

## **18. Clerical employees in XYZ Company reorganize their department**

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Since 1970 experiments in job design have been in progress at XYZ. The first experiment took place in the packing section of the XYZ factory in a West German city. There, approximately 200 female machine minders are working successfully in groups. One result of this experiment was the formulation by the board of principles in matters of job design:

- The whole task of the individual employees, as well as the external work conditions, should be designed in such a way that the highest possible motivation and satisfaction are achieved.
- The interests of employees and employers should be equally taken into account in such a way that both become, as much as possible, of equal importance.

The positive effects of the job design experiment in the production sector has encouraged XYZ to begin an experiment in the administrative sector. For this, the Central Auditing Department offered its cooperation.

### **1. Functions of the Auditing Department**

All invoices to be paid by XYZ are checked, cleared, paid and data prepared for EDP centrally. The number of invoices amounts to approximately 90,000 each year; and the range of difficulty stretches from simple, for example, an invoice for cleaning materials, to difficult, for example, an invoice covering a big delivery of machinery from abroad. The invoice amount payable annually

amounts to approximately 1,000 million DM. The invoices are recorded in approximately 10,000 credit accounts, using EDP. In addition, all XYZ's money transactions are recorded and supervised by this department.

## 2. Present formal organization of the auditing department

The department manager works with eighteen employees subdivided into three functional groups (see Figure 1).

To provide satisfactory personnel management, it is the general custom at XYZ that groups of approximately five to ten employees have a group leader as their superior. In the present case one superior leads eighteen employees whose tasks differ widely. The varied nature of the tasks and the large number of subordinate employees hardly allows cooperative management behaviour.

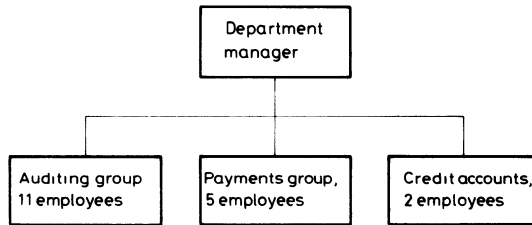


Figure 1. Hierarchy of the Central Auditing Department.

## 3. Present work organization

At present, the jobs and tasks are quite distinct in the level of competence and standards of performance (see Figure 2). All the jobs have been evaluated by an analytical job evaluation and were classified in a 17-level salary agreement. Approximately two thirds of the jobs have the characteristics of 'taylorized' work; the tasks are highly repetitive, with relatively monotonous activities. Moreover,

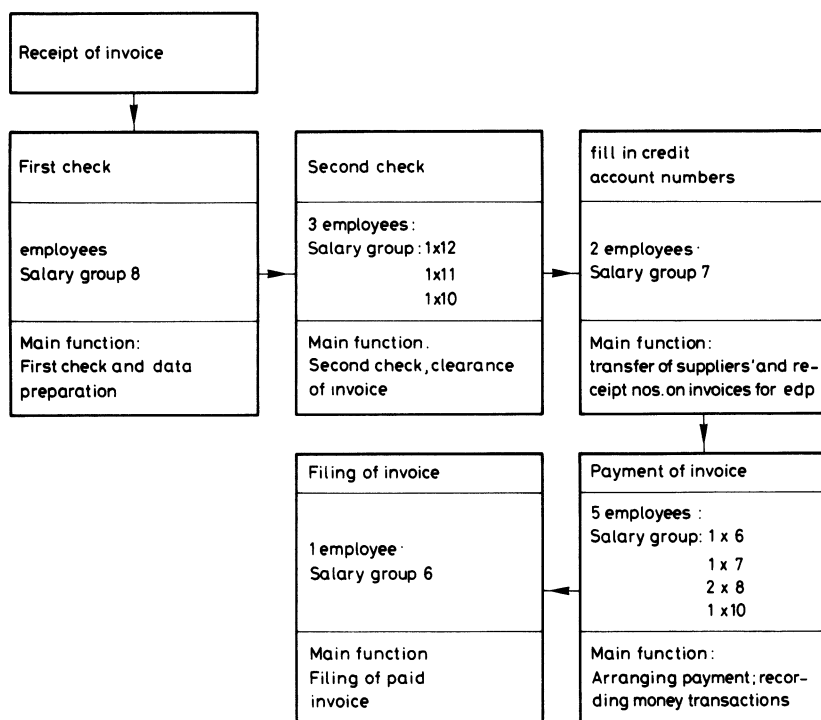


Figure 2. Present work organization of the Central Auditing Department.

these jobs are controlled by the colleagues who have the better third of the jobs. The jobs are mainly:

- first check;
- entering credit account numbers;
- payment of invoices;
- filing of invoices.

The remaining one third of the jobs (especially the second check) is, in comparison, more demanding, more varied, and also includes checking the results of other jobs. In August 1975 an investigation by Prof. E. Ulich (Swiss Federal Institute of Technology, Zurich) produced these findings:

- double checking by colleagues results in demotivation symptoms;
- employees feel the qualitative demands to be too low;
- employees feel the quantitative demands to be too high;
- the groups have very little autonomy;
- the work is not clearly intelligible (the employee does not see what happens to the results of his own work);
- the climate of relations is bad, both between the superior and employees, and amongst employees;
- the effect of an employee's work on his leisure time is predominantly negative – the employee has the feeling that he is actually getting very little from his life because work is monopolizing him too much.

#### **4. Procedure for introducing measures of job redesign**

The superiors concerned agreed unanimously that rapid action was essential to solve the problems of the formal organization, the organization of work routines, and to improve the bad relations within the department. There were two possible courses of action considered:

1. Two or three group leaders could be appointed as intermediate superiors and the difficulties in the organization of work routines could be removed by a classical organizational analysis.
2. With the participation of the employees and superiors, solutions to impending problems could be worked out and implemented, and at the same time, it could be taken into consideration whether semi-autonomous groups (perhaps with elected spokesmen) could be an alternative to the traditional groups with group leaders.

XYZ decided on the second course of action and authorized the department to solve its own problems under its own control, with however, the help of a neutral moderator. From the outset there was

to be a clear understanding that any procedure for change was to be developed for the most part by the people involved. This strategy of introducing new work forms 'from the bottom up' was supported by the management. The following steps were carried out:

*A. Initiative taken by the department manager.* The department manager took part in an external seminar about new forms of work organization, including problems of introducing semi-autonomous work groups, in March 1975. At this seminar he became personally convinced that the problems of his department could be solved by the previously described second course of action. He discussed this with the senior management which in turn agreed to his intentions. However, the project was defined as an experiment.

*B. Formation and functions of the project group.* The first department meeting was held in June 1975 (present: department manager, all employees of the department, a member of the workers' council, a moderator from the central personnel department, who was to be in charge of the experiment, and an external researcher who was doing accompanying research and supervising the job design experiment). At this department meeting a brief introduction to job design was given (job enrichment, job rotation) and, in addition, it was pointed out that processes for change within the Auditing Department were to be initiated by the employees themselves with the support of their superior. The problems in the department, to be found in the organization of work routines, in the formal organization and in the social climate, were more or less known to all employees.

At this same meeting a project group was formed. One employee was elected from each of the three areas within the Auditing Department, and a member of the works council. Non-elected members of the project group were the department manager, the outside researcher, and the moderator from the central personnel department. The tasks of the project group were agreed by the department meeting: the project group should work out new solutions of work organization and submit them to the department

meeting for a decision to be made. In addition the project group is to prepare the department meetings. The members of the project group are elected for one year. The project group meets once a month for approximately four hours.

*C. Department meetings.* Attendance is voluntary. Up to now, apart from one employee, everyone attends regularly. The department meeting is held once a month and lasts for approximately four to eight hours (depending on the scope of the topics under discussion); it takes decisions on the proposals made by the project group. This prevents the project group, whose role is to think ahead and to prepare, from getting too far ahead of the actual changes.

*D. Involvement of the supra-departmental superior.* If more important decisions are to be made which may directly or indirectly affect the competences of the next senior superior, the latter is invited to attend the project group meetings. So far, an agreement has always been reached in such cases. In addition, he is kept informed regularly by means of meeting minutes and oral reports from the department and project group meetings.

*E. Accompanying research.* With the aid of a questionnaire the following points were investigated:

- subjective appraisal of work content (quality, intelligibility, autonomy, responsibility);
- subjective appraisal of the relationship between superior and employee;
- subjective appraisal of relations between employees;
- subjective appraisal of the organization of work;
- subjective appraisal of the mental demands made, in terms of thinking, qualifications, concentration, accuracy, willpower, fatigue and recuperation;
- subjective appraisal of the effects of work on leisure time behaviour.

The results of this questionnaire were openly discussed at the second department meeting in November 1975. The result was that the department was very soon ready to hold an honest and deep discussion about the actual problems. Gradually the employees learned to talk about emotional matters and about personal relationships. However, it was also discovered that the group was at this early stage not yet ready to undertake practical improvements. The emotional and social tensions within the group were still too great. To proceed on the purely practical level would probably have led to considerable resistance and maybe failure of the experiment.

*F. Three-day group training in May 1976.* The idea behind this training was to break down the emotional and social tensions within the group and to remove the fear of change felt by many employees. For this reason the department was offered the chance of participating in group training which was to pursue the following aims, worked out by the department meeting itself:

- improvement in cooperative climate between employees;
- improvement in communication between the superior and employees.

It was only after some hesitation that the group was able to decide in favour of this training, which was carried out by two qualified trainers and took the following form:

1. A cooperative game was played.
2. Criteria for cooperation were worked out together, i.e., the participants agreed on ten criteria such as openness, activity, etc.; and subsequently each employee appraised each of his colleagues according to the list of criteria agreed above.
3. In a sociometric exercise the question was asked to the extent to which each individual has so far succeeded in establishing a positive relationship with his colleagues/superior respectively.
4. The results obtained under 2 and 3 were discussed, and non-directive discussion techniques were practised. In addition, training was given in feedback situations.

5. In the final stage, which took approximately one day, counselling techniques were practised. These techniques were intended to reinforce the learning transfer. In learning trios (i.e. A advises B, whilst C takes over an observation function) emotional problems or problems of relationships or practical problems were worked out with the corresponding solutions.

G. *Agreed lines of change*. The superior reached agreement with his employees on the following aims in May 1976:

- broader distribution of competences;
- gradual removal of the ‘second check by colleagues’;
- gradual removal of pressures of time;
- improvement of the atmosphere between employees and the superior and between the employees themselves;
- increased willingness to learn and the greater flexibility which goes with it;
- increased productivity by better design of the work process;
- enrichment of all jobs by more demanding work with the possibility of moving into a higher salary group as a result of a re-appraisal of the job.

H. *Design of ‘ideal jobs’*. In accordance with the objective setting described, every employee can enrich his job according to his individual needs. The following practical process was worked out by the group. Based on existing job descriptions, all employees, and the departmental manager, are to present a description of their individual activities in their present jobs to the rest of the department. Such presentations started during one of the department meetings in March 1976, but this process could not have practical consequences until after the group training in May 1976.

The different activities were divided into task units. The game was to rearrange the different task units of the department like a kind of ‘job puzzle’ according to the wishes of the employees. As a rule, everybody who was interested in a new task unit, and wanted to be trained for it could apply for it. In order to ensure that the new



'ideal jobs' fitted with existing jobs, or with such routines as were to be newly introduced, a body was formed consisting of the department manager, two elected employees, a member of the workers' council and an EDP expert. This body decided who was to be trained for which task unit, the EDP expert having an advisory function only. In this way it will be possible to reconstruct jobs and work routines. The result of this process will be that after training, the skill range of the employees will have increased considerably, and the organization of work routines will be debureaucratized (e.g., removal of the second check).

After completion of the training, all the jobs were given a salary reclassification with the assurance that no job would be downgraded; it could be expected that a number of jobs would be upgraded.

*J. Colleague-training of employees.* The employees train each other; the present job-holder trains those of his colleagues who are interested in task units of his job. In order to raise the quality of training, the employees are offered the chance of taking part in a programme on training methods.

## **5. Practical effects of the experiment**

After twelve department meetings and ten project group sessions, the following results were obtained:

1. Employees have taken over superior functions: three elected employees confer with the head of department about new appointments, replacement staff, temporary staff and any necessary alterations in personnel. The superior decides matters on his own if no agreement can be reached. These employees are elected each time for one year.
2. Two employees, each elected for one year, have full responsibility for holiday planning and for supervising flexitime.
3. Two employees, also elected for one year, participate in performance appraisal of employees; the superior has a veto.

4. After somewhat more than a year, it can be seen that the working atmosphere and relations have improved considerably and that the group is working more rationally although the work load remains the same – in the past an average of two to three temporary staff worked constantly in the department. On the employees' suggestion these temporary staff are no longer employed. An economic analysis of the experiment is being made.

In the course of this job design experiment it has become evident that before any processes of organizational change are initiated, social and emotional tensions must be removed. Only then can a group enter into a concrete discussion and begin to take practical measures to redesign jobs.

The process of participation has clearly proved its worth. The model of work organization is seen by superiors as practical, and it is very likely that experiments will be extended to other departments. As an experiment this project will presumably be terminated at the end of 1977, and the further development of the department should become an integral part of organizational life.