

"Management and the Quality of Working Life"

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"How does job satisfaction relate to productivity", the question originally posed to one discussion group at the Conference, was chosen to offer managers some tangible incentive for considering job satisfaction as a serious issue. Since successful managers as a group are results-oriented, a "bottom line" approach was considered most likely to prove both appealing and persuasive.

Even in such a seemingly straightforward question, however, numerous semantic problems can quickly arise. The two basic ones here were the definition and measurement of "job satisfaction" and "productivity". Common approaches to the former term, such as questionnaires, interviews, and behavioral factors all have limitations, and may yield contradictory conclusions.^{1 2 3} Similarly, measures of productivity range from the simple units-per-hour output on the assembly line (immediately complicated by questions of quality of production, employee turnover, and absenteeism) to the highly complex issue of measuring the contributions of upper managers and professionals.

Another problem, clearly evident in our discussions, is the differing objectives against which productivity must be measured. Serious choices exist (though they are not always confronted) between such common business goals as maximizing short-term profits, maximizing long-term profits, and simply producing sufficient profit to enable management to turn its attention to satisfying such non-investor constituencies (e.g., the workforce, regulatory agencies, consumer advocates, and opinion leaders). In addition, some propose that "humanizing" the workplace should be an end in itself, though this view still is more popular in the classroom than in the boardroom.

Finally, diversity in background and ideology, while producing considerable intellectual stimulation, makes consensus difficult to achieve on even seemingly minor points. Those in senior positions in business or other organizations producing tangible goods or services tend to be somewhat conservative, taking a rather sanguine view of the workplace and the employee's role in it. Academics, particularly those in the social sciences, tend to take a dimmer view of the present, and believe that more sweeping changes are needed to achieve a satisfactory future. The extreme result of these divergent tendencies is such sharply differing interpretations of the same data as to make American industry seem more a gigantic Rorschach test than the subject of objective study.

An amalgam of all the above factors, and many more, transformed the original question into a near relative, "Why should managers be interested in the quality of working life?" Recognizing the importance of appealing to top management in their own terms, a number of answers were provided which shared the common theme of tangible impact on the organization.

The reasons why managers should be interested in the quality of working life was suggested by a conference study group led by Richard Dorsey who is a psychiatrist and also Director of New Products/Acquisitions at Merrell-National Laboratories. While the results of various studies have by no means uniformly supported the relationship between perceived high quality of working life and high output of work, enough promise of this kind of correlation exists to deserve serious attention. And then there is the risk of major difficulties in continuing to do things the same way as at present, relegating "quality of life" to a minor luxury rather than a major necessity.

Many observers at the conference noted the changing attitudes and values of the current work force as compared with those of a generation ago. Failure to provide adequate positive motivation to work can and often does carry a high price tag ranging from sabotage and strikes to "retiring on the job".

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Productivity

Although causality is difficult to establish, a number of studies have shown that employees who take pride in their work group, or who are deeply involved in their work, tend to achieve higher levels of productivity.^{4 5} Operational examples were also cited, including not only the classic Lincoln Electric Company, but experimental plants of major corporations like Procter & Gamble. In this context, the term "quality of working life" was indeed more appropriate than "job satisfaction", which Katz and others^{6 7} have been unable to correlate directly with productivity.

The difficulty addressed by Herzberg⁸ in his "hygienic hypotheses" also was considered: namely, that while high satisfaction may not yield high productivity, intense dissatisfaction can often impair it. Conversely, measuring productivity more broadly to include work-related-phenomena, absenteeism has been shown to decline as job satisfaction rises.⁹

In sum, while the results of various studies have by no means uniformly supported the relationship between perceived high quality of working life and high output of work, enough promise of this kind of correlation exists to deserve serious attention by management. This is particularly true in the evolving "knowledge organizations" (Drucker¹⁰), where individual productivity is difficult to measure and control, and seems to depend to a great degree on internal motivation.

Risk

The other side of the "improved productivity" coin is the risk of major difficulties in continuing to do things the same way as at present, relegating "quality of life" to a minor luxury rather than a major necessity. Many observers, at the conference and elsewhere, have noted the changing attitudes and values of the current workforce as compared with those of a generation ago. The general decline of authority in our society, coupled with the higher education and mobility of today's young workers has greatly reduced the importance of coercion as a motivator on the job. Failure to provide adequate positive motivation to work can, and often does, carry a high price tag, covering the range from sabotage and strikes to "retiring on the job" (Drucker¹⁰).

Managers at all levels are being confronted with workers who not only desire, but expect, better working conditions. For some, this may mean more and cleaner facilities, though the demand for "humanization", or more courteous treatment by superiors, is becoming stronger. Among junior managers and professionals, greater involvement in the content and control of their work is also an emerging issue. The organization which attempts to command, rather than earn, the allegiance of its employees can expect increasing turbulence from blue and white collar alike.

Recruiting/Retention

A major risk of ignoring the quality of working life, in addition to immediate productivity problems, is that of difficulty in recruiting or retaining suitable workers for the challenges of the present and future. This may affect an entire industry, such as underground coal mining, where the hazards have deterred large numbers of youths from considering such work, or individual companies characterized by recruiting difficulties and high turnover on the shop floor and in the executive suite.

Unemployment insurance, pensions, and welfare programs

have changed regular employment from an absolute necessity to a decreasingly pressing option at the lower end of the working spectrum. As skills and salaries rise, so do expectations, including the expectation that work be not only remunerative but satisfying. Increased opportunities exist for those with marketable skills, job-switching is now commonplace and accepted, and younger workers are less attuned to obedience and loyalty. Thus, attracting talented people, and keeping them once hired, requires an increasing sensitivity to their individual needs and desires.

Political Risk

Finally, the power of the state threatens the organization which disregards the views not only of its workers, but the major external opinion forces, on what human standards the workplace should meet. Among recent examples of the high price of failure to adjust to the values of the larger society are the passage of Occupational Safety and Health Act and the award of millions of dollars in back pay to the judicially-designated victims of discriminatory hiring and promotion.

The critical point here is that management must henceforth assure that the quality of working life for their employees is high by the standards of the workers and the general public, as well as by those of the managers.

Summary

Productivity, job satisfaction, and the quality of the working life are difficult to define and measure. Still, a fair body of suggestive evidences exists linking worker performance to perceptions of his job and its meaning for him. As younger, better educated people enter the job market, managers will have increasingly to confront the need for attention not only to traditional "pay and fringes", but to providing more positive inducements for employees to stay and work.

A number of specific areas of concern to top management are noted in which the quality of life on the job can be related to the future of the organization. Among these are both the hopes of higher productivity and improved efficiency, and the risks of disrupted operations and governmental interference. Business leaders may find the "quality of working life" an elusive and ephemeral topic; nonetheless, it is one to which they must carefully attend in order to preserve and improve their organizations.

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