❖

STAFF AS DECISION-MAKERS: THE MERITS OF DECENTRALIZED DECISION-MAKING

Maurice P. Marchant

INTRODUCTION

During the 1950s and 1960s, research teams across the country searched for differences that explained why some organizations were highly successful while others were only marginally successful, if at all. Several of them came to similar explanations involving managerial treatment and use of their subordinates. Major researchers were Rensis Likert, Douglas McGregor, Robert R. Blake (with Jane S. Mouton), and Chris Argyris. Even though the results are 30 to 40 years old, they are both relevant and critical to the most recent discussions of managerial style. While they differed in the expression of their theories, each claimed that using the talents and knowledge of subordinates and treating them with respect improved their productivity. One aspect of that superior pattern of behavior was to decentralize decision-making.

THEORIES OF MANAGEMENT STYLE

I became interested in decentralized decision-making as a doctoral student at the University of Michigan in the late 1960s. Rensis Likert was there as the director of the Institute for Social Research. A major activity of the ISR was studying organizational behavior within corporations, using modern social science research procedures. Using the findings from several hundred of these studies, Likert identified characteristics that were common to many successful organizations, and he wrote up his conclusions in an award-winning book, *New Patterns of Management* (Likert, 1961). In substance, it spelled out the theory of participative management. A later book, *The Human Organization* (Likert, 1968), provided a research instrument that allowed quantifying managerial style. He claimed that the further towards a participative system an organization behaved, the more successful it would be.

Working at the Massachusetts Institute of Technology, Douglas McGregor was emphasizing differences in two contrasting assumptions about human nature and behavior held by managers as being at the root of productivity. He called them theories X and Y, and he reported them out in his

very popular book, *The Human Side of Enterprise* (McGregor, 1960). Theory X, commonly practiced among traditional authoritarian organizations, assumed that people are naturally lazy, remain children grown larger, require close supervision, do not want to think for themselves, work out of fear of being demoted or fired, and are motivated only by economic rewards. Theory Y views people as naturally active, self-directing, enjoying learning and growing, and motivated by many different aspects of the work environment besides the paycheck when work conditions are encouraging. When managers act on theory Y assumptions, work performance of their subordinates improves, according to McGregor.

Working at the University of Texas at Austin, Blake and Mouton talked of managerial styles structured from the intersections of two variables: concern for production and concern for workers. The two variables serve as the axes of a two-dimensional grid with values from 1 to 9. Concern increases as the number increases. Thus, a 9,1 organization would be highly concerned with production but little concerned for the welfare of workers, a classical authoritarian approach. They found that 9,9 organizations, highly concerned for both production and the welfare of workers, were the most productive. The initial book describing their findings was *The Managerial Grid* (Blake & Mouton, 1964), and they have written several books since then based on the basic concept.

Another researcher who deserves attention was Chris Argyris, from Yale University, whose book *Integrating the Individual and the Organization* (Argyris, 1964) proposed increasing a company's productivity by integrating individual and organization goals. Argyris believed that, when workers are able to achieve their aspired ends while meeting their company's goals, their productivity increases.

MOTIVATIONAL THEORY

Not an advocate of group decision-making but important for his work on motivation was Frederick Herzberg, a psychologist at Western Reserve University in the 1960s. His research, published in book form in 1966 and in an important journal article in 1968, presented evidence that job satisfaction and job dissatisfaction result from different factors.

He found that dissatisfaction results from factors extrinsic to the job such as company policies and administration, supervision, working conditions, and salaries and wages. When workers find them not to their liking, they are dissatisfied. Herzberg labeled them hygiene factors because they make an organization sick when they are painful to workers but cannot assure its health when they are painless. Workers finding the hygiene factors

satisfactory are not dissatisfied, but good conditions do not satisfy nor motivate.

By contrast, factors affecting job satisfaction are intrinsic to the job, including achievement, recognition, the work itself, responsibility, personal and professional growth, and advancement. When workers consider these factors as positive, they are both satisfied and motivated to perform well. As a consequence, Herzberg identified them as motivators. If they are negative, workers are not dissatisfied, but they lack motivation.

Two aspects of Herzberg's work deserve special attention. First, he identified several different factors as work motivators, just as McGregor had claimed in his theory Y, not including monetary reward. Second, Herzberg's consignment of management style to the hygiene category conflicts with Likert's findings, and this difference will be discussed later.

The continuing popularity of the Herzberg theory was demonstrated in 1987, when the *Harvard Business Review* reprinted its Herzberg article. The journal reported that more than 1.2 million reprints had been sold over its 20 years, and it was their most popular article ever.

LIBRARY APPLICATIONS

As my dissertation topic, I chose to test the application of the Likert theory to academic libraries. Most of the work from which his theory came was in profit-making organizations. The question naturally arose whether the theory applies also to nonprofit organizations such as libraries. The independent variables in my dissertation (Marchant, 1970) were the decision-making aspect of Likert's research instrument and a generalization of management style varying from authoritarian to participative. Controlling for many variables that could have confounded the relationship between management style and quality of the library, I found a strong positive indirect relationship between the independent variables and faculty appraisal of the library. Wherever management style was relatively high in staff participation in decision-making, staff job satisfaction was high; and high staff job satisfaction was a strong predictor of faculty appraisal of the library. While these findings were only part of the model that developed from the data, they conformed to the theory being tested.

Thereafter, the dissertation was expanded and published as a monograph (Marchant, 1976). Shortened versions were also published in *Library Trends* (Marchant, 1971) and *Library Journal* (Marchant, 1982).

Part of the dissertation research studied job satisfaction, which provided an opportunity to compare my results to Herzberg's. I did not replicate his methodology, however. Rather, I asked librarians how satisfied they

were with their jobs generally and regarding nine specific aspects of their work. Then I intercorrelated them. Of the specific satisfaction measures, the three most highly interrelated were opportunities for promotion, opportunities for professional growth, and relations with supervisors. The first two are Herzberg motivators and the third is a hygiene factor. That they are so highly related suggests that they have a lot in common, suggesting that relations with managers might contain some motivational power. All three also have high correlations with overall job satisfaction, identifying them as strong predictors of an important mediator between management style and faculty appraisal of the library. Insight helping to explain this seeming oddity and the disagreement between Herzberg and Likert regarding the effect of management came from a replication of Herzberg's research among librarians by Plate and Stone (1974). Their results were very similar to Herzberg's, including the observation that incidents identified with management were mostly negative, contributing to dissatisfaction. But many of the satisfying incidents classed under such motivators as recognition, promotion, and professional growth came from management. When management fails to support an activity, management gets blamed; but when it facilitates a successful experience, management gets no credit. After all, the purpose of management is to facilitate workers' performance. Librarians grow professionally because supervisors encourage growth experiences, and they help design library services because their supervisors consider them competent to help in the planning process.

As I interpreted my own data and tried to understand what was going on among the library staffs studied, I came to the conclusion that decentralized decision-making was not the basic causal factor affecting job satisfaction and motivation: rather, decision-making is a behavioral expression of a deeper issues: trust and confidence. Managers express trust and confidence in a number of ways, including listening to them, involving them in the decision process, and refraining from intimidation. Likert (1968, p. 45) called it the principle of supportive relationships.

Librarians seem to make their best contributions, and gain greatest satisfaction, from involvement in two areas: designing service processes affecting their own jobs and involvement in personnel policies and procedures. Recent experience replacing public library standards with planning and role-setting processes (McClure et al., 1987; Van House et al., 1987) has demonstrated the superiority of involving staff members rather than just the library director. The director alone is more efficient, but the results are inferior. Staff insights are invaluable because staff members are closer to patrons. As libraries rely more and more on planning

to determine the services they supply, they must also rely increasingly on their staff members as planners.

APPLICATION IN AMERICAN INDUSTRY

During the 1960s, many business executives attended workshops and seminars to learn about Likert's concepts, but few translated them into operational behavior. Many gave it a lick and a promise, but only a few were willing to invest enough to succeed. American industry dominated international business after World War II using authoritarian procedures, so they saw little reason to change. More recently, competition from other countries, especially Japan and Germany, have encouraged change.

POPULAR EXPRESSIONS IN BEST-SELLERS

Following the research of the 1950s and 1960s, many books have encouraged the transition. Among them have been Ouchi's *Theory Z* (1981), Naisbitt's *Megatrends* (1982), Tom Peters' two best-selling books, *In Search of Excellence* (1982) and *A Passion for Excellence* (1985), and Covey's *The Seven Habits of Highly Effective People* (1989). They each emphasize some participative elements. People often read to reinforce their own opinions, and for vast numbers of people participative management sounds right. Remember, we are talking about applying democracy to the workplace just as it has been applied to government. Librarians, as well as other workers, relate to this message. Covey was the keynote speaker for the Public Library Association at the 1992 American Library Association conference in San Francisco. He spoke to a standing-room-only crowd in a large hotel ballroom. Their applause demonstrated strong librarian approval for his message.

NEW SCHOLARLY PUBLICATIONS

Scholars are often accused, sometimes justifiably, of creating new fads for their own aggrandizement, then moving to another fad. Was participative management just a fad? Certainly, it has not revolutionized managerial behavior, although its use is increasing. In 1988-89, my research assistant carried out an extensive review of the scholarly literature published since completion of my dissertation. It was enormous, and from it we wrote a paper for an issue of *Library Trends* (Marchant & England, 1989). In substance, we found that the debate has moved from whether staff should be included in the decision process to how and when it should occur. An American Management Association (1985) publication identified 12 different forms of staff involvement, including job enrichment,

job rotation and cross-training to improve flexibility and breadth of knowledge, flextime, job sharing, quality circles and problem-solving teams, formal training in participative management, and self-managed work groups. Automation seems to increase the benefits for participative management, particularly in facilitating innovation (Zuboff, 1985).

CONCLUSION

The main messages reported by scholars, consultants, and practitioners are these. Group decision-making can enhance the quality of performance of an organization, but it must reflect a belief in the value and worth of individual workers. Without administrative trust and confidence in subordinates, group involvement will have little effect. Managers who do not trust their workers cannot successfully fake it. While motivation must come from within, it can readily be turned off by a supervisor or company that demonstrates a lack of concern for its work force. Even so, participative management is inadequate by itself. High performance also requires commitment to high performance goals that reward the organization and its workers. If the organization tries to reward itself at the expense of its work force, the workers will get even eventually.

Some companies are setting themselves up today for later trouble by firing workers only to rehire them as temporary or contract workers devoid of health and retirement coverage. They hazard the loss of worker loyalty, motivation, and productivity.

The transition away from authoritarian management is happening but not everywhere. Carrier Corporation of Arkadelphia, Arkansas, represents many small companies that are applying elements of participative management successfully. Carrier makes compressors for air conditioning. Its workers don't punch a time clock, they are authorized to shut down production if problems arise, and they can order needed supplies. Every worker can handle several jobs, so if one gets sick, others can fill in. When the plant first opened, the workers were taught to install the machines, leading to a sense of ownership and saving the company $1 million. Realizing later that their machines were arranged poorly, they realigned them, taking just four days for a job that would have dragged out for weeks under normal conditions. Workers participate in hiring new workers, sometimes even new supervisors. Ability to get along is an important consideration. The plant's managerial style results in compressors that are cheaper and of higher quality than their competitors', and the company's goal is to sell Arkansas compressors to Japan. Companies like Carrier are making jobs that replace those lost by authoritarian corporate giants that are now downsizing. They are the wave

of the future and will determine America's future in manufacturing (Norton, 1993).

Many libraries have found success using participative methods. The Tulsa City-County Library has been using that style successfully for more than 20 years. Another is the Weber County Library in Utah. When its board found the budget overspent and lacking adequate funds to pay salaries and wages through the rest of the year, it fired the director and promoted one of the staff, assigning her to decide what should be done. She called a staff meeting, laid out the problem, and asked for advice. Two possibilities were to cut staff or close down until funds were available. Instead, they chose to stay on the job at reduced salaries temporarily. Since then, they make decisions as a group and run such an efficient and effective organization that the county commission considers the library their model department.

Perhaps you would like to experiment with a safe participative approach. If so, next time you decide on a change, send out a memo describing your intention and asking for staff advice. Take the time to talk one-on-one to some of the staff whose jobs will be affected and tell them you will appreciate their contribution. Give them time to respond before making the change and take their advice seriously. That is a simple beginning. When the staff learns that you value their contribution, they will think better of you, and their trust will grow. From there, you can involve them in designing procedures, planning, and policy-making which they will support. You will be gratified at the results and the improvement in staff morale.

Let me conclude with a quotation from a letter to the editor in the Wall Street Journal. It was written in response to a page-one article telling about a popular executive strategy newsletter on getting ahead by being a ruthless middle manager. The respondent, a management specialist named Randy G. Pennington (1993), said, "Fear and intimidation are not effective tools for long-term management success. . . . The most effective leaders create environments in which employees can do their best. . . . [T]hrowing sudden tantrums and instigating dirty tricks eventually will lead to self-destruction. . . . [O]ne should always remember that time wounds all heels" (p. A15).

REFERENCES

American Management Association. (1985). *The changing American workplace: Work alternatives in the '80s.* New York: AMA Membership Publications Division.