Philosophical Bases of an Employee Services Theory

David L. Groves
Bowling Green State University

Derrick Manns
Bowling Green State University

PHILOSOPHICAL BASES OF AN EMPLOYEE SERVICES THEORY

BY

DR. DAVID GROVES

BOWLING GREEN STATE UNIVERSITY
BOWLING GREEN, OHIO 43403

AND

MR. DERRICK MANNS

BOWLING GREEN STATE UNIVERSITY
BOWLING GREEN, OHIO 43403

ABSTRACT

Management theory was examined to isolate the how and where employee services is positioned on a management continuum. The most relevant theory for this study was Mouton and Blake. Management in this context is based upon a continuum of organizational and individual components. The important elements on the organization end of the continuum the important components are: control, pressure and process. On the individual end of the continuum are the: incentives, buying in and caring. The employee service theory is one of cooperation and the exchange of money, power, and risk.

INTRODUCTION

There are always new techniques or philosophies that are being introduced as an innovative element to effectively solve management's problems. These new ideas often are popularized, then there are always questions about their effectiveness. They fade from the scene and have little impact upon the overall development of management theory. Tests of these management ideas have been time and their ability to be able to affect change within organizations over a number of conditions through different time periods.

It is important to understand management ideas in the context of a historical perspective and under what conditions this idea has achieved success. Within the past 30 years, many ideas have been adopted by other cultures and they have developed management philosophies or applied these philosophies in new ways to increase their effectiveness. One of the current popular concepts is Total Quality Management (TQM). Whether this concept will be one that will fade or gain popularity and be institutionalized into the management repertoires only time will be a test of the effectiveness of this particular management idea.

CONCEPTUAL FRAMEWORK

A conceptual framework that can help clarify and compare the position and importance of different management theories is one developed by Muton and Blake (16). Two books by Robert Levering and Moskowitz and Eva Innes, Robert Perry and Jim Lyon on the 100 best companies in America and Canada were the standards used to develop the framework. One end of the continuum are organizational types of theories and the other end of the continuum are theories which relate to the individual. If one begins to conceptualize management theories and position them on this continuum, on their degree of dedication to the organization and/or the individual, it is possible to develop a taxonomy of ideas that will have some type of application for comparitive bases. (Model 1) On the extreme end of the organizational continuum, theories or ideas are based upon direct control, while those toward the center are more humanistic. The upper end of the individualistic continuum is based upon ideas of responsibility. The positions near the middle represent less decision making by the individual and represent the role of environmental factors and conditions to create a positive productivity.

Organization

An example of a management theory that belongs at the extreme of the organizational continuum is the Machiavellian power principles. (3, 24) (Model 2) This is a principle in which ends justify the means and an organization is operate as a dictatorship, from the top down, with the primary focus being the objectives of the CEO. The next position on the continuum may be best characterized by the authoritarian theory. The leadership is dictatorial and the human resource are a tool to achieve a means. It differs from the Machiavellian principle in that it is not evil. There are some ethics applied to the application of control for order. The next point on the continuum is the Benevolent Dictator which is the use of power and authority to manipulate position. The leader is moral and protects the individual. Theory X in the XY Theory and Scientific Management are negative use of pressure to achieve the objective of the organization. The next points on the continuum is the bossing and manipulation theories. This is where positive coercion is applied to bring designated end results. This coercion is not abrasive but represents the best interest of the organization. The next position is one of relationships, especially a patriarchal emphasis in which the individual is treated as a child and the authority is primarily one of the father. The next position on the continuum may be expectancy theory where rewards are used to stimulate the proper behavior. The individual in this particular case is treated as a mother would treat a child. The primary focus is still the organization, but the motivation is very gentle to achieve the desired outcomes for the organization.

Near the center of the continuum are concepts like Minmax, TQM, and Corporate Culture. The focus upon these types of management theories or ideas is upon processes of management. The focus is on the process, not the individual and the giving of the individual tools necessary to work within a certain structure of management to achieve the organizational goals. The individual in this context must fit into the organization and become a part of the culture to achieve their objectives almost simultaneously with the organization.

Individual

The extreme end of the continuum contains humanistic philosophies. These philosophies are epitomized by Theory Y and Learning Environment which emphasizes that the individual will motivate themselves and work is as natural as play. (3, 13, 24) (Model 2) The motivation is primarily intrinsic. The next point on the continuum are those where motivation is provided by incentive to give the worker a ownership in the company. The stakeholder and relationship theories are directly motivated by the investment that they have in the company. One of the examples of an incentive is stock options. Their future is directly linked to the company's future through their achievement. The next point on the continuum would be the enriching and tailoring the job to the practical and the emotional needs (job satisfaction) of the worker. The focus is on the quality of life. The basic philosophy behind this approach is that the worker has status and dignity is placed upon the working experience so as to enrich the job and this job enrichment will lead to greater productivity. The last point on the continuum before the neutral position are those that are stimulated by conditions (Work Climate and Herzberg). These conditions represent the opposite end of intrinsic motivation. The primary emphasis of this type of management theory is deciding the necessary conditions to stimulate the worker. The stimulation provided by the employer is the catalyst for the achievement of the company.

EMPLOYEE SERVICES

The primary question is "what is employee service philosophy position in relation to the continuum of management ideas that have evolved through the years?" The position of employee services is the center of such a continuum because there is a concern for the organization and the employee. An employee services approach recognizes that the relationship between management and labor is a cooperative effort. There must be cooperation and the management must be willing to share authority and money and the employees must be willing to share in the risks involved with any new venture. (4, 10, 12, 20, 22) Power and control of the organization has primarily been in management's domain. Management must relinquish some of this power and control and allow the employees to invest in the organization so that they have a stake in the interest of the future of the organization. (15, 23) The power structure must be inverted enough to allow input and concerns to filter through the top and have a major impact on the decision-making process about the direction of the organization and how the organization will develop in the future. (11, 25) Most individuals identify employee service philosophy as a tool or a method of the personnel or medical department. This, in fact, is only a manifestation of an overall corporate and employee philosophy that is a cooperative effort to solve problems in the workplace. Employee service philosophy is a corporate culture and environment that raises the question of "how the organization and the individual interact within a corporate setting to achieve mutual goals through some type of symbiotic relationship?" (1, 2, 14, 17) Concern from the employees is how can one's life be affected at home and work positively through the organization to fulfill the hopes and dreams of the individual as a life partner in the work environment. (5) From the corporate side, it is the evolutionary position of the organization how to achieve production by dealing with the economic conditions that exist through time. The overall objective is profit in

relation to its social responsibility and its position within society to have a positive contribution to net productivity and quality of life. (15)

Most management organizations gravitate toward the organization or the individualistic end of the continuum. Very few companies or organizations subscribe to an employee service philosophy. Of the Fortune 500 companies that had been on the list for years, these organizations tend to focus around the center of the continuum and less toward the extremes of the organization or individualistic position. Those companies that gravitate toward the top are some of the companies that have a more successful employee service program. The focus of most of the Fortune 500 companies is long-term and deal with the subject of longevity to both the company as well as the individual. This does not suggest that individuals or organizations that have a philosophy more toward one end of the continuum are not successful. (19) Many are successful but in the short run.

PROVING THE POSITIVES

The primary issue is proving the positives of an employee service as a management approach versus a tool. (21) What has happened on an intuitive level is that top management or CEO's implement this type of program from the top. There are always testimonials on an intuitive basis by top managers of the impact that it has had upon their company in terms of benefits as well as outcomes. Companies that have quality programs and indeed cause other companies to implement an employee services program to "keep up" with the other employers in their region. The benefits on this basis is from the employees' word of mouth in establishing that a certain company has a

good work environment because of the employee service philosophy. In other companies, it has been proven as a right for employees to have certain types of employee service benefits as an established tradition. Benefits are engrained in the employees and it is more the tradition that has had an effect in relation to the employee services program itself. Other employee services programs are public relations. The result of employee services programs have usually been from internal or external pressures and the benefits vary from each company because there is no consistency in the application of employee services. There is little doubt that the profession has grown just because the employee service concept works and produces positive benefits and these benefits are recognized by both management, as well as employees.

It is important to distinguish an employee services approach as a tool from an employee's benefits package. Employee services approach must be viewed as a non-negotiated benefit. These non-negotiated benefits often are service oriented. The cost is usually very little as compared to the hard benefits. Employees, what they really want is hard benefits first, then secondary concerns often are how they are treated as individuals and they are interested in job motivation and enrichment. Soft benefits are usually secondary to hard benefits provided by a company. The secondary benefits are usually directly related to employee morale and outcomes of an intangible nature. (18) During hard economic times, it is easier to provide soft benefits than hard benefits. The costs of the soft benefits are much less and in hard economic times the employees understand and it is the soft benefits that become very important to positive outcomes for the company.

There have been some approaches to quantify the benefits of employee services programs that are related to absenteeism, reduction in health care, etc. There are also a few studies that deal with satisfaction and productivity. The primary problem is that when an accounting department does a return on investment, or some type of cost benefit analysis on the hard benefits that includes such items as health care; the cost benefit ratios are very high and there are many crucial questions about these types of benefits and the types of outcomes that are associated with for the company. On the soft benefit side, generated by employee services, the cost benefit ratios are very low and they are such a good value that usually the company will foster and be willing to provide some resources for these programs up to the point that it is going to cost them a great amount of money. With the low cost benefit ratio and with employees providing good feedback to management, employee service programs are permitted because there is no harm, and it seem to have some positive benefits toward the company.

CONCLUSION

The following comments are a result of 26 years of research in trying to determine on a systematic basis the positive benefits of an employee services philosophy and its impact upon a company. The first level of the studies were a systems analysis of individual as well as company benefits and the types of environments that are created to sustain positive outcomes in terms of job satisfaction and productivity. It was very quickly realized that an employee services program does have a very positive benefit in terms of both job satisfaction and productivity and that the array of types of services offered had a differential benefit to the different segments of the employees as well as management. (8) The outcomes were not limited only to job satisfaction and productivity. There seemed to be different kinds of mediating variables that had secondary and tertiary impact upon the benefits. The next types of studies were those that try to determine the nature of outcomes and develop a typology that would allow outcomes to be specified in the relationships among the outcomes to be more dynamically determined. (7, 9) Relationships among the outcomes are important but have become very important to be able to identify what type of program causes what type of outcome. Another aspect that was very important is becoming prescriptive in regard to being able to determine how and why to apply programs. (6) The first type of study in this series was where job satisfaction and productivity were related to a specific type of employee service program and the participation patterns were related to the dynamics of an individual's day. When this occurred, then a prescriptive program could be diagnosed to have a maximum impact upon the individual's productivity. It quickly became apparent that this prescription has a significant impact upon the total productivity of the individual in a very positive manner. The key then the relationship between other types of outcomes and specific employee service programs. There are very few companies that offer a comprehensive employee service program. Most are single purpose, where if they are multi-purpose they emphasize one aspect of a program or another. The structure of an employee service program as a management philosophy must be comprehensive and must be well understood in order to understand the prescriptive nature of an employee services. Studies were then conducted on specific programs to determine the array of outcomes that such a program would produce. These studies have

been very limited but the consistency in relation to a particular program producing a certain outcome has the potential to become very prescriptive. This prescription is going to have to be very detailed if a company is going to develop a comprehensive employee service program that will have maximum benefit to the company. Prescriptive nature of the programs related to particular company outcomes to produce desired results is where an employee service program moves from a tool to a philosophy within the company because there is a direct relationship between the programs and the outcomes associated with the company on a long-term basis. Currently this is the state of the profession in which the types of activities and programs are trying to be related to specific outcomes in order to develop a comprehensive network for an employee service philosophy that will have a quantifiable and measurable impact upon a company. Most of the management philosophies do not have a quantifiable way of measuring particular outcomes and to what degree these outcomes can be achieved. This is where an employee service philosophy is moving from an intuitive to a quantitative approach to prove the positives of employee service as a management philosophy and its impact upon corporate structure for long-term outcomes.

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Model 1
Organizational/Individual Continium

Organization

Direct Control

Humanistic

Environmental Factor

Responsibility

Individual

Model 2
Organizational Continium

Control

Machiavelli Power	Absolute Power/Dictatorship/Dominator
Authoritarian	Control for Order
Benevalent Dictator	Order through manipulation

Pressure

Theory X	Intimidation
Scientific Management	Cohersion (Negative)
Bossing	Cohersion (Positive)
Manipulator	Carrot and stick
Parets Principles	Cause and effect (Negative or Positive)
Paternalism/Mentor	Parent/Child and/or Friendship Relationships
Expectancy	Reward (Motivation)

Process

Minimax	Removable of Barriers to change
Quantification/TQM	Process/tools over people
Corporate Culture	Organizational Socialization

Model 2
Individual Continium

Conditions	Work Climate	Generous parent/ Devoted to Individual Interest and how climate Influences
	Herzberg	Motivators and hygiene conditions that affect work
Incentive	Job, Redesign and Enrichment	Tayloring Job to Individual/Director
	Job Satisfaction/Morale	Sense of Worth
Buy In	Stakeholders	Investment
	Relationship	Symbosis
Caring	Theory Y/Maslow	Achievement Performance
	Learning Environment	Ownership