company intends to open up higher level positions for these college-educated supervisors, they may well grow impatient with the shift work of first-line supervision.

Even when new supervisory roles are filled—and filled successfully—from the ranks, dilemmas remain. With teams developed and functions delegated, to what new challenges do they turn to utilize fully their own capabilities? Do those capabilities match the demands of the other managerial work they might take on? If fewer and fewer supervisors are required as their individual span of control extends to a second and a third work team, what promotional opportunities exist for the rest? Where do they go?

### **Union-management relations.**

Some companies, as they move from control to commitment, seek to decertify their unions and, at the same time, strengthen their employees' bond to the company. Others—like GM, Ford, Jones & Laughlin, and AT&T—pursue cooperation with their unions, believing that they need their active support. Management's interest in cooperation intensified in the late 1970s, as improved work-force effectiveness could not by itself close the competitive gap in many industries and wage concessions became necessary. Based on their own analysis of competitive conditions, unions sometimes agreed to these concessions but expanded their influence over matters previously subject to management control.

These developments open up new questions. Where companies are trying to preserve the non-union status of some plants and yet promote collaborative union relations in others, will unions increasingly force the company to choose? After General Motors saw the potential of its joint QWL program with the UAW, it signed a neutrality clause (in 1976) and then an understanding about automatic recognition in new plants (in 1979). If forced to choose, what will other managements do? Further, where union and management have collaborated in promoting QWL, how can the union prevent management from using the program to appeal directly to the workers about issues, such as wage concessions, that are subject to collective bargaining?

And if, in the spirit of mutuality, both sides agree to expand their joint agenda, what new risks will they face? Do union officials have the expertise to deal effectively with new agenda items like investment, pricing, and technology? To support QWL activities, they already have had to expand their skills and commit substantial resources at a time when shrinking employment has reduced their membership and thus their finances.

## The Transitional Stage

Although some organizations have adopted a comprehensive version of the commitment approach, most initially take on a more limited set of changes, which I refer to as a “transitional” stage or approach. The challenge here is to modify expectations, to make credible the leaders’ stated intentions for further movement, and to support the initial changes in behavior. These transitional efforts can achieve a temporary equilibrium, provided they are viewed as part of a movement toward a comprehensive commitment strategy.

The cornerstone of the transitional stage is the voluntary participation of employees in problem-solving groups like quality circles. In unionized organizations, union-management dialogue leading to a jointly sponsored program is a condition for this type of employee involvement, which must then be supported by additional training and communication and by a shift in management style. Managers must also seek ways to consult employees about changes that affect them and to assure them that management will make every effort to avoid, defer, or minimize layoffs from higher productivity. When volume-related layoffs or concessions on pay are unavoidable, the principle of “equality of sacrifice” must apply to all employee groups, not just the hourly work force.

As a rule, during the early stages of transformation, few immediate changes can occur in the basic design of jobs, the compensation system, or the management system itself. It is easy, of course, to attempt to change too much too soon. A more common error, especially in established organizations, is to make only “token” changes that never reach a critical mass. All too often managers try a succession of technique-oriented changes one by one: job enrichment, sensitivity training, management by objectives, group brainstorming, quality circles, and so on. Whatever the benefits of these techniques, their value to the organization will rapidly decay if the management philosophy—and practice—does not shift accordingly.

A different type of error—“overreaching”—may occur in newly established organizations based on commitment principles. In one new plant, managers allowed too much peer influence in pay decisions; in another, they underplayed the role of first-line supervisors as

a link in the chain of command; in a third, they overemphasized learning of new skills and flexibility at the expense of mastery in critical operations. These design errors by themselves are not fatal, but the organization must be able to make mid-course corrections.

## **Rate of Transformation**

How rapidly is the transformation in work-force strategy, summarized in the Exhibit, occurring? Hard data are difficult to come by, but certain trends are clear. In 1970, only a few plants in the United States were systematically revising their approach to the work force. By 1975, hundreds of plants were involved. Today, I estimate that at least a thousand plants are in the process of making a comprehensive change and that many times that number are somewhere in the transitional stage.

	Control	Transitional	Commitment
Job design principles	Individual attention limited to performing individual job.	Scope of individual responsibility extended to upgrading system performance, via participative problem-solving groups in QWL, EI, and quality circle programs.	Individual responsibility extended to upgrading system performance.
	Job design deskills and fragments work and separates doing and thinking.	No change in traditional job design or accountability.	Job design enhances content of work, emphasizes whole task, and combines doing and thinking.
	Accountability focused on individual.		Frequent use of teams as basic accountable unit.
	Fixed job definition.		Flexible definition of duties, contingent on changing conditions.
Performance expectations	Measured standards define minimum performance. Stability seen as desirable.		Emphasis placed on higher, "stretch objectives," which tend to be dynamic and oriented to the marketplace
Management organization: structure, systems, and style	Structure tends to be layered, with top-down controls.	No basic changes in approaches to structure, control, or authority.	Flat organization structure with mutual influence systems.
	Coordination and control rely on rules and procedures.		Coordination and control based more on shared goals, values, and traditions.
	More emphasis on prerogatives and positional authority.		Management emphasis on problem solving and relevant information and expertise.
	Status symbols distributed to reinforce hierarchy.	A few visible symbols change.	Minimum status differentials to de-emphasize inherent hierarchy.
Compensation policies	Variable pay where feasible to provide individual incentive.	Typically no basic changes in compensation concepts.	Variable rewards to create equity and to reinforce group achievements: gain sharing, profit sharing.
	Individual pay geared to job evaluation.		Individual pay linked to skills and mastery.
	In downturn, cuts concentrated on hourly payroll.	Equality of sacrifice among employee groups.	Equality of sacrifice.
Employment assurances	Employees regarded as variable costs.	Assurances that participation will not result in loss of job.	Assurances that participation will not result in loss of job.
		Extra effort to avoid layoffs.	High commitment to avoid or assist in reemployment.
			Priority for training and retaining existing work force.
Employee voice policies	Employee input allowed on relatively narrow agenda. Attendant risks emphasized. Methods include open-door policy, attitude surveys, grievance procedures, and collective bargaining in some organizations.	Addition of limited, ad hoc consultation mechanisms. No change in corporate governance.	Employee participation encouraged on wide range of issues. Attendant benefits emphasized. New concepts of corporate governance.
	Business information distributed on strictly defined "need to know" basis.	Additional sharing of information.	Business data shared widely.
Labor-management relations	Adversarial labor relations; emphasis on interest conflict.	Thawing of adversarial attitudes; joint sponsorship of QWL or EI; emphasis on common fate.	Mutuality in labor relations; joint planning and problem solving on expanded agenda.
			Unions, management, and workers redefine their respective roles.

## Exhibit Work-force strategies

In the early 1970s, plant managers tended to sponsor what efforts there were. Today, company presidents are formulating the plans. Not long ago, the initiatives were experimental; now they are policy. Early change focused on the blue-collar work force and on those clerical operations that most closely resemble the factory. Although clerical change has lagged somewhat—because the control model has not produced such overt

employee disaffection, and because management has been slow to recognize the importance of quality and productivity improvement—there are signs of a quickened pace of change in clerical operations.

Only a small fraction of U.S. workplaces today can boast of a comprehensive commitment strategy, but the rate of transformation continues to accelerate, and the move toward commitment via some explicit transitional stage extends to a still larger number of plants and offices. This transformation may be fueled by economic necessity, but other factors are shaping and pacing it—individual leadership in management and labor, philosophical choices, organizational competence in managing change, and cumulative learning from change itself.

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Mr. Walton, the Jesse Isidor Straus Professor of Business Administration at the Harvard Business School, is a pioneer authority on work-force management issues. His HBR article, “How to Counter Alienation in the Plant” (November–December 1972), was one of the first analyses of participative management. He chaired the National Research Council committee whose work is reported here.

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