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Building company spirit in multi-divisional organizations.

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BUILDING COMPANY SPIRIT IN MULTI-DIVISIONAL ORGANIZATIONS

A Dissertation Presented

By

SUSAN JANE GOLDSMITH HERMAN

Submitted to the Graduate School of the
University of Massachusetts in partial fulfillment
of the requirements for the degree of

DOCTOR OF EDUCATION

MAY, 1991

School of Education

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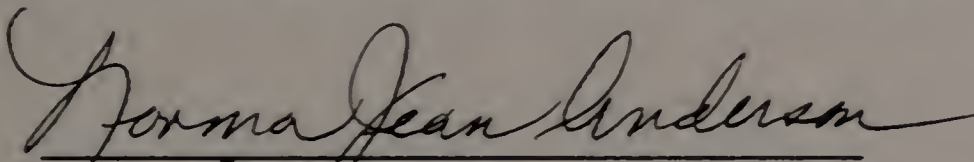
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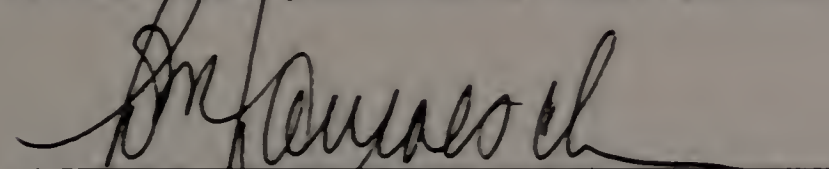
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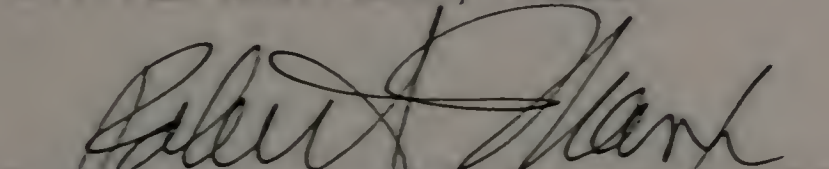
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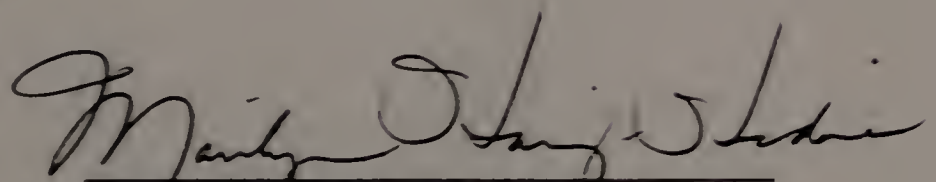
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ABSTRACT
BUILDING COMPANY SPIRIT IN MULTI-DIVISIONAL ORGANIZATIONS
MAY 1991

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"Company spirit," meaning pride in one's company, a common sense of purpose, pleasure and positive challenge in the work of the organization, security in the work environment, and the feeling of reciprocal support between members and the management of the organization, requires specific conditions to flourish. This study identifies and compares two parallel organizations, one a high spirit, the other a low spirit company, in order to learn what management practices contribute to company spirit.

The basis of the comparison is a 6-point model which identifies the following factors as instrumental in developing company spirit:

1. The presense of an inspiring organizational vision.
2. The design of structural variables such as the way the organization uses time, boundaries of the organization, relaxation from structured work, size and structure of the organization, the degree to which the organizational is hierarchical, and the design and layout of the facilities.
3. The methods of selection and acculturation of organizational members.
4. The design of the work.
5. The way organizational members relate to each other.
6. The design and implementation of reward systems.

Using the Commitment Diagnostic Indicator (CDI) to identify a high and a low commitment company, the researcher surveyed all the employees in each organization to determine how they felt about their company's spirit, and what factors contributed to or detracted from

this spirit. In addition, the CEO of each company plus 16 employees selected randomly across hierarchical, divisional, gender, and longevity lines were interviewed in depth on the question of company spirit.

The survey and interview data were analyzed thematically, and compared to the model. It was clear that the model could be a predictor of high and low spirit in the two organizations studied, and could serve as a diagnostic tool for managers interested in building company spirit within their organizations. It will be necessary to investigate the validity of the model through its use in other, and different kinds of organizations.

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CHAPTER I

STATEMENT OF THE PROBLEM

Two generations of organizational theorists and practitioners have been persuaded that worker satisfaction and productivity are directly and significantly connected. Since 1949, hundreds of research studies trying to establish this relationship between satisfaction and productivity have been published only to be criticized and rejected by those who argue that no empirical relationship can be established. In their analysis of 70 of the most prominent of these studies, Iaffaldano & Muchinsky (1985) concluded that job satisfaction and job performance are at best only slightly related.

But the true believers do not give up easily. They continue to look for new definitions and research matrices which yield the results they intuitively believe must exist. So many theoreticians hypothesize that there is a logical relationship between satisfaction and productivity that many of them have undertaken to look at new definitions and frameworks for considering the relationship between job satisfaction and worker productivity. Ven de Ven and Ferry (1980) have suggested that it is the absence of performance criteria under varying environmental conditions, and the absence of reliable, valid methods of measuring job satisfaction which result in the inability to get a

correlation between the two variables. Shore and Martin (1989) state that looking at multiple rather than single measures of performance might yield a connection. Fisher (1980), who believes that studies linking satisfaction and performance define critical variables too rigidly, argues that job productivity (specific behaviors) may not correlate with worker satisfaction (attitudes) but that patterns of behavior over time should correlate predictably. Petty confirmed Fisher's hunches, and found that individual job satisfaction and job performance are positively correlated, particularly at higher job levels (Petty et al., 1984).

Because my own intuition and my personal experience tell me that a worker's satisfaction with his or her organization, and that worker's productivity on the job are related, I have explored the question not specifically of job satisfaction (because a person's satisfaction with the actual job will vary by the week, or by the day or even by the hour depending on the phase a given job is in); but I have investigated the concept of organizational satisfaction as an element of organizational commitment, especially as it happens in multi-divisional organizations. Much research has been done on team-building, commitment, and cohesiveness in small work groups. I suspect that workers' satisfactions with their organizations and their productivity are impacted not only by cohesiveness or commitment in their own particular work groups, but by a sense of community or belongingness

to their larger organization. My sense is that managers who pay attention to building multi-divisional commitment or what I am calling "company spirit" reap the benefits in less worker turnover, and perhaps in other areas as well, such as less absenteeism, less tardiness, less sabotage, less complaining outside the organization about life inside the organization, greater loyalty, a greater alignment of individual with organizational goals.

Purpose of this Study

The purpose of this study is to determine what aspects of organizational behavior are catalysts building company spirit. I have explored what makes a company worthy of commitment, loyalty, high energy, and high spirit; rather than what personal qualities individuals bring to organizations that cause commitment. I have looked at the qualities companies have and the environments they create that attract a highly committed work force, rather than looking at the qualities workers bring to an organization that measure or predict their degree of commitment to their companies.

Other researchers have focused on individuals and the qualities that cause them to be committed to their organizations. The extensive

literature on worker commitment focuses primarily on three areas: personal characteristics of the individual such as age; opportunities for achievement such as intelligence, professional contacts, cultural background, etc.; education; interests; job characteristics such as opportunities for social interaction and feedback on job performance; and individual work experiences, such as the job turning out to be what was expected (realistic expectations) and feelings of being important in the organization (Steers, 1977). This research looks at things such as individuals' desire to remain on the job, and individuals' job performance, quality and quantity of work, readiness for promotion, etc. It looks at individuals and what makes up their commitment to their organizations. My research looks at the organization and what makes it commitment-worthy.

My question is: What management practices need to be present to create "company spirit" in multi-divisional organizations? I am interested in the elements within the organization that make it worthy of its employees' commitment.

Definition of Terms

In this paper **community** is defined as a group of interdependent individuals that interact to benefit the group. A community is a place to maximize one's personal welfare in a reciprocal relationship that also enables the well-being of the others in the group (Kanter, 1972). A community is a group of people experiencing a common purpose, a shared sense of meaning, with an agreement to cooperate and create. Community connotes an internally safe and supportive environment of people who respect each other, work on behalf of each other as well as of themselves, and who address the inevitable conflicts of community life openly and efficiently. Community could be defined as becoming part of a whole, the mingling of the self with the group, identifying with all the members of the collective whole (Kanter, 1968).

Cohesiveness is defined as the strength of the desire of individuals to be members in a given group, the value that members place on their membership in the group and their relationships with other group members, the sense of camaraderie, group spirit, allegiance to the group; interpersonal attraction, loyalty, respect and interpersonal trust for members of the group. Cohesiveness relates to the degree to which members believe their identity as a group, their sense of self, their sense of purpose develop through membership in

their group. Cohesiveness can exist independently of organizational commitment and can in fact detract from it if the goals are not in alignment with the organization's goals.

Commitment is defined as the relative strength of an individual's identification with and involvement in the organization, the willingness of individuals to give their energy and loyalty to organizations (Kanter, 1968). In a behavioral sense, commitment is represented by low employee turnover and absenteeism, low tardiness, low sabotage, high level of job performance, and employee willingness to put organizational goals ahead of their own personal goals. In an attitudinal sense, organizational commitment carries three components: a belief in and acceptance of organizational goals and values; a willingness to exert effort on the organization's behalf; and a strong desire to be part of the organization (Porter, et al., 1974). It is this attitudinal definition of commitment that I am addressing, this attitudinal definition that sounds like what we remember as school spirit.

"Company spirit," like "school spirit," is the indescribable feeling that one's organization is a special place, that what one does makes a difference as to whether or not it is great, okay or terrible. Company Spirit is better than commitment. Commitment in its worst sense means that people without whom the organization would be better off remain. Commitment, when it leads to inflexibility, homogeneity, lack of diversity in problem solving, inhibits organizational learning and creativity. Company spirit, on the other hand, means that what management does influences whether employees love the company and feel a sense of "belonging" and accomplishment. Company spirit is how people feel about their work, their work mates, their company; it is their sense that there is a reciprocal relationship, that they belong to this company and that on a psychic level this company belongs to them; that they as individuals make a difference here, that they help in an integral way to meet the company's goals. Company spirit means that it is fun to go to work, because there are work challenges, chances to grow, collegial relationships, acceptance and security, and a sense of common purpose.

Putting the Problem in Perspective

Frederick Taylor believed that an organization was commitment-worthy if it paid a generous wage in exchange for services. In 1911, Taylor published The Principles of Scientific Management, in which he stated that, "The principal object of management should be to secure maximum prosperity for the employer, coupled with maximum prosperity for the employee." According to Taylor, the basis for sound management is to design jobs systematically, select people who have the competence to perform those jobs, train these people to perform the requirements of the job to the best of their ability, and pay them generously as an incentive for increased production. In other words, Taylor saw employers and employees in an exchange relationship, in which one side trades labor in return for wages and benefits paid by other side (Taylor, 1967).

Classical theorists like Taylor assumed that employees are motivated by economic incentives. But in 1927, Elton Mayo from Harvard University, who was studying the effect of worker fatigue on output at Western Electric Company's Hawthorne Plant in Chicago, concluded that it was people's feelings, attitudes and relationships with co-workers rather than the work conditions which contributed to productivity (Roethlisberger & Dickson, 1966). The social relationships were what made the impact, as well as the norms that developed in each group.

Other theorists built on Mayo's research. According to Douglas McGregor, the Taylor approach of motivating people solely by wages does not take into account the higher level needs of individuals, the social needs, the esteem needs and the needs for self actualization that are the motivating forces once the basic physiological and safety needs are met (Maslow, 1970). Respect and adult treatment from managers cause employees to feel satisfied and be productive (McGregor, 1960).

Exchange theory (so much work for so much money), fails to take into account the psychological and social exchange, the rewards of intrinsic job satisfaction, the sustenance of a congenial, supportive group of workmates, a sense of belongingness and community, a potential "surrogate family" in exchange for loyalty, and extra effort when needed to achieve organizational goals. The unspoken, covert psychological contract is as much of a driving force in the relationship of reciprocity between employer and employee as the legal, overt contract of so many hours of work for so much pay. From the perspective of the psychological and social exchange, the organization employs the worker because the worker's services are needed; the worker contributes those services because the work leads to the fulfillment of his or her personal needs, either financial and/or psychological (Thomas, 1974).

Any contract is founded on the idea of reciprocity. The organization needs and wants 'X,' the employee needs and wants 'Y,' and they join forces only if they believe they can meet each other's needs. The psychological contract is the mutual expectations, including unstated and subconscious, of both the organization and the employee.

For example, a cook in a commercial kitchen might want the freshest of ingredients and a chance to experiment with interesting cuisine; or the cook might want as much prepackaged food as possible so that the meals can be prepared quickly with a minimum of labor. The food service management might want whatever is the least expensive as long as people do not complain too much about the food. These expectations are often unstated, but they play a powerful role in the psychological contract. And unmet expectations play a powerful role in destroying company spirit.

Employees who exhibit high commitment behavior, those whose turnover, absenteeism, sabotage, tardiness are low, may be detrimental to the organization if they are marginally productive, stale, radical or deviant. Employees who feel commitment attitudes, those who give more than is expected, produce to expected or better than expected levels, and represent the organization positively in the larger community believe in and accept organizational goals and values. They are willing to exert effort on the organization's behalf; they feel a strong desire to be part of the organization. They take responsibility,

think about what they're doing, define their responsibilities contingent on changing conditions rather than job descriptions (Walton, 1985). These attitudes, which help build company spirit, are clearly positive and should eagerly be nurtured by any organization, especially in the current climate of rapidly changing social, legal, political, technological, economic, and demographic conditions of our times, which are not conducive to organizational commitment.

Social change: Most adults of the 1990's are no longer the children of the depression or of a newly immigrant population, willing to do anything in exchange for a secure weekly wage. The majority of the American work force are the children of those children, now in the middle or upper classes, many of us have been raised with plenty and the expectation of plenty, and are motivated more by job satisfaction than job security. We have learned to aspire to "brain" work vs. manual labor; we challenge authority; we believe that gratification should come sooner rather than later. In the past 50 years of relative economic security, our American-born generation has become unwilling to accept unsatisfying jobs or poor working conditions. It is common for adults today to expect to switch companies regularly, and to have more than one career. Our grandparents commonly toiled in the same organization for their whole working lives.

Legal change: Americans live in a litigious society where legal liability increasingly rests with the organization. Companies need loyal, committed employees whose concern with product or service quality, worker and customer safety, and the well-being of the organization are paramount (Naisbitt, 1982). In addition to being liable for damage employees do to customers or each other, organizations are increasingly liable for protecting "employee rights," such as free choice and free speech in the workplace, a hazard-free work environment, privacy, freedom from harrassment, and respectful and dignified treatment (Oslgweh, 1991).

Political change: the regulatory environment of the United States is stringent. Tax law, labor law, environmental law, anti-trust law, security exchange law, to name a few areas, have enormous impact on ways organizations do business. Companies need employees who care how compliance with or violation of the laws will impact on their companies.

Technological change: Our society is moving from an industrial, manufacturing age to a service, information age; from human labor to machine labor, to computers and robotics. Companies need employees who understand and support these changes, who are open to learning the new skills necessary to operate the new technology (Naisbitt, 1982).

Economic change: Americans have moved from one-income to two income households, where many married employees are less dependent

on their organizations than they were when the husband's employer was the sole provider of a family's wages. We are also moving from local and national economies to global economies, where international competition in all sectors of our economy are coming not only from next door but from abroad, and where the labor forces of many of these Asian countries are highly committed (Putti et al., 1989).

Demographic change: Organizations see a diminishing pool of job applicants. In 1982 the number of children of the baby boom entering the labor market was 3.7 million; by 1994 this entry-level pool will fall to a minimum of 2.6 million. As the era of large families passes, as the baby boom ends and the surge of their children pass through the work force, growth will slow to 1% a year in the 1990's from nearly three times that in the 1970's (Wall Street Journal, 11/10/89). New entrants into the labor force will be growing numbers of women, minorities, foreigners, and retired people brought back into the work force. By 1995, six of every 10 new American workers will be female (Naisbitt, 1985). Population figures relate to the possible number of workers available to work; as the demographics of the labor market shift, not only will there be fewer warm bodies potentially available, but they will be increasingly untrained, unqualified and possibly uninterested.

Organizations are now gearing up to do some of the training that the public educational system has done inadequately. Aetna Life &

Casualty in Hartford, Connecticut, is filling 130 jobs a year or 6% of its entry level positions, with inner city welfare recipients who have achieved at least a sixth grade level in arithmetic and reading. At a cost to Aetna of between \$7-10,000 a year, these inner city residents are learning how to work, dress, and interact on the job (Wall Street Journal, 11-10-89). American Bankers Insurance Group constructed a 6,000 square foot school and now spends \$60,000 annually to maintain the classrooms for its employees' offspring. IBM, Xerox, Citicorp and 3M are considering similar plans (U.S. News & World Report, July 30, 1990).

The cost of attracting, training and retaining workers in the face of high competition for labor and lower qualifications of poorly trained entrants into the labor force creates the necessity for organizations to pay attention not only to providing the next generation of employees with quality education, but to providing current employees with job satisfaction, intensive training opportunities and career development paths; to create the conditions for organizational commitment, cohesiveness, "company spirit." Going to the expense of hiring and training good workers only to see them leave for other jobs is organizational folly. In one study, 35% of the professionals who left their organizations were judged to be in the top half of usefulness, and in one of the organizations in this particular study, 23% of those who left were evaluated as among the top 10% in usefulness (Farris, 1971).

The estimated cost is 1.2-2.0 of an average salary, approximately 150% of the salary plus benefits package to replace a trained worker (Dana, 1990). These costs are determined based on the inefficiency of the new employee, the inefficiency of co-workers having to deal with the replacement employee; the inefficiency of the departing employee who loses about one month of productivity during the final three months of employment; the inefficiency of the position being temporarily filled while vacant; and the processing costs of finding a replacement, hiring and training the new employee, and possibly relocating him or her (Phillips, 1990). Thus, managers must focus on ways to insure dedication to the organization, dedication that can be measured in low turnover, low absenteeism, high degree of employee identification with the organization, high loyalty and "spirit," the spirit that we used to call school spirit, which we can now look at as company spirit: wanting to belong, to boost and support, to stir the group to feel connected, to foster a desire to compete with other organizations, to operate as a high-performance team in the effort to reach the organization's goals, and to give individuals a sense of accomplishment and satisfaction.

Enlightened managers want to create and sustain organizations which are high spirited, which have an energy that results not only in productivity but in human satisfaction. Because people hold multiple roles and statuses in many organizations and social contexts, from

families to neighborhoods to social and political affiliations, to religious and employment organizations, and because these memberships compete for the time, energy and loyalty of their constituents, it is important to look at ways a company can satisfy the yearnings of its members for connectedness, attachment, belongingness, identification with others, inclusion, support, understanding, helping and being helped. And since the organization in which most people spend the largest proportion of their time is their work organization, it is especially important to look at ways these work organizations can foster "company spirit."

Limits of This Study

This study identified a high-commitment company, one in which company spirit was diagnosed to be high; and a low-commitment company, one in which the diagnosis was low company spirit. Since the management practices and reward systems were vastly different in each of the two companies, there is reason to conclude that in these two companies, and perhaps in companies like these two, the management practices and reward systems significantly impact on the degree to which company spirit is present or absent. While there is no

assumption that what was learned in comparing these two companies automatically applies to any other organizations, the findings in this study generate important directions for further and broader research.

CHAPTER II

REVIEW OF THE LITERATURE

Definition of Organizational Commitment

Since the study of management became a science in the early 1900's, the concept of organizational commitment has intrigued both organizational theoreticians and hands-on managers. The Japanese have through their economic success forced American companies to realize that organizational commitment is inherently valuable and have thus motivated efforts to study the connection between worker satisfaction and loyalty, and organizational productivity. Starting with the belief that organizational commitment translates into specific positive behaviors such as lower turnover, absenteeism, tardiness, sabotage, bad-mouthing the organization; high job performance, and a willingness to put organizational goals first, researchers have studied how commitment works, and how to create this commitment.

The literature on organizational commitment is extensive and confusing. Since the term is defined in a variety of ways (as described below), it is difficult to compare studies and outcomes to arrive at a

coherent understanding of the nature of or the value of organizational commitment. Organizational theorists seem to break down the term into behavioral commitment and attitudinal commitment. Some (Becker, Kanter, Brown, Hrebiniak & Alutto, Wiener & Gechman) focus specifically on the ways people act (behavioral); others (Hall, Sheldon, Porter, et al., Buchanan) focus specifically on the ways people think and feel (attitudinal).

Etzioni looks at commitment and suggests two ways that committed individuals feel involved in their organizations, moral commitment and calculative commitment (Etzioni, 1961). In the sense that they have internalized the organization's goals and values, in the sense that they believe in the organization, they feel morally committed. Involvement in the Peace Corps might be one example of a moral commitment, where the individual works for low pay under arduous circumstances with the attitude that the purpose of the organization is valuable. Alternatively, individuals who feel the organization will pay a return to them (financial or non-financial), and will benefit them equitably for their involvement, feel a calculative commitment to that organization. A job that represents little more than a pay check, such as a cashier in a supermarket, might be an example of a calculative commitment. In this case the individual behaves in ways that supply him or her the money and working

conditions, and will change jobs if better pay and working conditions come along.

Kanter also distinguished between different kinds of commitment mechanisms. She talked about continuance commitment, cohesion commitment and control commitment. Continuance commitment relates to how profitable it is, or how much one benefits materially, to belong to the organization. The greater the personal sacrifices and investments a person makes in the organization, the greater will be the person's dedication to the organization's survival. Sacrifice represents not only an investment, but also trust in the organization and one's fellow members; sacrifice is also a symbol to the others of the degree to which one commits to the organization.

Cohesion commitment relates to the kinds of relationships a person has in the organization. It involves renouncing attachments which might compete with one's emotional involvement in the group membership, and it involves a meaningful contact with all the organizational members. Kanter identified this type of commitment as renunciation (of other ties); and communion or fusion (with the group as a whole).

Control commitment relates to the degree of observance of the group norms, the degree of obedience to the group's authority. Control commitment comes from having group members renounce previous norms and redefine their symbolic environment so that meeting the new

organization's demands are felt to contribute to the self-esteem of group members. An example might be in a Chinese commune where self-criticism is the norm. Kanter called this process the "effacement of individual separateness." In human interaction or "sensitivity training" groups, this adoption of the group's norms and values as one's own manifests itself as the willingness to self-disclose; to open up about one's weaknesses, failings, doubts, problems, and secrets. According to Kanter, (1968) organizations will use all three approaches simultaneously to develop commitment in their membership. Employees could make an investment (moving themselves and their families across the country, selling an old house and buying a new one in order to take a new job); feel attached to people in the new work organization during the course of an intense orientation and apprenticeship experience (such as basic training in the army); and adopt the organization's values and norms while renouncing their own, (such as cutting their hair, getting rid of their blue jeans and buying a wardrobe of three-piece suits).

This dichotomy between behavioral commitment and attitudinal commitment is not a chicken and egg question. It can't be said that people's behavior causes them to hold certain attitudes; or that people's attitudes causes them to exhibit certain behaviors. It is the interplay between the two, the cycles of behaving and internalizing the results of that behavior; believing, and acting on those beliefs, that

create the basis for commitment. The commitment behaviors, (the willingness to put the organizational goals first, job performance that is above and beyond the contractual, low incidents of turnover, absenteeism, tardiness, sabotage, bad-mouthing the organization publicly) interact with the commitment attitudes, such as the extent to which one identifies with the organization, the feeling of involvement in the organization, the acceptance of organizational goals and values, the willingness to put effort into the organization, the desire to be and remain an organizational member, the feeling that there is reciprocity, that the individual gives and that the organization gives back. It is this self-sealing reciprocal relationship (Cohen, et al., 1988) between the behavioral and the attitudinal aspects of commitment that is the essence of company spirit.

Etiology of Organizational Commitment

Given that we have defined and placed in a behavioral and attitudinal context the topic of organizational commitment, we can look at where organizational commitment comes from: personal characteristics, job characteristics, organizational structure and general organizational characteristics (Steers, 1977).

Personal characteristics include such things as

age: the older the age and the longer the tenure, the higher the commitment. Mobility seems to decline as time goes by, perhaps because one's expertise becomes more and more organizationally specific, or because as expertise becomes greater other organizations are less able to or interested in luring away a highly paid worker, or perhaps because inertia sets in. (Angle & Perry, 1981; Hall, et. al., 1970). However, managers who in their younger years devoted 62% of their time and 71% of their energy on average to their professional lives, in mid-life tend to focus more time and energy to family commitments than organizational ones (Bartolome & Evans, 1979).

education: the greater the educational level, the lower the commitment (Morris & Steers, 1980; Angle & Perry,

1981).

gender: women tend to be more committed than men (Angle & Perry, 1981, Hrebiniak & Alutto, 1972).

work ethic: those with strong personal work ethics are more committed. Those with work addiction (workaholics) are also more committed (Buchanan, 1974; Hall et al., 1970; Kidron, 1978).

self-concept: those who see their work as central to their self-image and who have a high need for achievement, are more committed (Hall, et al., 1970).

Job characteristics include such things as:

Job scope, responsibility: increased job scope and responsibility increase job challenge, all of which increase organizational commitment. People are more loyal when their jobs offer autonomy and self-discretion than when they are highly supervised (Buchanan, 1974, Hall et al., 1970, Marsh & Mannari, 1977).

Role conflict, ambiguity: increased role conflict and role ambiguity increase job stress, which lowers organizational commitment. When people don't know what is expected of them, or what is expected of them in relation to others, they tend to be less committed (Morris & Sherman, 1981; Stevens, et al., 1978).

Unresolved or poorly managed interpersonal conflict: Conflict avoidance or conflict escalation between co-workers, or between divisions in an organization, lead to lower organizational commitment (Tjosvold, 1991).

Organizational structure includes such things as:

One's level in the organizational hierarchy: which does NOT seem in and of itself to be related to organizational commitment (Morris & Steers, 1980).

Organization's size, & span of control: is not related to commitment (Morris & Steers, 1980).

Decentralization: The more decision-making is spread out, the greater the commitment. When employees participate in goal setting and planning, they "buy in" to the decision, their commitment to the work is enhanced, as are satisfaction and productivity (Steers & Porter, 1974; Stevens, et al., 1978; Rehfeld, 1990).

Interdependence: The greater departmental interdependence, the greater the commitment (Stevens, et al., 1978).

Vested financial interest: The greater the investment, like Employee Stock Ownership Plans (ESOP'S), profit-sharing plans or worker ownership, the greater the commitment (Steers, 1977).

General organizational characteristics include such things as:

One's sense of being important to the organization: is related to commitment (Steers, 1977).

The degree to which the organization is perceived as being dependable: is positively related to commitment (Hrebiniak, 1974; Steers, 1977).

The effect of attitudes of colleagues: if co-workers feel positive about the organization, this attitude rubs off and positively affects commitment (Buchanan, 1974; Steers, 1977).

The degree to which expectations of employees are met: is positively related to commitment (Steers, 1977).

The quality of leadership: strong leadership behavior creates a positive identification with and commitment to the organization (Morris & Sherman, 1981).

The perception of pay equity (as opposed to the absolute level of pay): equity is positively related to commitment (Steers, 1977).

The strength of group norms regarding hard work: strong work norms are positively related to commitment (Buchanan, 1974; Steers, 1977).

The degree of social involvement in the organization: the greater the social interaction, the stronger the commitment

(Sheldon, 1971; Buchanan, 1974).

The degree to which employees believe their rights and dignity are respected and protected (Osigweh, 1991).

In addition to influences on organizational commitment, such as personal characteristics, job characteristics, organizational structure and general organizational characteristics, organizational theorists have also studied the issue of time orientation in terms of an individual's decisional stage, orientation stage, productivity stage, and slow-down or pre-retirement stage. These stages are also called "outsider, newcomer, insider, and leave-taker" (Louis, 1980). People's propensities for and actual commitments to their organizations are different at different stages of their organizational involvement.

In the decisional stage, determining whether or not to enter an organization, one important element of organizational commitment is the weighing of organizational alternatives. Wanous (1977) reviewed 15 studies of organizational choice, concluding that when an individual feels pressured or constrained either by family, life circumstances or the job market in making decisions, he or she is less committed to the choice than when the decision is felt to be free. Related to this idea of freedom of choice is the question of perceived intrinsic vs. extrinsic organizational rewards. When an individual chooses a job based on salary, location or work conditions he or she is again less committed to

the choice than when the decision is made based on opportunities for learning, advancement and making a unique and perceived contribution to the organization (O'Reilly & Caldwell, 1980).

Another important element in the decisional stage is a prospective employee's personal qualities such as values, beliefs, age, life-stage, marital status, attitudes toward work, motivation for taking a job, which all impact on the decision to make a commitment to an organization. People whose major life structure (or central life interest) is oriented around family or relationships and who work to support family; or whose major life structure is recreation, or political change, for example, make different occupational choices from people whose major life structure is oriented around work and professional identity and who choose relationships, recreational activities and other extra-work activities that will support and enhance their professional aspirations. People who believe their work is central to their identity are more likely to develop organizational commitment than those who do not. However, those whose work requires a strong professional identity (such as architects, doctors, police detectives, accountants) might be as likely to identify with their profession as their employing organization (Hall & Schneider, 1972). People whose early childhood experiences included a strong indoctrination in the Protestant Work Ethic will be more likely to

develop organizational commitment than those whose orientation was more to the idea that work is only for paying the bills and leaving space for other life structures to flourish.

The values, beliefs, personalities and life circumstances that each individual brings to the decision of where to work and how much of him or herself to commit to that organization clearly cannot be altered by the organization which is considering hiring that person. But since it is obvious that there are some individuals more suited to making organizational commitments than others, regardless of what the organization does to be worthy of commitment, it is clearly in the best interest of the organization to understand as much as possible about what drives a given applicant to accept a job, and to look for people whose personality profiles, value systems and life circumstances fit the organization's hiring goals. In most instances, committed workers are desirable; occasionally fast turnover of employees is in the organization's best interests.

Although the organization can't manipulate a prospective employee's beliefs, values, personality or life circumstances, there certainly are some pre-employment (recruitment and selection) elements that are within the ability of the organization to control. These elements are:

(1) the development of realistic expectations about the whole organization; AND a full, accurate picture of the specific job. Workers who enter organizations with realistic perspectives turn out to be more committed than workers in whom unrealistic expectations were cultivated during the recruitment process.

(2) The accurate assessment of the "fit" between prospective employee and the job. Workers whose skills and abilities are congruent with the tasks to be performed are more committed to their organizations than those whose are not. Workers whose values and goals are congruent with those of the organization are more committed (Wanous, 1977; Buchanan, 1974; Feldman, 1981; Louis, 1980).

In the orientation stage, the first day through the first several months, the new employee moves beyond the expectations phase and gains first-hand knowledge of the job, the manager, and the colleagues. In this stage, the template of reality fits over the template of expectations, and the match or lack of it influences commitment attitudes for the first few years of organizational life. In fact, most new employees who terminate their employment actually leave within the first 6 months to a year (Wanous, 1980). Some of the dimensions that impact on the early development of organizational commitment seem to be:

(1) **Status.** Rank, pay, education, task variety, personal autonomy, challenge, job significance, task interdependence, perceived opportunities for advancement and both formal and informal performance appraisal. Higher levels of commitment are often found in those who hold higher level jobs (Marsh & Mannari, 1977; Buchanan, 1974; Steers, 1977).

(2) **Salary.** While salary may be an initial attraction, it is difficult to find research that supports the notion that level of salary in and of itself (other than the status it represents, see above) relates to organizational commitment (O'Reilly & Caldwell, 1980).

(3) **One's relationship with one's supervisor.** Leaders who give their employees clear direction, who provide autonomy and the opportunity to participate in decision-making foster high levels of commitment (Hersey & Blanchard, 1988; Morris & Steers, 1980).

(4) **One's relationship with one's co-workers.** Members of a cohesive group with frequent interaction, interdependence, and social involvement with each other, are likely to feel more committed to their organization than those who are not involved in strong work bonds (Sheldon, 1971; Buchanan, 1974).

(5) **Ownership.** Employee ownership in the form of ESOP's or worker-owned organizations, appears to foster a higher commitment than ownership structures in which employees feel no stake.

(6) **A degree of personal sacrifice.** In her study of utopian communities, Kanter (1972) discovered that people who invested their money, or who worked without pay or membership for a certain trial period, or who renounced other relationships, were more committed than those for whom the early stages of organizational belonging required little in the way of sacrifice. Proctor and Gamble and Morgan Stanley Banking are examples of organizations that routinely put new hires through 100 hour work weeks, difficult bosses, criticisms that seem unfair, inconvenient or undesirable job assignments in their first year on the job as a way of assessing the strength of their commitment and their willingness to sacrifice for the organization (Pascale, 1984).

(7) **Degree of irrevocability of the job choice.** When the decision to join an organization is hard to reverse, if for example accepting the job entailed giving up an excellent situation, or entailed a long move to another part of the country or the world (a side bet, as Becker defines it), new employees, developed higher commitment in the process of rationalizing their decision (Becker, 1960; O'Reilly & Caldwell, 1980).

(8) **Paternalism.** The belief that the organization takes care of its employees, is concerned with their well-being, and attends to their needs, is related to high commitment (Buchanan, 1974; Steers, 1977; Morgan, 1986). The example of Japanese companies, noted for their ability to inspire lifetime commitment on the part of many of their

employees, is often quoted as an example of paternalism leading to commitment. Yet Marsh and Mannari (1971) refute the claim that high organizational commitment in Japan is based on dimensions that are vastly different from what might cause high commitment in other cultures. In their study of Japanese organizations, Marsh and Mannari concluded that lifetime commitment is based as much on status enhancement, relationships with supervisors and fellow workers, participation in decision-making, a stake in the organization and the sense that the goals and values of the individual are congruent with those of the company as it is on Japanese industry's paternalistic cradle-to-grave culture or on the idea that life commitment stems from Japan's traditional, feudal social structure.

If the orientation process is well-managed, the individual comes to appreciate the values, norms, culture, and goals of the organization. If the process is poorly managed, the experience is characterized by disorientation, foreignness and sensory overload. The new hire takes time to learn the ropes, which means learning to interpret and respond properly to the cues, making sense of the organizational culture, working the formal and informal informational and decisional networks; and basically becoming "socialized" (Louis, 1980). In general, orientations tend to focus more on learning the specific job and less on learning the organization and the organizational cultures. Yet, culture conveys important assumptions and information about

membership, values, activities, behaviors, organizational goals (Schein, 1986). Culture suggests the patterns of meanings embodied in organizational symbols, myths, legends, metaphors and special language (Morgan, 1986; Smircich, 1989). In learning the culture, the new employee develops a cognitive map of the situation, a way of interpreting what goes on in the organization. Individuals who have learned to understand the organizational culture in their previous organizations are likely to bring these old interpretive patterns to the new organization, only to face confusion and discrepancy as they attach meanings to actions and events in the new setting using these old cultural understandings (Louis, 1980). The implication is clear. Organizations that pay attention not only to job-specific orientation but also to cultural orientation will create conditions that enhance organizational commitment.

The productivity stage is where the newcomer's status changes from outsider to insider. Where at first he or she was peripheral to the action and outside the formal and particularly the informal networks of information and decision-making, the new insider is now central to the action. During this stage, the employee encounters a variety of surprises about him or herself and the organization. According to Louis (1980) surprise is a growing awareness of one's unrealized expectations, either undermet or overmet. Conscious or unconscious expectations of the job might not be met, leaving the psychological contract unfulfilled. Conscious or unconscious

expectations of oneself might not be met, leading to the recognition that one's self-perceptions might need to be altered. (For example, one might choose a job as a lab technician thinking how wonderful it would be to work alone, only to discover that being isolated is dreadful.) Conscious or unconscious expectations of the organization might not be met, as cultural assumptions were inaccurate or based on a previous organizational experience. (For example, one might be used to a work setting in which people socialize after work, only to discover that now people vanish at 5 p.m. and on weekends.) This researcher's own personal experience with these kinds of surprises in a new organizational setting confirms Louis's (1980) analysis of their value as the employee moves from newcomer to insider. Commitment is higher when recognition of changes, contrasts and surprises to the newcomer is understood by the new organization. If the newcomer comes from an organization in which address by formal names is the norm, compliments are rare and subtle, and physical affection never happens, the shock of joining an organization in which all members are addressed by first names, compliments are lavish and sincere, and hugs or pats on the back are part of daily life will be traumatic (and vice versa). The degree to which the new insider is able to resolve these surprises is the degree to which organizational commitment is able to grow.

In addition to considering employee expectations, some of the other elements that build organizational commitment in the productivity stage are:

(1) **Tenure.** The longer one is in an organization, the more central he or she becomes to the action; the more opportunity to volunteer for, receive and complete projects; become trusted, become rewarded with more and more responsibility, perks, benefits, organizational status. Commonly, long-tenure people have risen to higher positions than new arrivals. Tenure is positively related to commitment.

(2) **Investments.** Time is an investment; the more of one's working life one spends in an organization, the greater the investment. One may be part of a stock option or stock ownership plan, a pension fund, a profit-sharing plan, an increasingly growing benefits package, a growing slice of vacation time. The larger the investment, the greater the commitment (Becker, 1960).

(3) **Relationships, social involvement.** One's need to belong, to affiliate, is a powerful one (Newton & Levinson, 1973; Maslow, 1970). For most people, work bonds are akin to friendship bonds. Both are social bonds by which individuals are psychologically connected in ways that unite and strengthen them. Both are formed based on perceived similarity as well as complementarity. One brings to the relationship skills, interests, background, experiences that the other or

others can benefit and learn from; vice versa. It takes time for work bonds to grow. In order to manage them well, people need to share similar understandings about the work; share common goals; structure the work so that the best of each person's skills is accessed; and learn to handle conflict openly and efficiently. Work bonds are powerful feelings of connectedness, dependence and interdependence, mutuality, which build over time and which make going to work each day joyous (Bayes, 1979). Over time, in the productivity stage, people often become powerfully bonded to workmates. The stronger these bonds, the greater is the commitment to the organization.

(4) Development of specialized knowledge or roles, resulting in decreased mobility. For example, if an inorganic chemist finishing a doctoral program goes into university administration while waiting for a teaching job in his field, five years down the line he may be so capable at what he does and so out of touch with his academic discipline that changing jobs would be unlikely or impossible. Or if a chemical engineer works for five years in an organization in which she is designing industrial ovens and kilns, the specialized knowledge she has developed will make her valuable mainly to her own organization, or to one that does specifically what her own organization does. She is unlikely to be desired at her current level by an organization that is developing biochemicals to deal with oil spills.

Specialized knowledge and roles are positively associated with commitment.

(5) Realization of and rationalization of sacrifices. The longer one spends in an organization, the greater is the investment in that organization, and the larger the sacrifices. The realization that one's early dreams might not be attainable (the college administrator accepts that he will never be a chemistry professor or research chemist); the realization that one has devoted years of life to building one's place in an organization and building the organization at the sacrifice of personal life, recreation, relationships, causes people to justify these sacrifices by rationalizing their appreciation of and commitment to their organizations.

(6) Lack of employability elsewhere due to age & limited experiences. Because someone who has spent years growing older in an organization has become thoroughly indoctrinated in that organization's culture, norms, values and goals; and because the older we get the more difficult it is to change; and because managers know if not consciously then at least on some levels that adapting to a new organization after having spent years in a former one is traumatic, they tend not to want to hire older people with limited organizational experience. Therefore the older one gets, the more entrenched in his or her organization, the more committed one becomes.

In the slow-down stage, the issue of organizational commitment becomes cloudy. Commitment is an advantage if employees are energetic, loyal, give more than expected, are productive and competent. Commitment is a disadvantage if adequate or subadequate workers remain on the job doing the barely acceptable minimum, and taking space and financial resources which could be spent on more productive and eager workers.

The slow-down stage doesn't necessarily relate to age. It relates to someone for whom the challenge is no longer there, for whom the actual or psychological contract is no longer being met, but who sees him or herself as having no other options and therefore elects to stay. It is important for organizations to recognize the existence of this stage, and to develop strategies to help those in this stage ease out gracefully. Many organizations offer early retirement to older workers who have reached this point; other organizations offer out-placement services and career counseling to younger workers who have reached this point. Since high commitment from employees in the slow-down stage is NOT desirable, there is no point in looking at ways to create this otherwise positive condition.

Summary of Organizational Commitment

We have looked at organizational commitment in terms of its definitions and its causes. It is clear that in general, attention paid to building organizational commitment, and to building company spirit, has positive organizational outcomes. In organizations where job performance is complex and difficult to assess, high commitment is probably even more important than in organizations where performance is simple to measure.

Managers who desire to build company spirit will want to select employees with high commitment needs, assuming that the applicant pool has enough applicants that are otherwise qualified. They will also strive to create a good fit between employees' goals and those of the organization, to establish realistic job expectations, plan and implement orientations that focus not only on the specific job but on getting to know the culture of the company. They will want to put together compatible work teams, and to create opportunities for employees to participate in decision-making; and to put high performers in visible roles as strong role models. They will design jobs that empower people to feel responsible for the organization's well-being; make it clear how employees' acts impact not only on themselves but on the task group and the whole organization; create opportunities for socializing and pay attention to plugging people into

the company's social network. They will demonstrate concern for employees' welfare with benefits like child and elderly care, flex-time, Employee Assistance Programs, training and education benefits, etc. And they will consciously create opportunities for employees to make sacrifices to the organization that are explicit, public, unequivocal and voluntary, since commitment depends on the reciprocity of sacrifice of workers to the organization and the organization (or its management) to the workers.

The goal of this study is not to prove that organizational commitment or company spirit are desirable, since the literature review indicates that this evidence already exists. This paper seeks to examine ways that organizational members describe company spirit and the managers need to do in order that company spirit thrive.

CHAPTER III

THE PILOT STUDY INCLUDING THE 5-POINT MODEL

The significance of organizational or company spirit arose for me in my in-depth study of two organizations: Interlocken in Hillsboro, New Hampshire; and the National Training Laboratories (NTL) in Bethel, Maine.

Interlocken is an experiential learning center in mid-southern New Hampshire which began in 1961 as an international program in which students and teachers came from all over the world to create community, learn about groups, be actively involved in learning by doing, take responsibility, cooperate with others, make decisions, and be involved in cross-cultural, environmental, language, recreational and artistic courses of study. As a multi-divisional organization, Interlocken includes an international summer camp of 130 children and 50 staff; 24 travel-study programs made up of anywhere from 10-20 older high school and college students and 2-4 faculty each; environmental education programs for elementary school students and their classroom teachers; teacher training programs in the development of experiential learning curricula; and international community service programs for high school students similar in philosophy to the Peace Corps. The challenge in this organization was to create a sense of

cohesiveness and commitment to Interlocken throughout the organization, although one group might be studying language in Spain while another was studying winter ecology in Alaska, a third studying cross-cultural politics in the People's Republic of China or the middle-east, and a fourth building chicken coops in northern Kenya.

The National Training Laboratories (NTL) is an organization of applied behavioral scientists and management consultants which began in 1947 to offer management training and human development at Bethel, Maine, and at other sites throughout the United States and world-wide. Lab groups of anywhere from ten to fifty participants and one to four trainers meet for anywhere from five days to two weeks to study such diverse topics as human interaction, organizational communication, strategic planning, systems for international human resource development, socio-technical approaches to designing organizations. In addition, NTL offers degree programs in Human Resource Development and Management Training. The similar challenge at NTL is to create a sense of cohesiveness and commitment throughout the organization, although one group might be studying issues of diversity in Singapore while another might be studying how to diagnose and manage organizational culture in Bethel.

My studies at Interlocken involved total immersion in that organization over a number of years, and at NTL involved two months of intensive observations, surveys of participants and in-depth interviews

with 45 of the nearly 300 NTL members. My formal research and observations yielded a wealth of information and insights not only about the value of creating highly spirited, cohesive communities, but specific elements that managers can consider in assessing and building such communities. Through these studies at Interlocken and NTL, I have developed a framework for looking at spirit-building in multi-divisional work groups.

The purpose of this study is to determine if this framework (or model) developed in the pilot studies at Interlocken and NTL is relevant only to these kinds of educational service organizations, or if it is generalizable to other kinds of organizations, particularly to profit-making, manufacturing organizations. The framework includes five elements:

Vision

Members are inspired by the organization's meaning and purpose, the crystallization of the values behind the work, what's really important to the organization. The ability of the leader to create a vision, articulate that vision and empower members to fulfill the vision is a critical element of spirit-building. When members

transcend their own goals and adopt an overarching, larger vision, they feel spiritually connected to others who also strive for that vision. It is the vision that helps organizational members make the leap from values and beliefs to behaviors. Knowing what the organization values and believes helps the employees of the organization know what to do, what goals and action plans to put in place, what policies to adopt. Long-term planning, or any kind of planning for that matter, in the absence of an overarching vision, has no focus. It drains the time and energy of organizational members without ever really providing them with a sense of direction (Kotter, 1990). When there is that clear sense of direction throughout the organization, members can knowledgeably take actions on their own without the fear of making strategic mistakes. And being able to act autonomously and to take responsibility are vital for building company spirit.

Interlocken's vision of creating world peace through the friendship of its young people; and NTL's original vision of creating the psychological conditions in which democracy can thrive, were highly inspiring to their respective members, and enabled the members to carry on the organization's work even in the absence of its visionary leaders.

A community must look at its visionaries, luminaries, and charismatics. Who are they? What visions do they create? Are their visions consistent with the organization's values and beliefs? Are

their visions powerful? Are they transmitted to members? Do members "buy in" to those visions? With or without visionary leaders, it becomes necessary to understand how to build "group" visions, how to get groups to collaborate on vision-building and implementation (Senge, 1990). If each person in the organization accepts the meaning, purpose and values of the organization, then each person shares responsibility for working toward the vision. Shared visions emerge from personal visions, so inviting organizational members to disclose their personal visions helps to build the shared vision. Communicating the vision and asking others to contribute to it helps members to own the organizational vision. Having an on-going visioning process, either formally or informally in group meetings and planning sessions, helps keep the shared vision alive. Company spirit clearly comes from an inspiring, shared vision.

Structural Variables

In addition, structural variables have impact on a company's spirit. These are the important structural variables which were mentioned in dozens of interviews:

Time.

Groups need sufficient time to do whatever is the assigned task. Groups that work under constant heavy time pressure to produce aren't able to devote the necessary time to community-building. Members of NTL, which now takes ten days to run human interaction laboratories that originally took upwards of a month, complain that there isn't any time to devote to inter-group community building, and many members mourn that absence.

Boundaries.

Who is part of the group and who isn't? To be cohesive, a group needs to know who is in the group and who is not.

Relaxation from Structured Work.

Social events outside the structure of task (barbecues and Sunrise Seminars at NTL, lunch club, group singing, group volleyball games and daily community morning meetings at Interlocken, Friday afternoon social hours, beer busts, field trips, pot luck brunches, optional training events, car-pooling to and from work, bowling and softball leagues, theatrical and sports events at any organization) increase group spirit (Petrick & Manning, 1990).

Size and Structure of the Organization.

It needs to be large enough to create diversity of thinking, interests and backgrounds; but either small enough to enable members to connect frequently and personally, or structured in such a way that representatives from each division of the organization have a chance to connect frequently and personally. Whatever the organizational structure, it must allow for the personal, the spontaneous (Mintzberg, 1990).

Hierarchy.

Diminished hierarchy and class divisions between leaders and group members increase bonding. For example, formality in forms of address and distinctions of special privileges contribute to the feeling of in-groups and out-groups, NOT to a spirit of community. Diminished hierarchy does not mean lack of role clarity or role differentiation; it does mean that in spite of role differences, organizational members use similar forms of address, similar facilities, and have similar symbols of organizational membership. There are no special faculty meeting or dining rooms at NTL or at Interlocken; faculty are addressed informally and live in similar style as participants. It also means that organizational members feel encouraged to have ideas, share those ideas, take risks on behalf of the organization, and feel included in

decision-making if not at the strategic level, at least at the operational level. Participation in decision-making is strongly correlated with attitudes toward the job (Alutto & Acito, 1974).

Facilities.

The architecture and ergonomics of the work space are critical in creating cohesiveness. Large meeting facilities; small, intimate gathering places; work space and recreational space; quiet contemplative private space are all important. Sufficient contiguous space for the company's activities contributes to a sense of community. There need to be opportunities for structured, group-wide gatherings as well as the "happy bumpings into" that make for cohesiveness. Many organizations provide this kind of space in a company cafeteria or lounge.

Selection & Acculturation of Group Members

Selection of organizational members based on their desire to belong, the competencies they bring to the company, their compatibility with other group members, their individual goals, and their motivation to do the task are all important considerations. The difficulty of changing

people to "fit" into an organization is well understood; an easier route is to select people who already have the potential to fit. Or as in the case of NTL which has vastly widened its membership of women and minorities, the organization has changed in an effort to accommodate its newly diverse membership. However, the organization can't always know with total accuracy what the new members will be like in the best of circumstances, and can't always control who joins the organization, in the most difficult of circumstances. And because organizational members will undoubtedly have multiple memberships in many organizations whose values, goals, meaning and purpose may be different, the orientation of new members is a critical function in terms of building organizational spirit.

Once having selected group members, it becomes vital to develop an actual and psychological contract, and to develop realistic expectations on the part of organizational members as to what needs to be given and what can be received. The contract goes beyond the simplicity of a fair day's work for a fair day's pay, and touches on the unspoken and the covert. The more realistic the expectations (whether for better or worse; whether in terms of economic, social or psychological expectations) that individual organizational members have about membership in the organization, the less likely it is that the new members will be disappointed about unmet expectations.

In terms of acculturation of organizational members, early development of and understanding of the organization's economic status, its group norms, taboos, community mechanisms, group rituals, group symbols and group history, heroes and heroines, myths and legends, and even its jargon or special words are important. New members will learn these things informally through contact with other members, but the messages that the old members give may not be the messages that the company wishes its new members to be receiving. For example, "They say you have only an hour for lunch, but nobody worries about it if you take longer;" or, "They say you can't use the company's phone for personal calls but everyone does it," may be contrary to the company's best interests. Employees get as much information from the grapevine (informal communication channels) as they do from their immediate supervisors (Petrick & Manning, 1990). Therefore, introduction of large numbers of new, non-accultured members into a group with a strong culture requires careful thought and planning, as NTL discovered when it revised its admissions policies to diversify its membership. There is no substitute for a well-designed orientation. When new members are confused about their role in the company and others' roles; about the way business gets done; and about the way conflicts get resolved and decisions get made, their dissatisfaction with the company is powerful and can drag down morale. The way new members are socialized into the organization,

both formally and informally, has significant impact on their sense of belonging and old members' acceptance of them. A good orientation should be a bonding, spirit-building experience.

Work Design

Another element in creating organizational spirit is the way the work is designed. Creating mechanisms for organizational members to be involved in appropriate decision-making and problem-solving is important. Pushing the responsibility lower in an organization creates more challenge at lower levels of the organization (Kotter, 1990). Free and open channels of communication, both downward, across and up, lead to higher levels of commitment, not to mention higher levels of productivity. The work design of each part of the organization must take into account ways that employees' tasks can mesh with the tasks other groups in the company are performing. There needs to be a sense that the work each part of the organization does "fits into" a larger scheme. Why are we doing what we're doing? Why is it important? Can we connect what we're doing to a larger, highly-engaging purpose? Can we focus on this larger purpose so that we all feel a part of the

whole? At least a small amount of time must be built into each section of the organization's schedule to explore the topic of how/why the group fits into the larger organizational community.

The pilot studies at Interlocken and NTL make it clear that companies which design work situations that genuinely support members' risk taking, and value not only the successes but what is learned from the failures, are not only more innovative, but foster more commitment than those which either do NOT support risk-taking or which, as is so common, support it only verbally.

Finally, an organization that engages in action research, studying itself, its work and its processes while simultaneously engaging in its work and its processes, builds greater commitment than one which ignores these things. One of the strongest features of NTL as an organization is its continued program of action research into its own tasks and processes.

Relationships

The way organizational members relate to each other impacts in a major way on spirit. Can members distinguish between not liking other

members' behaviors and not liking other members themselves? What is the relationship of the leaders to the other members and vice versa? What is the relationship of members to each other? To what degree are the members self-disclosing, revealing of their personal feelings? Higher levels of self-disclosure produce greater group spirit. To what degree does the organization create a sense of its members being part of a surrogate family? This sense of family is a strong feature in many Japanese organizations and a central characteristic of what we have come to see as company spirit within the Japanese culture.

How are issues of ethnic, racial, religious, gender, age and personality-type diversity handled in the community? Company spirit is easier to build in homogeneous organizations, as we observe in Japanese organizations, since members tend to feel initially more comfortable with people "like themselves." But in a pluralistic society such as ours, homogeneous organizations are not realistic. Nor would they be able to realize the fullness of the possibilities inherent in their situations because they could not generate complexities, contradictions, differing perspectives and views or the wide repertoire of behaviors that would enable them to be more innovative, productive and ultimately more cohesive. Heterogeneous organizations tend in the end to be more productive and satisfying, if managers are able to deal with issues of diversity and help organizational members to do the

same. Creating an environment where work bonds can flourish, where people feel recognized, where self-esteem and a sense of belonging are fostered, where people feel connected closely to others in work teams, as well as connected loosely to others in the larger organization, build company spirit.

These five elements are the ones which were observed either in their presence or in their absence, and which members of Interlocken and NTL described as impacting on organizational commitment, "community spirit" within their organizations. There is a sixth element which did not appear as part of the research at Interlocken and NTL, given the educational-service, not profitable nature of these organizations. This element is financial rewards. It was interesting to see in the research on manufacturing, for-profit organizations how the membership of these organizations talked about pay and benefits as factors which impact on company spirit.

CHAPTER IV

METHODOLOGY OF THE STUDY

The Study

Using the Commitment Diagnostic Indicator (see appendix A) to identify a high commitment and a low commitment company, the researcher surveyed 70% of the employees in each organization to determine how they felt about company spirit in their company, what factors contributed or detracted. In addition, 16 employees selected randomly across hierarchical, divisional, gender and longevity lines were interviewed in depth and at length, along with the CEO of each company, further to explore the question of what facilitates or hinders company spirit within the organization. The data gathered from the surveys and interviews were analyzed thematically and compared to the five-point model previously described, to determine if the model would be a predictor of high spirit and low spirit in the two organizations studied, and to see if further investigation would validate the model as an analytical tool for managers interested in building company spirit within their organizations. It was felt that interviews alone would not make a strong enough case for diagnosing a company as a high commitment or low commitment company, since the

Interview sample would necessarily be smaller than the survey sample, and since the interview conditions could easily be affected by many external variables. Thus, the Commitment Diagnosis Instrument as a quantitative tool widely applied to a large sample supported the data gathered in the structured interviews. Multiple research methods are more valid than single ones (Patton, 1980).

Target Population

The pilot study organizations, Interlocken and NTL, were educationally-based service organizations. The next phase of the study was to look at two organizations that were primarily involved with manufacturing rather than with service, to see if people in manufacturing companies describe similar elements, use similar words to explain the presence or absence of company spirit. Clearly, the findings in two human service organizations and two manufacturing organizations do not generalize to ALL organizations. The goal was to determine if these elements which devolved from the pilot study would be generalizable to a slightly larger universe, or if they were specific to human service organizations.

The two manufacturing organizations in the next phase of this study were both multi-divisional and multi-national. Company "A", founded in 1911, manufactures specialized printing machines,

elements, inks and other supplies that provide marking systems for textiles, apparel, packaging, electronics, graphic arts, pharmaceuticals, appliances, to the automotive aerospace, telecommunications, defense, toy industries and many others. Company "B", founded in 1950, manufactures industrial ovens, kilns and thermocouples for baking semiconductors, rocket nose cones, and a multitude of other products whose manufacture depends on high temperature processes. Each organization employs approximately 600 people in its U.S. plant, and each agreed to make all its domestic employees available for this study.

All members of the work force at Company "A" and at Company "B"; officers, division heads, middle management, first-line supervisors and operational employees who were not off-site on business, vacation or personal time were involved. The surveys and interviews in both organizations took place over the same six-week time span.

Design of study and Methods of Data Analysis

First, a quantitative commitment survey called the "Commitment Diagnosis Instrument," hereafter called the CDI (See Appendix A), designed and copyrighted by Stephen Fink, Professor of Management at the Whittemore School at University of New Hampshire, was

administered to each employee at both organizations. The purpose of the CDI is to determine organizational commitment.

An introductory explanation of the CDI (see Appendix B) was presented to each group of participants in the study to let them know how the data would be gathered, used and reported back, along with directions for filling out the demographic information and the CDI instrument.

The Background Information Sheet (see Appendix C) asked respondents for their age, their years with the company, their gender, their hierarchical position, their educational level, their work history, their marital status, their parental status, the distance they live from work, their divisional affiliation in the company, in Company "B" but not in Company "A" the recency of having received job training, the outcome of their most recent performance appraisal, their career goals in the organization, the degree to which their goals have been met or are likely to be met, their definition of "company spirit," their attitudes about working at their company, and their suggestions for improving company spirit within their organizations.

Having identified these two companies, whose CDI measurements indicated Company "A" to be a high, and Company "B" to be a low commitment company, the next step was to identify the characteristics common to high and low commitment organizations, to determine if the 5-point model would apply to these manufacturing organizations as it did to the two human service organizations in the pilot study.

After completing and analyzing the CDI's and the Background Information, the second, in-depth qualitative structured interviews were administered to the CEO's, plus 16 employees from each organization, selected across longevity, divisional and hierarchical lines. The selection method was to ask for volunteers. When the volunteer group didn't meet the cross-sectional representation deemed necessary, the researcher was free to wander throughout both organizations and tap any willing employee to interview. Those who volunteered and who were tapped were screened based solely on their longevity in the company, their gender, their divisional membership and their hierarchical level, to obtain a representative sample. They were asked to sign a Human Subjects Release Form (see Appendix D).

The purpose of these interviews was to get interviewees to speak candidly about the conditions in their organizations which they believe foster or hinder the development of company spirit. The In-Depth Qualitative Structured Interview Survey (see Appendix E) included questions designed to explore issues suggested by the 5-point model.

The CDI's were tabulated to assess each individual's level of commitment first to the work itself, second to the people with whom the individual works, and third to the whole organization. It was helpful to find an instrument that measured more than just organizational commitment but included commitment to work and co-workers, because company spirit encompasses more than the sense

of an employee's loyalty to his or her organization. The essence of company spirit, as defined by members of the two pilot study organizations and the two manufacturing organizations, includes the employee's feelings about work, co-workers AND the organization, as well as the sense that the employee's feelings are reciprocated by colleagues and the organization. Thus, the CDI offered a more comprehensive diagnosis than an organizational commitment instrument would have done. These CDI tabulations form the quantitative data that served as the frame of reference for making qualitative interpretations.

The Background Information Sheet, which asked each respondent to comment on what he or she perceived the company's organizational goals to be, how he or she would describe the company's spirit, how the respondent felt about working at the company, and what suggestions he or she might have for improving company spirit, were analyzed thematically and incorporated into the qualitative analysis.

The value of the CDI results was to have a frame of reference for analyzing the in-depth qualitative structured interview. Where the CDI's showed high commitment, the interviews and the respondents' questionnaire comments were interpreted from the perspective of what is present in the organization that contributes to that commitment. Where the CDI's showed low commitment, the interviews and the

respondents' questionnaire comments were interpreted from the perspective of what is missing in the organization that detracts from commitment.

The structured interviews were transcribed and analyzed thematically to see in what ways interviewee responses matched or differed from the 5 points developed in the pilot research. Conclusions were subsequently drawn about the similarities and differences reported in the human service organizations vs. the manufacturing organizations, and determinations were made about the value of conducting further broadly-based research.

CHAPTER V

REPORT OF QUANTITATIVE FINDINGS

Conditions Under Which Quantitative Research Was Done

Background Information Sheets and surveys (the CDI) were administered to 418 employees at Company "A" and 430 employees at Company "B", out of approximately 600 employees at each company. Those who did not fill out the surveys were either on vacation, away on business or away on personal or sick leave on the days that the surveys were administered.

The Commitment Survey (CDI) was designed to identify to what degree employees were committed to their work, to their co-workers and to the organization. It was this instrument that enabled the identification of Company "A" as a high commitment company, and Company "B" as a low commitment one.

The Background Information Sheets were designed to learn what individual factors employees bring to their work which might account for their commitment to work, to co-workers and to the organization. To what degree is age correlated to commitment on any of the three

paramaters, for example. Or longevity? The background factors fall into two categories:

CATEGORY 1: those that are entirely individual and over which the company has no influence other than in the hiring decision, such as age, gender, whether or not this is the first place of employment, educational level, marital status, parental status, distance lived from work. These data are found in Appendix F. They are interesting, but do not relate to the question of what management practices contribute to company spirit.

CATEGORY 2: those that are organizationally related to management practices, such as longevity (to what degree does a company have turnover), hierarchical position, frequency of job training, impact of performance appraisal, degree to which employees have or have not achieved their professional goals and whether or not they believe it will be possible to do so in the company. These data are included in this chapter, following the analysis of commitment in both Companies "A" and "B".

CDI SURVEY DATA: **COMPARISON OF COMMITMENT SURVEYS**

COMMITMENT TO **WORK**: Company "B"

Scores:	Count:
5	1
10	1
15	4
20	16
25	24
30	46
35	86
40	97
45	77
50	57
55	19
60	2

N: 430
 MEAN: 38.928
 MEDIAN: 39.000
 ST.DEV: 9.076
 SE: 0.438

COMMITMENT TO **WORK**: Company "A"

Scores:	Count:
5	0
10	1
15	3
20	10
25	19
30	46
35	67
40	74
45	108
50	62
55	26
60	2

N: 418
 MEAN: 40.490
 MEDIAN: 40.000
 ST. DEV: 8.865
 SE: 0.438

P= .001
 T test: 2.58

Those at Company "A" are more committed to their work than those employees at Company "B". This difference is significant. The T test must equal 1.96 for a P of .05 to be significant, and indeed the T exceeds its requirement.

COMMITMENT TO **CO-WORKERS**:
Company "B"

Scores:	Count:
5	0
10	0
15	3
20	12
25	22
30	57
35	99
40	105
45	76
50	42
55	14
60	0

N: 430
MEAN: 38.342
MEDIAN: 39.000
ST. DEV: 7.945
SE: 0.383

COMMITMENT TO **CO-WORKERS**:
Company "A"

Scores:	Count:
5	0
10	1
15	0
20	6
25	35
30	66
35	105
40	114
45	66
50	21
55	4
60	0

N: 418
MEAN: 36.986
MEDIAN: 35.000
ST. DEV: 7.139
SE: 0.347

P= .001
T test: 1.92

It is important to note that the commitment scores are reversed here. While the T test is off 0.04 for a true test of significance, it is close enough that it can be said that employees at Company "B" are more committed to their co-workers than are the employees at Company "A". In general, a likely explanation for this sole reversal in the pattern between Companies "A" and "B" could be that team-work is more fostered in Company "B" than in Company "A". However, it is clear from the qualitative data that the divisions within the organization, and individuals within the divisions, tend to be highly competitive with each other. So it is reasonable in this case to interpret commitment to co-workers not as a sense of teamwork around the work, but as a sense of bonding around a shared perception of management as the enemy, as a shared dislike and distrust of management.

COMMITMENT TO **ORGANIZATION**:
Company "B"

Scores:	Count:
5	0
10	7
15	12
20	21
25	42
30	83
35	89
40	88
45	53
50	28
55	4
60	3

N: 430
MEAN: 34.947
MEDIAN: 35.000
ST.DEV: 9.148
SE: 0.441

COMMITMENT TO **ORGANIZATION**:
Company "A"

Scores:	Count:
5	1
10	4
15	3
20	14
25	28
30	44
35	73
40	88
45	85
50	56
55	20
60	2

N:418
MEAN: 39.079
MEDIAN: 40.000
ST. DEV: 9.465
SE: 0.463

P= .001
T test: 6.25

Employees from Company "A" are much more committed to their organization than are the employees from Company "B", with over a 4 point difference in scores.

TOTAL COMMITMENT SCORES
Company "B"

Scores:	Count:
30	1
40	1
50	2
60	6
70	17
80	21
90	45
100	46
110	89
120	64
130	70
140	46
150	16
160	6
170	0
180	0

N: 430
MEAN: 112.24
MEDIAN: 114.000
ST.DEV: 22.00
SE: 1.06

TOTAL COMMITMENT SCORES
Company "A"

Scores:	Count:
30	0
40	1
50	1
60	3
70	10
80	14
90	27
100	50
110	75
120	74
130	80
140	53
150	21
160	6
170	3
180	0

N: 418
MEAN: 116.83
MEDIAN: 118.000
ST. DEV: 20.67
SE: 1.01

P= .000
T test: 3.38

And finally, the total scores are also a clear reflection that Company "A"'s employees are significantly more committed than are those of Company "B". It is important to establish through the use of the Commitment Diagnostic Indicator that Company "A" is a high commitment company and Company "B" is not. Much of the qualitative data which follow can be interpreted on the basis that this study is actually comparing a high commitment and a low commitment company. The fact that the two companies are so parallel in nearly every dimension except their commitment scores makes the comparisons even more meaningful.

Background Information Sheet Data, Category 1.

These data are found in Appendix F.

Background Information Sheet Data, Category 2.

1. Years With Company.

Company "A"'s employees have been in their company significantly longer than those in Company "B". Assuming each respondent has been there the longest in his or her longevity check-off, the average tenure

of a Company "A" employee is 11.81 years; the average tenure of a Company "B" employee is 7.08 years, which also helps explain employee age differences between the two companies.

While the figures that follow are interesting comparative figures, it is clear that commitment on all three parameters, to work, to co-workers and to the organization, does not correlate significantly to longevity in the company. However, it is interesting to note that longevity is more highly correlated to commitment to co-workers in Company "A"; and that longevity is more highly correlated to commitment to work and to the organization in Company "B". It is also interesting to note that overall commitment to the organization and to work is the reverse; much stronger in company "A" than Company "B", and that commitment to co-workers is stronger in Company "B" than Company "A", as we have seen in the CDI commitment scores.

Table 1: Years With The Company

COMPANY "A"

Correlation of commitment to **years with the company**

Commitment to work & years with the company	.033
Commitment to co-workers & years with the company	.055
Commitment to organization & years with the company	.042
Commitment Total & years with the company	.011

DEMOGRAPHICS:

98 between 1-2	16 between 7-8	34 between 16-20
43 between 3-4	29 between 9-10	38 between 21-25
40 between 5-6	78 between 11-15	34 between 25-30+

COMPANY "B"

Correlation of commitment to **years with the company**

Commitment to work & years with the company	.063
Commitment to co-workers & years with the company	.030
Commitment to organization & years with the company	.135
Commitment total & years with the company	.094

DEMOGRAPHICS:

157 between 1-2	35 between 7-8	19 between 16-20
62 between 3-4	33 between 9-10	11 between 21-25
50 between 5-6	48 between 11-15	4 between 25-30+

2. Hierarchical Position

There is a clear relationship between hierarchical level and employees' commitment levels on all three parameters. Comparing commitment scores within each company, managerial employees are more committed to their work, to their co-workers and to their organizations than the operational level employees in the company.

However, in comparing commitment scores of managers in Company "A" with managers in Company "B", and comparing commitment scores of operational employees in Company "A" with their counterparts in Company "B", there are marked differences between commitment scores. The managers in Company "A" rank 1.509 points higher on commitment to work than managers in Company "B". They rank 3.381 points higher on commitment to the organization than the managers in Company "B". And they rank 4.15 points higher on total commitment than the managers in Company "B". But in terms of commitment to co-workers, managers in Company "A" rank 0.841 points lower. The scores of operational employees follow a similar pattern. Operational employees in Company "A" rank 1.039 points higher on commitment to work than those in Company "B"; they rank 3.838 points higher on commitment to the organization; and they rank 2.87 points higher on total commitment than the operational employees in Company "A". But in terms of commitment to co-workers, operational employees

in Company "A" rank 2.099 points lower. In Company "B", where commitment to work and the organization is markedly lower, the employees feel more committed to their co-workers than in Company "A", where commitment to work and the organization is markedly higher. One could possibly assume that where company spirit is low, employees both managerial and operational consider the organization to be the common enemy and band together against the company. In the two organizations being studied, commitment to co-workers is higher than commitment to work or company in the low-spirit company. It would be valuable to test this assumption in other organizations.

Below are the comparisons of commitment by managerial employees versus operational employees in both Company "A" and company "B".

Table 2: Hierarchical Position

COMPANY "A" analyzed in terms of managerial vs. operational employees
 Analysis of variance of Commitment to **hierarchical position** in organization

Variance of commitment to work & hierarchical position:

Mgt. (N=168)	Mean	42.458	StDev	7.950	P=	.000
Opr. (N=238)	Mean	38.878	StDev	9.016	T-Test	4.23

Variance of commitment to co-workers & hierarchical position:

Mgt.	Mean	39.083	StDev	7.056	P=	.000
Opr.	Mean	35.660	StDev	6.777	T-Test	4.89

Variance of commitment to organization & hierarchical position:

Mgt.	Mean	42.107	StDev	8.167	P=	.000
Opr.	Mean	36.853	StDev	9.783	T-Test	5.91

Variance of commitment totals & hierarchical position:

Mgt.	Mean	123.79	StDev	17.81	P=	.000
Opr.	Mean	111.50	StDev	20.88	T-Test	6.37

COMPANY "B" analyzed in terms of managerial vs. operational employees
 Analysis of variance of Commitment to **hierarchical position** in organization

Variance of commitment to work & hierarchical position:

Mgt. (N=158)	Mean	40.949	StDev	8.061	P=	.000
Opr. (N=262)	Mean	37.839	StDev	9.212	T-Test	3.62

Variance of commitment to co-workers & hierarchical position:

Mgt.	Mean	39.924	StDev	6.676	P=	.000
Opr.	Mean	37.759	StDev	8.415	T-Test	2.91

Variance of commitment to organization & hierarchical position:

Mgt.	Mean	38.726	StDev	7.615	P=	.000
Opr.	Mean	33.015	StDev	9.158	T-Test	6.87

Variance of commitment totals & hierarchical position:

Mgt.	Mean	119.64	StDev	17.58	P=	.000
Opr.	Mean	108.63	StDev	22.91	T-Test	5.52

3. Training

It is clear and powerful to note that training has a significant relationship to employees' commitment to work and to the organization, as well as to overall commitment, at Company "B". As employees develop their job-related skills, work becomes more interesting and more challenging, which would account for the positive relationship between training and commitment to work. The concomitant benefit of training is that the employees see that the company is making an investment in them, a commitment of time and money, which is logically reciprocated by a deepening commitment of the employees to the organization. The relationship between training and commitment to co-workers is not significant, which seems logical since co-workers don't by design create training opportunities for each other.

It would of course have been fascinating to see if the relationship between training and commitment would have held true for Company "A" as well, but unfortunately these data aren't available.

Table 3: Receiving Job Training.

COMPANY "A"

Correlation of commitment to **receiving job training**

UNFORTUNATELY, THE QUESTION OF JOB TRAINING WAS NOT ASKED AT COMPANY "A"

This question was an inspiration that came after gathering data at Company "A" but before gathering at Company "B".

COMPANY "B"

Analysis of variance of commitment to **receiving job training**

Training (T); No Training (NT)

Comparisons of commitment to work & receiving job training

T(N=152): 40.217 St. Dev: 8.046 P= .032

NT(N=266): 38.227 St. Dev: 9.602 F= 4.65

Variance of commitment to co-workers & receiving job training

T(N=152): 39.053 St. Dev: 7.716 P= .236

NT(N=266): 38.091 St. Dev: 8.108 F= 1.41

Variance of commitment to organization & receiving job training

T(N=152): 36.474 St. Dev: 8.765 P= .011

NT(N=266): 34.117 St. Dev: 9.297 F= 6.46

Variance of Commitment totals & receiving job training

T(N=152): 115.80 St. Dev. 20.29 P= .017

NT(N=266): 110.45 St. Dev. 22.72 F= 5.78

4. Performance Appraisals.

While one would intuitively suspect that there would be a positive relationship between glowing performance appraisals and commitment to one's work and to one's organization, the degree to which this relationship is so is remarkable and surprising. It is clear from the data that there is a dramatically strong relationship between a positive performance appraisal and commitment in both Company "A" and Company "B", on all three parameters as well as in terms of total commitment. Since there are marked differences between the way Company "A" handles performance appraisal and the way Company "B" does, one conclusion might be that performance appraisal systems account to some degree for the positive feelings in Company "A" and the negative feelings in Company "B". This relationship between performance appraisal and commitment, because it is so powerful, bears further research.

Although commitment is clearly related to performance appraisal in each company, an interesting comparison between Companies "A" and "B" is that those with the highest performance appraisals in each company (64 at Company "A" and 71 at Company "B") differ significantly in their level of commitment to the organization. The highest performers at Company "A" show a positive differential of 7.046

compared to the highest performers at Company "B". The differentials on the parameters of commitment to work and to co-workers, while also stronger for Company "A" than "B", are not nearly as dramatic.

Another interesting observation of the data is that in both companies, those with the lowest performance appraisals (only 4 out of 388 at Company "A", and only 11 out of 356 at Company "B") are more committed to their work than those one step above them on the performance appraisal ranking. Perhaps the N's are too low to make a significant interpretation, but since the pattern is reflected in both organizations, perhaps one might suppose that when employees reach the bottom, they discount their performance appraisals, don't take them seriously.

Table 4. What Was Your Last Performance Appraisal?

COMPANY "A"

1=Superior (N=64)

2=Better than Average (N=197)

3=Average (N=105)

4=Below Average (N=18)

5=Poor (N=4)

Analysis of variance of commitment to **performance appraisals**

Variance of commitment to work & performance appraisals

1	43.922	StDev.	7.591	P=	.000
2	41.655	StDev	7.789	F=	9.59
3	37.933	StDev	9.472		
4	33.444	StDev	10.377		
5	34.750	StDev	13.913	Pooled StDev	8.437

Variance of commitment to co-workers & performance appraisals

1	38.781	StDev.	7.101	P=	.004
2	37.731	StDev	6.768	F=	3.93
3	35.610	StDev	6.777		
4	33.500	StDev	9.199		
5	34.000	StDev	9.055	Pooled StDev	6.972

Variance of commitment to organization & performance appraisals

1	44.031	StDev.	7.732	P=	.000
2	40.259	StDev	8.699	F=	13.70
3	35.781	StDev	9.719		
4	32.111	StDev	10.358		
5	28.000	StDev	7.118	Pooled StDev	8.909

Variance of Commitment totals & performance appraisals

1	126.89	StDev.	16.40	P=	.000
2	119.59	StDev	19.02	F=	13.55
3	109.71	StDev	20.80		
4	99.06	StDev	24.81		
5	96.75	StDev	27.07	Pooled StDev	19.49

Table 4 continued next page

Table 4. (Continued)

COMPANY "B"

1=Exceptional (N=71)

2=Superior (N=134)

3=Competent (N=140)

4=Provisional (N=11)

Analysis of variance of commitment to **performance appraisals**

Variance of commitment to work & performance appraisals

1	41.803	StDev.	8.220	P=	.010
2	38.336	StDev	8.709	F=	3.84
3	37.657	StDev	8.962		
4	40.273	StDev	8.776	Pooled StDev	8.718

Variance of commitment to co-workers & performance appraisals

1	41.366	StDev.	7.914	P=	.000
2	38.858	StDev	7.177	F=	7.53
3	37.343	StDev	7.696		
4	31.727	StDev	8.076	Pooled StDev	7.560

Variance of commitment to organization & performance appraisals

1	36.958	StDev.	8.918	P=	.040
2	35.858	StDev	8.634	F=	2.77
3	33.657	StDev	9.223		
4	32.909	StDev	9.364	Pooled StDev	8.948

Variance of Commitment totals & performance appraisals

1	120.11	StDev.	21.29	P=	.002
2	112.19	StDev	20.83	F=	5.12
3	108.66	StDev	21.20		
4	104.91	StDev	23.64	Pooled StDev	21.15

What is surprising is the degree to which performance appraisal and commitment are so positively correlated in Company "A", and are NOT as strongly correlated in Company "B". The fascinating exception is that in Company "B" the only factor that positively relates commitment to performance appraisal is commitment to co-workers, whereas in Company "A", the only factor that does NOT relate commitment to performance appraisal is commitment to co-workers. For employees at Company "B", given their low commitment to work and to the organization, the only positive feature of their commitment is to their co-workers. A logical interpretation is that given a difficult situation, they band together to support each other, even at the expense of their work and the organization.

The powerful relationship between performance appraisals and commitment suggests that it would be worthwhile to pursue further research on the impact of performance appraisal systems on commitment, and on company spirit. It would be interesting to know if a high performance appraisal leads the employee to feeling a greater commitment to the organization, or if commitment to the organization is interpreted by supervisors as identical to strong performance. It would also be interesting to see if bottom-up performance appraisals impact on commitment.

Table 4A. Performance Appraisal Correlations

COMPANY "A"

Correlation of commitment to **performance appraisals**

Correlation of work & performance appraisals:	.295
Correlation of co-workers & performance appraisals:	.193
Correlation of organization & performance appraisals:	.353
Correlation of totals & performance appraisals:	.349

COMPANY "B"

Correlation of commitment to **performance appraisals**

Correlation of work & performance appraisals:	.135
Correlation of co-workers & performance appraisals:	.233
Correlation of organization & performance appraisals:	.149
Correlation of totals & performance appraisals:	.202

5. Is the Performance Appraisal Expected?

These data are interesting. One might assume that meeting workers' expectations would strengthen their commitment, and this relationship indeed holds true in both organizations. However, the relationship is statistically significant at Company "B" ($P=.005$) while at Company "A" the relationship is less so ($P=.191$). And the relationship is dramatic at Company "B" (a 9.65 point differential) while it is considerably less so at Company "A" (a 3.75 point differential).

In terms of commitment to the organization, at Company "A" those who were surprised by their performance appraisal were slightly more committed than those who were not (though again the relationship is less statistically significant at $P=.188$) while those at Company "B" who were surprised by their performance appraisal were considerably MORE committed to the organization (at $P=.020$). One likely explanation for this phenomenon is that many who were surprised at Company "A" were PLEASANTLY surprised, as opposed to those at Company "B", whose surprise was more likely to have been a disappointment. Unfortunately, the data aren't available to confirm this supposition.

Table 5: Was The Performance Appraisal Expected?

COMPANY "A"

Expected (N=318)

A surprise (N=62)

Analysis of variance of commitment to **expected appraisal**

Variance of commitment to work & expected appraisal

Expected	40.934	StDev.	8.705	P=	.180	F=	1.80
Surprise	39.290	StDev	9.390	Pooled StDev			21.15

Variance of commitment to co-workers & expected appraisal

Expected	120.11	StDev.	21.29	P=	.002	F=	1.74
A surprise	104.91	StDev	23.64	Pooled StDev			8.820

Variance of commitment to organization & expected appraisal

Expected	37.462	StDev.	9.361	P=	.188	F=	.33
A surprise	38.806	StDev	9.668	Pooled StDev			9.411

Variance of Commitment totals & expected appraisal

Expected	118.02	StDev.	20.52	P=	.191	F=	.171
A surprise	114.27	StDev	20.97	Pooled StDev			20.59

Table 5 continued next page

Table 5: (continued)

COMPANY "B"

Expected (N=281)

A surprise (N=46)

Analysis of variance of commitment to **expected appraisal**

Variance of commitment to work & expected appraisal

Expected	39.737	StDev.	8.536	P=	.003	F=	6.08
A surprise	35.152	StDev	9.720	Pooled StDev			8.797

Variance of commitment to co-workers & expected appraisal

Expected	38.822	StDev.	7.234	P=	.170	F=	1.78
A surprise	37.391	StDev	8.990	Pooled StDev			7.743

Variance of commitment to organization & expected appraisal

Expected	35.769	StDev.	8.458	P=	.020	F=	3.96
A surprise	32.196	StDev	11.097	Pooled StDev			8.948

Variance of Commitment totals & expected appraisal

Expected	114.39	StDev.	19.88	P=	.005	F=	5.33
A surprise	104.74	StDev	25.90	Pooled StDev			21.29

6. Have You Reached Your Professional Goals?

Interestingly, those who have reached their professional goals at Company "A" are slightly more committed (though not significantly so) than those who have not. The reverse is true at Company "B". Those who have NOT reached their professional goals are slightly more committed (though not significantly so) than those who have not. Clearly those at Company "A" are more likely to assume that they WILL reach their career goals, while those at Company "B" are more likely to assume that they won't. And in fact, as we look at beyond Table 6 to Table 7, such turns out to be the case.

Table 6: Have You Reached Your Professional Goals?

COMPANY "A"

Yes (N=77)

No (N=329)

Analysis of variance of commitment to **having reached professional goals**

Variance of commitment to work & having reached professional goals

Yes	41.571	StDev.	8.133	P=	.215	F=1.54
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No	40.201	StDev	8.858	Pooled StDev	8.726
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Variance of commitment to co-workers & having reached professional goals

Yes	38.000	StDev.	6.968	P=	.280	F= 1.17
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No	37.030	StDev	7.102	Pooled StDev	7.077
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Variance of commitment to organization & having reached professional goals

Yes	39.818	StDev.	9.684	P=	.477	F= .51
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No	38.964	StDev	9.437	Pooled StDev	9.484
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Variance of Commitment totals & having reached professional goals

Yes	119.92	StDev.	20.34	P=	.157	F= 2.01
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No	116.22	StDev	20.63	Pooled StDev	20.57
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Table 6 continued next page.

Table 6: (continued)

COMPANY "B"

Yes (N=73)

No (N=335)

Analysis of variance of commitment to **having reached professional goals**

Variance of commitment to work & having reached professional goals

Yes	38.849	StDev.	9.742	P=	.865	F=	.03
No	39.048	StDev	8.886	Pooled StDev		9.043	

Variance of commitment to co-workers & having reached professional goals

Yes	36.918	StDev.	8.812	P=	.064	F=	3.46
No	38.800	StDev	7.608	Pooled StDev		7.835	

Variance of commitment to organization & having reached professional goals

Yes	34.767	StDev.	10.249	P=	.687	F=	.16
No	35.242	StDev	8.848	Pooled StDev		9.112	

Variance of Commitment totals & having reached professional goals

Yes	110.52	StDev.	25.56	P=	.357	F=	.85
No	113.13	StDev	20.99	Pooled StDev		21.87	

7. Do You Desire More Responsibility?

Only 1 in 4.3 employees at Company "A" does not desire more job responsibility, while the ratio at Company "B" is 1 in 5.3. Thus, put in the positive, at Company "A" three quarters of the employees would like more responsibility, while at Company "B" a somewhat larger percentage, four fifths of the employees, desire more responsibility. The differences in commitment scores at Company "A" between those who do and those who don't desire more responsibility are only a point or two different, suggesting that commitment isn't strongly correlated with desiring more responsibility at Company "A". At Company "B" the trend is different. Those desiring more responsibility have MUCH higher commitment scores than those who don't. The difference is probably the most worthy of notice in terms of commitment to the organization, since that variance is the only one that is statistically significant at Company "A" ($P=.45$), while ALL the variances at Company "B" are statistically significant (with the exception of commitment to work, which is close at $P=.55$).

Those who don't desire more responsibility at Company "A" have perhaps reached their career goals and are happy to serve their company indefinitely at their present level. Given Company "B"'s quantitative and qualitative data, it would be reasonable to assume that those who don't desire more responsibility at this company have

adjusted their advancement expectations to what they perceive as the reality of the situation. Looking beyond Table 7 to Table 8, it is clear that at Company "B" those who believe they WILL get more responsibility within the organization is a dramatically lower percentage than those who believe they will at Company "B".

Table 7. Do You Desire More Responsibility?

COMPANY "A"

Yes (N=311)

No (N=73)

Analysis of variance of commitment to **desiring more responsibility**

Variance of commitment to work & desiring more responsibility

Yes	40.386	StDev.	8.458	P=	.797	F=	.23
No	39.932	StDev	9.638	Pooled StDev		8.693	

Variance of commitment to co-workers & desiring more responsibility

Yes	37.196	StDev.	7.044	P=	.099	F=	2.32
No	36.438	StDev	7.057	Pooled StDev		7.047	

Variance of commitment to organization & desiring more responsibility

Yes	39.463	StDev.	8.942	P=	.045	F=	3.12
No	37.288	StDev	10.594	Pooled StDev		9.276	

Variance of Commitment totals & desiring more responsibility

Yes	117.05	StDev.	19.50	P=	.266	F=	1.33
No	114.36	StDev	22.72	Pooled StDev		20.14	

Table 7 continued next page.

Table 7. (continued)

COMPANY "B"

Yes (N=328)

No (N=62)

Analysis of variance of commitment to **desiring more responsibility**

Variance of commitment to work & desiring more responsibility

Yes	39.655	StDev.	8.405	P=	.055	F=	3.72
No	37.323	StDev	10.330	Pooled StDev		8.735	

Variance of commitment to co-workers & desiring more responsibility

Yes	39.091	StDev.	7.585	P=	.000	F=	14.59
No	35.000	StDev	8.495	Pooled StDev		7.736	

Variance of commitment to organization & desiring more responsibility

Yes	35.909	StDev.	8.515	P=	.001	F=	11.42
No	31.774	StDev	10.376	Pooled StDev		8.834	

Variance of Commitment totals & desiring more responsibility

Yes	114.69	StDev.	20.11	P=	.000	F=	13.58
No	103.97	StDev	25.26	Pooled StDev		21.00	

8: DO YOU BELIEVE IT IS POSSIBLE TO REACH YOUR GOALS HERE?

In Company "A", 3.2 employees believe they can reach their career goals at the company compared to every one that doesn't; while at Company "B", the ratio is shockingly different. At Company "B", those who believe it will be possible to reach their career goals are exactly equal to those who hold the opposite expectation.

With clear statistical significance in both organizations, it is not surprising that those who believe they can reach their career goals are more committed to their work, their co-workers and their organizations than those believe they cannot.

Table 8: Do You Believe It Is Possible To Reach Your Goals Here?

COMPANY "A"

Yes (N=257)

No (N=81)

Analysis of variance of commitment to **believing it is possible to reach goals here**

Variance of commitment to work & believing it is possible to reach goals here

Yes	41.553	StDev.	8.693	P	.000	F=	8.55
No	37.198	StDev	8.794	Pooled StDev			8.694

Variance of commitment to co-workers & believing it is possible to reach goals here

Yes	37.891	StDev.	6.711	P=	.001	F=	7.26
No	34.494	StDev	7.846	Pooled StDev			7.022

Variance of commitment to organization & believing it is possible to reach goals here

Yes	41.253	StDev.	8.602	P=	.000	F=	25.16
No	33.407	StDev	9.234	Pooled StDev			8.724

Variance of Commitment totals & believing it is possible to reach goals here

Yes	120.75	StDev.	19.22	P=	.000	F=	20.06
No	105.05	StDev	20.66	Pooled StDev			19.53

Table 8 continued next page.

Table 8: (continued)

COMPANY "B"

Yes (N=183)

No (N=183)

Analysis of variance of commitment to **believing it is possible to reach goals here**

Variance of commitment to work & believing it is possible to reach goals here

Yes	41.044	StDev.	8.434	P=	.000	F=	22.67
No	36.645	StDev	9.222	Pooled StDev		8.837	

Variance of commitment to co-workers & believing it is possible to reach goals here

Yes	39.754	StDev.	7.433	P=	.001	F=	11.80
No	36.984	StDev	7.985	Pooled StDev		7.714	

Variance of commitment to organization & believing it is possible to reach goals here

Yes	37.831	StDev.	8.213	P=	.000	F=	42.59
No	31.934	StDev	9.052	Pooled StDev		8.643	

Variance of Commitment totals & believing it is possible to reach goals here

Yes	118.75	StDev.	19.65	P=	.000	F=	36.97
No	105.51	StDev	21.93	Pooled StDev		20.82	

CHAPTER VI

REPORT OF QUALITATIVE FINDINGS

Conditions Under Which Qualitative Research Was Done

Given the demonstrable differences in commitment on the part of employees in Organization "A" compared to Organization "B", as described in Chapter V, it would be reasonable to expect that the management practices and reward systems of Company "A" and Company "B" would also be demonstrably different. It was no surprise to find that they were. These differences were determined by in-depth, qualitative interviews administered to the CEO's and to sixteen other employees of each organization. The purpose of the interviews was to:

1. Determine how employees in each organization define "company spirit" and to assess the extent to which they value this concept.
2. Learn how the employees in each organization rate the degree of company spirit present in their organization.
3. Discover what factors within each organization build company spirit, and what factors within each organization detract from this spirit.

In addition to the CEO's in each organization, sixteen other interviewees were selected. When the CDI survey was administered and the study explained to batches of employees, interested employees were invited to stop by after completing the survey to chat with the researcher. Names of interested parties were collected. The heads of HRD in each organization were consulted to help determine if the interested employees met the cross-sectional criteria, representing diverse hierarchical, divisional, occupational, longevity and gender lines in the organization. At no time was access to any employee denied to the interviewer by the heads of HRD, or anyone else in either organization. Where missing constituents were needed, the researcher asked those whom she was interviewing to suggest the names of those in the missing constituencies who might agree to be interviewed. Thus, some interviewees were tapped on the basis of their interest in the study; others were tapped on the basis of recommendations by those who had expressed interest. In both organizations, the researcher was free to wander around at will, and solicited interviews freely.

Interviews at both Companies "A" and "B" were conducted in the middle of an economic recession, during August and early September of 1990. The interview settings were private. The researcher explained briefly to each participant the purpose of the study, the purpose of the tape recording, and the guarantee that the results of the interviews would be reported back to the organization thematically and would not

be attributable to any single individual. Each interviewee signed a contract with the researcher about the use of the materials. There was an opportunity before and after the interview for the interviewee to ask questions of the researcher. The interviews lasted between one and two hours each, and represented approximately a thousand pages of transcription. The interviews were analyzed thematically, and broken down into the following categories:

1. The definition of company spirit.
2. The assessment of company spirit currently felt in each organization.
3. The degree and direction of perceived changes in company spirit.
4. The factors that build spirit within each company.
5. The factors that detract from spirit within each company.

The following analysis of the differences in company spirit within each organization is determined by thematically comparing the responses of its employees. A representative selection of quote is included in this chapter. See Appendices G and H for the full sample sets of quotations for each company.

Definitions of Company Spirit

Employees from each organization responded similarly to the question of how they define Company Spirit. A sample of definitions from each company follows:

Company "A"

Company spirit is a desire and willingness to meet the company goals, standing behind the cause and image of the company, wanting to give more than just 100%, going above and beyond and being proud of where you work.

Company spirit is a mood; excitement, enthusiasm about where the company is going, about the people you work with.

It's getting up in the morning anxious to come to work because you're sharing your life with others in a productive way.

It's feeling safe, free to take risks, try new things. Like having these interviews. I have worked in places that regardless of your statement of confidentiality people wouldn't come in here and be interviewed. They wouldn't believe it was confidential and even if it was, they wouldn't want to be seen talking to you because the company would get them. Bad spirit is fear; good spirit is feeling safe.

It's a reciprocal relationship when the people care about what they're doing and about the company and each other; and when the company cares about the people.

Company "B"

It's a feeling among a group of people toward a common goal, toward interpersonal relationships that lead to that goal. Everyone needs to have a feeling of contributing toward the goal.

It's employees knowing the company cares about them. In any company if you show that you care about the employees, they are going to give you just as much back and care about the company, and that's what you need.

It's from being in the Army, it's like esprit de corps. If you are going to charge the hill, you've got to have everybody going in the same direction. It's not easy to do, but it's simple in its basic theory.

It's enthusiasm, it's the chance to pitch in and know we're important to reaching the goals. Spirit is recognizing that we all matter, not just top management, not just the engineers, but each one of us.

It's having fun working. You are here 8, 9, 10 hours a day sometimes. It's being able to enjoy your work, having a quality 8, 9, 10 hours, doing something good for the company, good for yourself, learning new things every day, being excited about work.

As reflected in the above quotations, employees in both companies define "company spirit" similarly:

1. **Pride.** Company spirit suggests a feeling of pride in one's company. It's a privilege to work here. People are impressed when employees tell where they work.
2. **Mood.** Company spirit means that people are happy, enthusiastic and excited about their work. They like what they do and they like the people they do it with.
3. **Purpose.** Company spirit means that people know what the company's goals are, that they find the goals inspirational and motivating, and that people all pull together in the achievement of these goals.

4. **Pleasure.** Company spirit means that it's fun to go to work, that at work there are challenges, chances to grow, to meet one's own personal goals within the context of the organization's goals.

5. **Security.** Company spirit means that the work environment is a safe place, where it's possible to take risks and be innovative in the ways people attempt to meet the organization's goals.

6. **Reciprocity.** Company spirit means that the company gives to the employees and cares about them and their personal goals as much as the employees care about the company and wanting to help meet the company's goals.

In summary, the concept of company spirit as described by employees in both companies relates to employees feeling enthusiastic and supportive of the company and its goals; feeling appreciated by management and colleagues; feeling a sense of camaraderie in terms of working together to accomplish clear and inspiring goals; and feeling happy to go to work because they recognize how their work contributes to the company's development and their own personal growth.

Importance of Company Spirit

Employees from each organization responded similarly to the question of how they assess the importance of having of Company Spirit. A sample of the assessments from each company follows:

COMPANY "A"

You can achieve a lot higher level of performance if you have spirit. If people have a good attitude about their work and their company, they do a better job.

If you don't have company spirit, don't do these little extra things or feel proud of what you are doing, you're not going to put out the quality we are trying to put out. And if WE don't put it out, Japan, the Far East, others will take our business away. To do well, to keep good people who put out quality, you've got to have company spirit.

COMPANY "B"

It's what unleashes people. If people feel good about each other, themselves and their company, they'll do their job in a way that everything is better. If you don't have spirit it's not going to happen, you'll just go under.

It's important, highly important, in the sense that good spirit means people give that little bit of extra effort that pays off. It's obvious that you'd increase productivity and quality if people had a gung ho attitude about the company, if they knew that when the company benefits they also benefit.

People want to be in place where there's positive energy. Given the choice, they'd choose to work at a high-spirited company and choose to leave a low-spirited company.

Employees from each company, when asked the question whether or not they think company spirit is important or simply a romantic construct, universally affirmed the value of creating a high-spirited

organization. Their comments reflect the belief that companies that pay attention to spirit-building have more loyal employees, better productivity, and better attention to product quality, than companies that don't work to create a spirited atmosphere.

Assessing Company Spirit In Each Company

When asked to describe what the spirit is like in their own organizations, employees from Company "A" and Company "B" responded differently.

COMPANY "A"

The company truly cares about its employees. The owners aren't cutthroat people. Their main interest is to have a model company here in our town, that's what turns them on. They don't need money, and they're not a greedy bunch. They are more interested in making a good place for people to work than in going to the country club to brag to their friends how much money they make. They look out for the people more than they look out for the dollar.

This is a very very customer-pleasing, product-oriented, profit-oriented corporation and everyone gets behind it and does it. It is a very high spirited company generally.

If people had to choose between working here even at a boring job and working someplace else, the majority would choose to be here because of the security, steady employment and competitive pay.

I would guess 80% of the employees feel good about working here. They've got to work someplace and this is a good place to work. I would guess the other 20% really LOVE the company and LOVE their work. They take their work home with them because they like it so much. I take mine home with me, I think about things at work when I'm getting in the shower, working around the house.

COMPANY "B"

A lot of people all they do is complain. Let's face it, we all complain. But I'll be honest with you, I like my job, I've worked in worse places than company "B".

After a while, the complaining beats you down. After a while you say, "Hey, I'll be like everyone else and just put my time in."

Even though I like my job, I hate the company. We don't push or pull together. There is a lot of isolation and lack of good will, internal bickering, fault finding. There is inconsistency in direction and priority setting, so that people feel that in any given moment what they are working on may be thrown out or devalued because of the latest crisis.

Here it's like dog eat dog. Look after yourself because he's not going to, he's too busy looking after himself. I hate that. It's like, if I'm a group leader I have to kind of keep you guys down so that makes me look good.

Governing by the quarterly report or even by the monthly report, with people in terror of losing their jobs or having their pay levels or benefits cut, creates an angry, hostile spirit, the reverse of what makes people happy to be at work.

So much of what goes on here isn't right, within the management level to the workers. We have nobody to turn to to get help. We can't be heard, and we can't have a matter looked into without being punished for it by the immediate supervisor. In other words, do your job and don't ask questions. And don't say anything even when you see an injustice, it's none of your damn business.

It's kind of well, work there for 3 months until you find a real job. We don't have the reputation of being a good place to work, not like Wang, or Raytheon or Apollo. We aren't attractive to anybody. The ingredients are all here. It's like you're making a cake, the ingredients are all here. It's just a matter of how you blend them together. We could be the employer of choice if only things were different.

In Company "A", all the comments about the current level of company spirit were positive. Overwhelmingly, Company "A" employees describe the company as a high-spirited one. While acknowledging that slow economic times, the scarcity of resources and fear of the larger

economic picture put a strain on company spirit, people at Company "A" clearly appreciate the quality of life at their company, the respect with which management treats its "human resources." Employees feel proud of Company "A"'s reputation as an excellent place to work.

In Company "B" there were some neutral to positive comments. The positive comments mention an atmosphere of complaining but don't subscribe to it; or mention the positive in the negative, as in "I've worked in worse places." But in Company "B" the negative comments, many of which were highly emotional, far outweighed the positive or neutral comments both in quantity and emotional tone. Company "B" employees express divergent opinions about the current level of organizational spirit. There is a small core of employees who appreciate and believe in the company, who with some qualifications feel a sense of company spirit or the hope of building it. For the vast majority, however, the view that spirits are low at Company "B" prevails. For these employees, the company fails to fulfill the essence of what they define as company spirit. The frustration and the irony in their comments is that so many people express satisfaction with their work, and with their workmates. According to the interviewees, Company "B" offers challenging, exciting, interesting professional opportunities at all levels of the company. But their feelings of not being respected, appreciated, trusted, listened to or valued ring loud

and clear throughout all divisions and all levels of the organization, in all age groups, gender groups and degrees of longevity.

Changes Over Time in Company Spirit

When asked to describe how company spirit has changed in their organizations, employees from both companies mentioned a diminution of company spirit over time.

COMPANY "A"

Things have changed somewhat in the last 4-5 years. They used to stress that we were people-oriented, but I don't think they can be as people-oriented as they were before because we've grown, the competition is tighter. Years ago you could walk around and everyone would know everyone by first name. There are lots of people I don't know now. But I think overall they still try to do as well as they can for the employees. They don't like to let people go, they stay away from layoffs.

There's more sense of uncertainty of what the future holds that makes people nervous, retract into protecting their positions, protecting a system that's been good to them. They say, "Let's wait, the economy is going to get better, there's nothing to panic about." The economy is not going to get better unless someone makes it better.

Some of the newer employees are more interested in their own careers and development than in the team, using the company as a vehicle to meet their own goals. And if they can't do it here, then they would move out.

COMPANY "B"

I have seen a definite backsliding or downgrading of company spirit. A lot of it is because of the changes in management. You'll find that all the management, probably upper management, are very short-term people. A number of them come from Company "X", and there's a lot of antagonism between people who have been here longer and the new Company "X" people. There is a definite difference in the style. There's a lot of people-bashing that goes on now. The people here at Company "B", the people on the floor, they're good people, they are more than willing to try anything but they are so suspicious. They feel that everything has an ulterior motive. There've been a number of take-away programs, things happen that hit you in the pocketbook but seem to enrich other people. If everybody equally has something taken away, it's more acceptable. But when some people have it taken away and it seems as though it's given to other people, that's part of the antagonism and suspicion.

Absolutely it's changed. Every company is going to have some problems and some disgruntled employees, however, since this vertical project which you have probably heard about, I really view it as a total fiasco. We came into the project late, all our competitors already had the vertical system out. All of a sudden it's "Hey, we've got these deadlines, and YOU have to meet them. No if's, and's or but's." A lot of the deadlines are totally unrealistic, and people in higher up positions are being told that we can't meet them and they are saying, "I don't care, you have to meet them if it takes 7 days a week, 24 hours a day. You get these people in here and you do it." People are fed up. I hear it from so many people, even in the hallways. People aren't seeing their spouses or their kids. It's crazy. And now that it's done, do we get any appreciation?

Things have become demoralized, a lot of it is the economy. I came here in '88 when they were having a good year, leading to '89 which was also a good year. '90 is NOT a good year at Company "B" or anywhere else. The Massachusetts Miracle is gone, which affects all of us. But here again, I still want to say that we don't have or push down any enthusiasm from the top at Company "B". Even with the economy bad, I think there are things we could be doing to improve spirit here.

Remarkably, it is clear that *every* person interviewed at Company "A" feels that the company is a good place to work. The sense is,

however, that company spirit, although good, has deteriorated somewhat in recent times. The company is larger, people don't feel recognized by top management on a first-name basis, the situation of temporary workers is a sore point mentioned by a few. Some worry that a "paternalistic" company like Company "A" might be disadvantaged in a competitively cutthroat economic downturn, while others worry that the caring, thoughtful 'niceness' of the Company "A" culture might vanish as times change. The changes in spirit are attributed mainly to growth or to economic downturns in the larger environment.

In Company "B", company spirit has also changed for the worse, primarily attributed to poor management practices. Some of those interviewed expressed the view that in stressful economic times, it is to be expected that company spirit should deteriorate. Hard decisions need to be made about allocations of financial, material and human resources; and the pie gets smaller. The rosy glow of nostalgia for the good old days is also a natural phenomenon. Yet all those interviewed believe that the loss of company spirit is not caused primarily by economic hard times. The lack of direction, of respect, of enthusiasm from the top were all mentioned as components in the loss of company spirit.

Ways that Each Company Feels Like a "Family."

When asked to consider whether or not there was a "family" feeling at the company and how important that sense of "family" feeling is for company spirit, employees from both companies affirmed that a sense of family is very important, and affirmed that for better or worse, a sense of "family" did exist in their organizations.

COMPANY "A"

I think Company "A" is like a family. I think that if we were suddenly threatened terribly by someone from outside, if people really believed that something bad was going to happen to this place, then I think it would be like a family, we'd pull together.

I think it's more important for the organization to be effective and a family feeling is not going to make up for a lack of those things. Having said that, I think it is good if people feel warm and fuzzy about being at work and that the positive elements of a family atmosphere are good.

Company "A" is strong when there is a family problem or you really need help. They are good about giving you time off, anything they can do for you they do. In a crisis they're fantastic. We had some engineers that were trapped in the Philippines. Company "A" did all sorts of things to make sure they were okay. Those are the kinds of things you might expect your family to do for you, to organize and help and be sympathetic and stay in touch with your problems.

COMPANY "B"

I think the idea that I spend a third of my hours here in a given week, most of my contacts outside my family are here, it has a lot to do with my physical and mental health, so yeah, I would like to feel, when you say a family, a feeling of closeness and bonding, of identifying as part of that, and wanting to feel that way. I think it's important.

Any time you put 40 plus hours a week of your life into anything, I mean you spend more time with your fellow workers than you do with your wife. It becomes a family whether you want it to or not. Now whether it's a dysfunctional family is up to you. Maybe it's a terribly abusive family or maybe it's a hateful situation but it's still a family.

This is a big family here. And people are upset when they see bad things happening and they take it personally. It's not because people don't care... it's because they DO care and they want things to be good.

In both Company "A" and Company "B", the sense is that for at least most folks, both companies feel like a family. Sometimes there's conflict, sometimes adversity, sometimes dysfunctional elements in the family. But "when the chips are down," people believe that in each company folks pull together and work for the common good. In Company "A", there is more of a feeling that people are happy to pull together for the common good because the company works for them. In Company "B", there is more of a feeling that people resent being pushed to pull together, because they don't feel that same sense of reciprocity, of being taken care of by the company. Family loyalty tends to be strong in functional as well as dysfunctional families, however, and that phenomenon holds up in both Companies "A" and "B".

Factors that Contribute to Company SpiritCompany "A"

Money & Benefits
Good Supervision
Opportunities for Socializing
Good Orientation
Participation in Decision Making
Communication
Clearly Articulated Goals
Creativity
Being Able to Grow Professionally
Pride in Company's External Image
Seeing the Larger Picture
Interacting with Other Groups
Feeling Respected
Opportunities for Collaboration

Company "B"

Money & Benefits
Good Supervision
Opportunities for Socializing
Diversity of the Work Force
Employee Committee

Company "A" & "B" Positives

Employees from both companies list money and benefits as a positive factor in building company spirit.

COMPANY "A"

People who work here feel amply rewarded, have good benefits, have good security, which can influence in positive ways. I could be paid more and I think everybody would tell you that. But the advantage here is the benefits. We have a great retirement plan, and we have 401K with matching. People can put together a plan which is state of the art and when they leave Company "A" they can take it with them.

Everyone here is salaried, even janitors. All the full time help is. We've got a couple of different salary plans. I'm guaranteed 40 hours but if I work overtime I also get paid for that at time and a half, so it's better than some other salary plans. People here are trusted not to take advantage of being able to leave, and people get paid for being at the dentist or something.

COMPANY "B"

One of the nice things they do here, it started about two years ago, they came out with a quarterly cash award program they take I think it is \$5000 and they have a committee that is made up of top management. Supervisors nominate people in their department for a quarterly award that's a cash bonus for kind of going above and beyond the call of duty. If there's one person that really stands out, maybe that person will get \$1,000 and the next person may get \$800 or \$750 or whatever. I think the least amount is \$250. These awards are given every quarter, usually about 7 or 8 people get them.

There is an incentive plan. Or there was, I don't know if they have it anymore. Come up with an idea, they pay you money for it. I haven't heard of anyone getting it in the last couple of years.

The bonus plan, giving something back when the company is profitable, is nice. Bonuses depend on your level. For me it goes anywhere from 0% to 9% of my pay. It usually goes that non-exempt and hourly people will get a certain percentage, salaried or exempt people will get another percentage, and then I believe anybody who is a director or above is into a much higher category.

At Company "A", although there was a desire for a dental plan and concern about profit sharing, people realized that money and benefits, when equitably distributed, were not the basis for company spirit. It is clear that Company "A" employees were generally satisfied with wages and benefits. In Company "B", employees generally didn't feel that rewards and benefits were equitably distributed, or that the reward system as it is currently designed contributed to company spirit. However, there were several interviewees who recognized the positive elements of the reward system that Company "B" offers, particularly the quarterly cash award program.

Employees of both companies listed good supervision as a positive factor in building company spirit.

COMPANY "A"

Within a department or division, your manager is pretty much able to call the shots, even if it deviates from company policy. If you've got a good manager, you've got it made. But if not, life can be miserable. The boss I have now is more aware, more in tune with us and with helping us.

I have worked for some very tough bosses and respected them, liked them, drank and ate with them. Not hated them. And they've been the nastiest bastards to me in the shop. They've been clear and fair. They came down hard on me but they wouldn't let anybody else, because that was their territory.

You have two types of managers here. Some are very goal oriented and not so much concerned about the people. Others are more people oriented. These managers tend to socialize with employees, treat them like friends as well as workers, and have more loyalty from their employees than the managers who manage by the books.

COMPANY "B"

Most of the people in top management are decent. The few that aren't unfortunately have influence over a significant number of people. That's the important part. The number of poor managers is few but the percentage of the population here they impact on is the largest.

Like I say, I have the utmost respect for my boss and that's why I'm gung ho. I know he's a hard worker and he's been with the company many years. I give him the best I can because I know he appreciates it. I'm sure they know he is one hell of an asset to this company, but if they don't know it they are fools. He works very very hard. You won't find another unit manager with his sleeves rolled up out there inside those furnaces. He cares.

I like him very much. He's probably the most decent person I've ever worked for. Good people skills. So his leaving is a real loss to me. I think he'd still be here today if we had this overabundance of what you call spirit and enthusiasm. He'd still be here, because for him it would have been an opportunity to really make things better. I think he suffered a significant amount of frustration and then when this other job came up, it became even more enticing. It's a shame because I think we lost ourselves a nice human being and an extremely competent person.

In both companies, those who believed their direct managers were good people to work for immeasurably appreciated their working situation. And in Company "B" in particular, they didn't hesitate to name names. It is clear that good supervision contributed to the positive feelings employees expressed about their company.

Both companies' employees listed the opportunity to socialize with other employees as a positive factor in building company spirit.

COMPANY "A"

Certainly my manager is good about keeping his people. At least once a year or maybe twice they go over to his house for a barbecue with the wives. This business of socializing with the managers is something that used to happen here a lot, and tends not to happen as much now. I think that's unfortunate. It can be a nice relationship without this "I'm your Godfather" image.

The company understands the value and they make the effort. They give each department so much per head for group picnics and social activities.

We have within our division what we call AA parties, or Attitude Adjustment parties. And people take turns having them at their house. Everyone brings a salad or whatever and the hosts provide the beer. When you start seeing things get tense at work, someone will usually say,

"OK, it's time for an AA party," and that really helps get things back on track.

COMPANY "B"

The company picnic is fun, it's oriented towards children. It's nice of the company to have the outing, they select a beautiful place, it was really a nice day for the families. Every time I go I enjoy it and whenever I can't go I hear it's a good time. Then they had a little ice cream party the other day to celebrate the vertical furnace, I thought it was nice. I took it to mean it was their way of saying thank you to the people for their efforts.

I think the socializing part is very important. I think it's easier to know a person and it's better to work with someone when you know his family circumstances, and when you know his wife and children. It creates like a working friendship.

Like my department, we all break together. And we all sit at our own table. I know everyone on the floor and I get along with everyone, but we all tend to sit together in our little department. Everybody knows everybody else but you have your own certain little group which makes it fun.

You can look at some departments, all of the secretaries up in one person's area all eat lunch together. They all cover for each other, they have baby showers, at Christmas they all have this big buffet and everyone is very friendly. That makes the job so much more enjoyable.

The weekly Friday raffle is lots of fun, it's like a little extra. They have a raffle which goes towards flowers, people go into the hospital, employees, any deaths in the family. The company does send out flowers and they give out cash prizes, so a lot of people participate.

I think the social activities contribute to company spirit, but I also think they are a kind of a measure of spirit. The fact that people want to do these things reflects their feelings about the people they work with.

Interviewees in both companies mentioned the value of socializing with co-workers in terms of creating company spirit, and several mentioned that their opportunities to socialize at their company have been rewarding and contributed to their sense of belonging. Company "A" interviewees mentioned socializing much less frequently than their counterparts at Company "B". It is interesting that commitment to fellow workers at Company "B" is higher than commitment to fellow workers at Company "A". The desire to take time, and the time actually spent in socializing, either contributes to commitment to one's co-workers, or is, as was stated by an interviewee in Company "B", a reflection of that commitment.

These three criteria, money & benefits, good supervision, and the chance to socialize, were the only ones both companies listed in common as contributing to company spirit. Company "A" interviewees listed eleven other criteria which contributed to company spirit, while Company "B" listed two other ones.

Company "A" Positives

The criterion most often mentioned at Company "A" was good communication. People appreciated the company-wide quarterly information sessions and breakfast meetings with the CEO and top management, where they could hear their rationales for decisions made, ask questions, give opinions. The Monday managers' meetings were also clearly an important link in communication and coordination.

The managers go around to a section of the building, the departments will shut down, gather round and hear the latest. I think this communication gives people a sense of direction. They actually do it 4 times a year, it's something they don't have to do but they do it. They talk about if it's bad, they'll say it wasn't as good as we'd like. But they always try to keep a positive face, which is nice. They provide financial information, maybe above and beyond what they need to. We feel included.

Generally this company is quite open. They show their warts and blemishes to the public. Some companies don't like to do that, they are secretive. They often miss the opportunity to use communication as an enthusiasm builder. I've worked for companies like this one and very few of them do this well. Here, the top managers field the negative questions and if business conditions are compromised they let us know that and what the implications are.

Another factor mentioned at Company "A" was being able to participate in the decision making. In some areas of the company, employees felt empowered to participate in decision-making at their own levels of responsibility. This empowerment seemed to depend more on the communication skills and interpersonal skills of individual managers than on a corporate culture which values and even more

importantly, which provides mechanisms for wide-spread participation, however.

If my manager and myself didn't agree, then he'd do what he thought was best, which is what he is supposed to do. But there's always two heads which is a lot better than one, and he always listens to our ideas.

You may not make the ultimate decisions, but usually you are encouraged to put your thoughts down on paper on this particular subject and send them up.

Recently I was concerned about a safety problem and I went to my supervisor and I said, "I think we need a guard on this machine." He didn't agree. So I talked to him again and got him involved and ended up putting one on. He ended up by saying, "Well, if you think we need one, then do it."

It depends. Some things are brought up and discussed but we don't make final decisions. Other things we can make decisions freely, as long as someone isn't going to get hurt. If you can do something better, than you can do it. You don't have to get permission.

Company "A" employees mentioned a well designed orientation as a positive factor in building company spirit. The value of a structured, well-planned orientation in building a strong and positive organizational culture is undeniable. Everyone at Company "A" mentioned being involved in an orientation that facilitated his or her ability to "hit the decks running." The format was the same for all employees... a chance to meet for an hour or two in a small group with the CEO and VP of HRD, to know these people and be known by them; a chance to learn about the history and the structure of the company, the

cast of characters who runs the company. The HRD department covered the paper work, tax forms, I-90's, benefits decisions, and the company manual. And finally, each supervisor had a check-list for orienting new employees to the job. A first lunch out was customary for all new employees to establish friendships with at least one or two co-workers.

COMPANY "A"

It's very important, if it was artificial and the company couldn't support the image it portrayed at orientation it would be damaging, but that isn't the case. The image is believable during orientation and then in most cases the reality matches.

I had two and a half weeks spending time with every department in the company, talking to the managers and the staff, finding out who did what. My boss organized this great curriculum of activities to go around the company, it was great. He arranged for me to have lunch with a different person each day of my first week, which was great. A lot of work discussions and "breaking me in" happened at these lunches, but it was also a chance for me to make friends with co-workers and feel a part of the group. Compared to other companies I've been with like Wang and Digital, they didn't have this kind of orientation. Company "A" has a good idea.

The initial orientation, the CEO and the VP for HRD invite new employees in groups of about 10 or 11, to the museum. They spend an hour or two discussing the company, its history, what we do, where we come from, what we believe in. They answer questions and encourage people in their best efforts and try to explain that they support the workers and about the open door policy. And we have a regular personnel check list to make sure each individual supervisor covers all the important things in orientation.

If the company hires me, which they did, and they pay me well, which they do, and then they sort of drop the ball, it kind of makes me wonder what kind of commitment I am going to get out of them. I mean, if they are not going to take any time to point me in the right direction it would leave me with a weak impression of the company's backing and support. A good orientation is a positive message that doesn't cost the company a lot of money and it makes a big difference here at Company "A" to the positive feeling people have about the company when they first arrive.

Another frequently mentioned criterion for building company spirit is clearly articulated goals. With only one exception, everyone at Company "A" who was interviewed knew the company goals and articulated them proudly: to build a quality product responsive to the needs of customers, to be a caring employer, to provide economic benefits to shareholders and employees, and to make a contribution to the local community. In the case of Company "A", it was clear that these goals are the basis on which strategic decisions are made. Folks in the company's local community believed that Company "A" was an excellent employer and contributes substantially to the community in numerous ways.

One of their goals is to grow, another is to be the company that everyone wants to work for. They like to stay state of the art, a high tech company, have a good reputation and be respected, and of course they also want to make money.

Company "A" has pride in their company, in their product, and in their reputation in the community. There are machines we sold decades ago, we will get inquiries that a customer just bought this 30 year old Company "A" machine which is humming away and all it needs is a new manual and can we send one.

Company "A" is community oriented. I see a much higher level of caring for the employees than I've seen in other places. They are genuinely concerned to provide a clean, safe, healthy, happy environment. They want to be a good corporate citizen, and the company works hard at that corporate image. Look at the building they put up at the local college, look at the way they match employees' contributions to charity, look at the way they allow their people time to go out and serve the community.

Another criterion at Company "A" was creativity. Interviewees mentioned that being in an environment that encourages and supports taking risks with new ideas allows a high degree of creativity which is stimulating, and which contributes to company spirit.

We are open and we solicit people's input, we encourage creativity and energy. It's hard because often the people who have the most creativity and energy want change faster than the organization can assimilate it and they tend to irritate the people who don't want to change, who aren't as creative. If an employee regardless of what level wants to learn about a part of the business or to make a contribution, the information is made available to that person in a free way.

Our business is creative, not because of something mathematical or mechanical; it's people who are being creative in doing their work, which requires a positive attitude and a high level of spirit to achieve that kind of creativity.

Also mentioned by nearly every interviewee as paramount to building company spirit was being able to grow professionally. The majority of interviewees reported that the opportunities for personal and professional growth at Company "A" abounded. Their ability to access these opportunities wasn't always as clear as the realization that the opportunities exist.

They have given me an education that I never would have gotten in some other place. I am secure; I can contribute. I can make my mark here. I'm much better equipped to do that than I was when I came here, and it's because of the learning environment of the company.

Knowledge is what makes the engine of the company go. People should be continually challenged to reach for more, and mostly that's the case here.

At this point I've been here around 9 years. I've had a different job every two years, I grow into them and develop and continue along. If the company continues to recognize good performance and continues to reward me I could stay here forever.

I fought so hard to get into Company "A" in the first place because there were so many opportunities here of stuff I was interested in, a cornucopia, really. I am very pleased that I have been given the opportunity to learn and try new things.

Also mentioned was pride in Company A's external image. People at the company, from top to bottom, spoke with incredible pride about Company "A"'s image in the local community, in the state and in the region.

Company "A" is highly respected in the community, we try to be the highest in donations for charities, be a good neighbor. People when you tell them you work at Company "A" are impressed, maybe envious. So the company enjoys a good reputation from outside its walls.

When I took the job and started looking for a house, the real estate agent said "Oh, you're working for Company "A"! It's a great place to work. You're set for life. Company "A" is loyal to their employees." And then when I went to the bank to get my mortgage, all I had to do was tell the loan officer I was employed at Company "A" and the paper work went through right away. I felt good about the company right from the start.

They try not to upset the balance of things, they don't put up towering whatevers and billowing smoke. They maintain a spirit of small-town modern industry which the community appreciates.

Employees noted also being able to see the larger picture. Employees at Company "A", especially those in middle and upper management, reported the satisfaction of being able to see how their work tied into the larger picture. Those at lower levels of the company expressed a desire to be part of the group "in the know."

It helps to know what other people are up against. If I know that the people I give my drawings to are trying to do something with them that I had no idea they were trying to do, and there's a way I can make them better to make their job easier, I'll do it. And I get frustrated when somebody gives me something and I don't understand why they are giving it to me like this.

If you are privy to all this exciting information, I think it's easier to get a sense of "Wow, this is a good company, look at what we're doing."

Service! It's a lot of nonsense about America being a country for service industry. All service industries do is move around money, they don't make anything. If you don't have a farmer, you don't have food. You can't all be a distributor or a merchant. And manufacturing is the same way. If we don't build our cars, our TV's, we better get used to not using them. Here at Company "A", we ARE building things, adding value to raw materials through our hands and our brains. I believe in what we're doing at Company "A"!

Another criterion mentioned by interviewees from Company "A" was the opportunity to interact with other groups throughout the organization. Company "A" employees at all levels of the organization reported feeling comfortable about going to another department or division to get or clarify information, or to discuss common problems. Even where there don't seem to be structured mechanisms in place for interdepartmental interaction at lower levels of the company, people did feel free to cross departmental lines to get what they needed.

Often the scope of the responsibilities forces you to come together. Usually there are product problems, product shipping problems, manufacturing problems, development problems, marketing problems. We are pretty much constantly getting together to iron them out.

One of the strong points here is that we facilitate informal cross-functional communication. We have a lot of task forces. People are encouraged and supported to pull together even if they happen to be out of a given formal chain of command.

What is interesting is the term called "internal customer." We've got this formal production schedule which is prioritized. If we do his work before your work then these 30 people are going to suffer, so if we go back and take things in order, we aren't sensing the urgency, the need to figure out in a creative way what we need to do to satisfy your immediate needs, you being our internal customer. We are working on that problem.

Another positive factor mentioned was the respect with which management treats its employees at Company "A". Employees felt universally respected, they felt free to hold and articulate divergent opinions, they felt safe from unfair work practices, and many of them began the interview stating that confidentiality was not an important issue. They would have been comfortable telling anyone at Company "A" what they were telling the interviewer.

This is one of the few corporations... it's almost like America in here... where you can actually come in and say what you think. It's unlike other places I've worked. You don't have to leave your rights at the door.

Anybody here wouldn't worry about confidentiality, and wouldn't care if the CEO sat in on the interview. I've seen people get reprimanded, but not for what they've said. If it happens here, I've never seen it or even heard a rumor of it.

When I see things that need to be changed, I'm not fearful. I won't have a bad mark against my name because I stepped on somebody's toes and said something.

And finally, collaboration between divisions and between co-workers was mentioned as an element that contributes greatly to company spirit. Although Company "A" employees recognized the potentially competitive nature of organizational life, they believed generally that

collaboration and cooperation are conditions far more likely to be displayed at Company "A" than is internal competition.

In general people want to help each other, they want to be involved, especially people in other areas of the plant want to help us with the development end. There is a great willingness to help or contribute to the development aspect.

There is certainly an amount of protectionism, but in general if I were to go to another department with a problem and express a need, people are very receptive to working together.

Company "B" Positives

A strong positive force in Company "B" is the diversity of its work force. It was universally felt by all queried that Company "B" is comfortable about accepting people with ethnic or racial (but not gender) differences. Although it is in many ways easier to work closely with people similar in culture, values, background and interests, it is clear that organizations which foster diversity and incorporate and encourage differences are more creative places to work.

Even though there are sometimes communication problems, these people are really educated and if not educated they are very skilled. I love working with the different people here. If there's prejudice, it's not here at Company "B". I have never heard of a racial incident here.

You get all kinds of people here. Old, people, young people, got a couple of Black people, some Indians, Asians. They all seem to get along together as far as the work force. There's no discrimination. I mean, I get along good with everybody, and so does everybody else. I never hear anybody referring to anybody in any kind of slang terminology.

There is one Jewish manager that reports to the CEO. I don't think there are very many Jewish people here, but I don't necessarily think that's a reflection on the company not wanting to hire them. I just think that's the way it happened.

We've got a lot of minorities, partly because of our geographical area. This area is known for having a large Cambodian, Korean population. Some of the supervisors out there would rather hire a minority person, because they've got a stronger work ethic.

Finally, several interviewees at Company "B" mentioned appreciating the Employee Committee. There were many who felt it could be doing much more in terms of interfacing with management and in terms of serving as an upward communication conduit. But in its role as an activities committee and handler of the ceremonial flowers and cards, it was felt to play a useful and positive role in the company.

The employee committee sends gifts, cards and fruit to people that have been sick or who have a death in the family. I think that's good.

The employee committee, it's excellent. They are from all different departments within the company, from the model shop right through to the secretaries, the managers. They are listening, taking the ideas and implementing them if they can.

The year that I was in, the employee committee implemented probably 30% of the ideas that employees gave, from changing the employee service awards, to places to hold the company picnic, and things like that.

The employee committee could do safety issues, bring up bigger issues about how we communicate, how we coordinate, how we do things in the company. The employee committee is a good idea and has the potential of playing a major role in the company.

Factors that Detract from Company Spirit

Company "A"

Poor Supervision/Leadership
 Communication (top down)
 Not Being Heard (bottom up)
 Inequities between reward &
 effort
 Need for Career Development
 Training Opportunities
 Compensation & Benefits
 Organizational Systems
 Hierarchical Decision Making
 Internal Competition
 Political Roadblocks to Advancement
 Getting Needed Equipment
 External Competition

Company "B"

Poor Supervision/Leadership
 Communication (top down)
 Not Being Heard (bottom up)
 Inequities between reward &
 effort
 Need for Career Development
 Training Opportunities
 Compensation & Benefits
 Organizational Systems
 Hierarchical Decision Making
 Internal Competition
 Lack of Clearly Stated Goals
 Inconsistency
 Lack of Recognition
 Layoffs
 Employee Problems
 Lack of Orientation
 Scheduling
 Gender Issues
 Top Management Team

Company "A" & "B" Negatives

Employees from both companies listed poor supervision or leadership as negative factors in detracting from company spirit.

COMPANY "A"

I'd like go into my boss's office and say, "I've got this great idea." And him tell me, "You're full of shit. It won't work and I am not even going to consider it." Instead of saying, "I'll think about it, I'll get back to you, maybe possibly, could be."

There is one person in my group I'm being required to work with, it's very difficult for me. It's been known by other managers that we don't work well together but we've all of a sudden been put on the same project and other managers shake their heads as to why this is going on but my manager has made the decision.

I'm at the mercy of what the manager wants to do. He doesn't know. I don't know. I used to be on the road often helping customers, which I enjoyed. They'd call, I'd be on the phone 20, 30 calls a day. I get satisfaction out of that, helping them. Now I don't do that. So am I supposed to work hard and try to get back to do that? What I want to do doesn't seem to matter.

COMPANY "B"

One VP in particular intimidates people. He gets pleasure from it. He wants his hands in everything and he wants people to know he's the boss. And I think that's why they had the reorganization the way they did. The VP of marketing has since left because he disliked this fellow. The VP of sales left and he disliked him a lot too. The VP of Product Engineering, it was a known fact that he had his resume out because he couldn't work with this fellow either, so that's how they had the reorganization.

It all depends on the manager. If your boss doesn't like you you are not going to get zero. I used to have excellent reviews on this side. Mike was one of our managers, he was real good. Then I went over to the other side, they are different. I got some lousy reviews over there. I couldn't believe it. I'm still in the same company, I'm still the same guy, what changed? It's just that I find, and this is my personal opinion, that they have supervisors that are very very young and very inexperienced and they are like little kids with the power. They are really not mature enough to be in that position. They get moody and they take it out on us.

Supervisors have friends which is the case that is going on right now. Those friends can do no wrong. They can commit the biggest crimes against the company and it's fine. As I told a supervisor, "Do you remember when you were on the bench and worked hard for the company day by day yet you saw another person that didn't do an hour's worth of work and yet got the best raises, walk out the door and come back whenever they wanted and get paid for it because the supervisor liked them? Did you like that?" He said no. I said, "Then why in hell do you think, because now you're a supervisor to these people, that they should have to put up with it either? Why be motivated to work hard and then see three or four people, same ones day in and day out, not doing an hour's worth of work the whole day? Shape up!" I told him. And he said, "Mind your own business."

Those who worked at both companies who viewed their immediate supervisors as ineffective spoke powerfully about the impact poor supervision or leadership has on their pleasure at being at work, their sense of self-esteem, their sense of being appreciated, their ability to be part of a high performance team and to contribute their maximum effort to meet organizational goals. At Company "A", those who felt their leaders were poor were generally people at the lowest levels of the organization. The major problems seem to be with new first-line supervisors who lack interpersonal skills and supervision experience.

At Company "B", those who felt their leaders were poor were people at all levels of the organization. There are major problems with untrained first-line supervisors, but there are also problems with supervision and lack of interpersonal skills which appear to be pervasive throughout the company. The problems of poor interpersonal skills, unwillingness to appreciate the work of subordinates,

Inconsistency in applying the organization's rules, unwillingness to listen to subordinates, were ubiquitous.

Both sets of employees listed ineffective top-down communication as a negative factor in detracting from company spirit.

COMPANY "A"

Take your Vice Presidents. They are the people that are communicating. They do a very good job. It stops there. The divisional and middle managers are not passing that communication down. The line people get that information from the VP's at the quarterly meeting. That's all.

The company newsletter is poorly written and boring. Most people say that they throw it away.

They meet resistance in the plant when people don't understand why things are happening. They may know WHAT, but they don't know WHY, which is when they fail.

COMPANY "B"

They have sold units where some of the major software and stuff wasn't even invented yet and engineering wasn't even aware of what sales was selling. Some salesman just promised the customer he could have this. And somehow it didn't get documented and we built the unit and the day before it was shipped we found out it was supposed to have this capability.

The company newsletter is intended to be an employee newsletter but there's no employee information in it, it's sales. And the reason for that is top management hands it out to customers. In my opinion, you should either have a customer newsletter or you should have an employee newsletter. Or, you could have a customer newsletter with an employee insert.

I think it would be good for the CEO to call everybody into the cafeteria and tell them what's happening. I think a lot of people get nervous and that's when people jump ship. They are knocking on the company next door saying, "I need a job because I'm going to get laid off tomorrow," when that's really not the case.

We don't communicate well with our employees. We say we are going to do something and then we do something else. And that's fine if we explained a reason for the change. But we often do something different without any explanation so the people feel that they are being lied to or ripped off when in fact all good intentions sends you off in the different direction. So I guess communications would be something I would change.

In both companies, there were negative comments about the company newsletter, which was seen as a public relations effort directed at customers and suppliers rather than to meet the informational needs of the employees. In both companies, employees mentioned not feeling sufficiently informed about what was going on in other parts of the organization to be able to understand and support other divisions for the good of the whole.

At Company "A", top management's efforts at downward communication were greatly recognized and appreciated, but middle managers were sometimes seen as ineffective at keeping the communication flow going down through the channels. There was some frustration expressed about not understanding the reasons for decisions. At Company "A", lateral communication goes well in the sense that people on equal levels felt that they could approach counterparts in other departments to get the information they needed. But they reported not always knowing what information to ask for, and they reported the occasional frustration of "the right hand not always knowing what the left hand was doing."

At Company "B", interviewees felt strongly that top management needed to make a greater effort at downward communication. Company "B" employees didn't feel informed about decisions or reasons for them. They didn't feel they had complete or accurate information about organizational goals, priorities or processes. They felt handicapped in completing work in a timely and efficient manner because of lack of information. They felt isolated from communication with other divisions and other departments. And most importantly, they felt that they couldn't trust what they hear, that the grapevine was more accurate than official communication, that decisions got changed without informing employees, so people were left never knowing what was a firm decision and what they could count on.

Both sets of employees listed not being heard, or bottom up communication, as a negative factor in detracting from company spirit.

COMPANY "A"

Communication should work two ways. Those at the top are lacking information. First line and middle managers don't do a good job at passing stuff back up the line. Every employee should be part of a communication meeting, monthly at least, which means department managers should sit down with their employees and find out what's going on. Ask how they can do their jobs better, get people's ideas.

We've all talked to the previous management of our division about these same issues and it's fallen on deaf ears. So what we are doing as a group is forming our own meetings to define our concerns so that we can offer suggestions. Our manager hasn't been part of these meetings. He knows about them and he isn't 100% happy about them. We meet during work hours once a week for about an hour or so, relatively short meetings so people keep the discussion relatively to the point. Even if management doesn't listen to us, we at least are able to listen to each other.

If people are a part of it and can make suggestions and help make the end result more positive for everyone and feel heard, it would be better. People who haven't been heard are, in general, very dissatisfied.

COMPANY "B"

I don't feel appreciated, not a bit! I feel used. When I talk to my superiors I try to be a friend to them and tell them what's going on out there. So they can't say they aren't aware of the problems we have. But they in turn make you feel like it doesn't matter.

There should be some kind of channel where people can throw out what's bothering them and what's unfair and unjust. Open a line to whoever has the power because it's the general consensus here that as things stand, you get no results in solving what's bothering people.

I don't hate managers. Don't get me wrong. We have one fellow that comes down and he'll say to me, "This is going to be ready tonight, right?" And I'll say, "No, we don't have the parts." "Oh, it's got to be ready tonight." You can't tell him. He won't listen. It drives you crazy. In our department we drew an imaginary line. On that side of the line is fantasy land. They only know what they want to know. When you step over to this side, this is reality land. This is the truth, it won't be ready tonight. They'd much rather hear the fantasy. And it works all the way up to the top! All the way up!

At Company "A", employees recognized that top management makes a great effort at downward communication, but the sense is that upward communication is a lower priority. Questions get asked that people perceive not to be answered in a timely fashion, opinions get shared with supervisors that people perceive to go no further up the line. Employees in one division took matters into their own hands and met to discuss their problems on company time. While management wasn't "100% happy" with that, it wasn't forbidden.

At Company "B", employees were as upset about downward communication as about upward. They wished that top management would make a greater effort at communication to the employees. They also strongly felt the need to share information and problems up the line. People had questions that they were fearful of asking, they had ideas that they felt weren't wanted or valued, and opinions were either not shared with supervisors, or if they were, people perceived their opinions to go no further up the line. It would be difficult to imagine Company "B" employees meeting to discuss their problems with management during company time, and no one at Company "B" talked about ways to deal with their problems. There was no sense of empowerment, just a sense of discouragement.

Both companies' employees listed inequities between reward and efforts as a negative factor in detracting from company spirit.

COMPANY "A"

It's not how much I make that counts. It's how much I make compared to the guy sitting next to me. There is a huge range of compensations here for similar tasks.

If I had some people working for me that weren't meeting my expectations, I would be hesitant to take strong action because the company tries to be kind to its people.

It drives me crazy when they hire new people and pay them what they can get on the open market outside. You have to pay at least that or you're not going to get good people. When they hire new people on this basis they should by rights pay the old people what it would cost them to replace the old people.

People get across the board raises, not raises relative to what they are worth on the outside market, which puts golden handcuffs on some people while others are underpaid relative to the rest of the world, and they get disillusioned.

COMPANY "B"

They took our pay raises away first for 3 months and then for 7. That that really affects our morale. They say top management also loses their raises, but it's all a percentage thing. The managers, it doesn't hurt. The regular workers, it hits them at home. They have no other way to get money.

There is an inequity in the pay structure of old time employees vs. newer employees. It causes a lot of animosity. Newer people are getting much higher salaries.

Normally what has been done in the past is that the company would close down for a week. And you could take a week's vacation if you wanted. Somewhere somebody came up with the great idea "Well, why not just work them without pay?" I can just see it! Wow! Can we do that? And sure enough, that's what happened to all exempt employees.

There are pay inequities in the sense that we have in the past 5-6 years brought in an influx of people who have been given large salaries, bonuses and stock options and I find it difficult to figure out what the hell they are doing. Over the past year the company has suspended bonus payments, raises and 401K contributions. And the feeling at my level of the company is that these cuts are to provide money to pay the new big shots. And whether or not that's true, that's the perception, and it's very dangerous.

While people at Company "A" acknowledged that they might earn more working in other parts of the country, they universally believed that their salaries and benefits were satisfactory, especially when considering quality of life issues such as job security, the location of the company, its freedom from urban problems of overcrowding, pollution and crime. In spite of economic setbacks, the company has

not cut pay raises or failed to match the 401K savings plans of the employees. Bonuses based on profitability have been the only reward to be currently cut.

Employees at Company "B", however, were deeply resentful of what they called "take-away" programs. They have lost their matching 401K program, they have lost their bonuses, they have lost their raises. And exempt employees have been asked to work for an unpaid week.

Employees at both companies, whether or not they were satisfied with their basic compensation programs, felt dissatisfaction and demotivation from internal and external inequity issues. Both companies' employees expressed dissatisfaction with new people brought in at higher salaries than old timers; both resented co-workers who do less than their share for the same compensation. If work loads are seen as unfair, if people believe that others "get away" with things because the culture of the company is to be kind and nurturing to all its employees regardless of their ability to produce (as is the case at Company "A"); if people of given talents, experience and job titles feel that less senior employees with similar qualifications are earning more simply because of external equity issues, company spirit is clearly affected. And if the same problems exist because the culture of the company is to treat favorites on a different standard (as is the case at Company "B"), company spirit is even more deeply affected.

Both companies' employees listed absense of effective career development guidance as a negative factor in detracting from company spirit.

COMPANY "A"

Personally, I'm to the point I feel somewhat stifled. I've tried to make that clear to my manager, but our group is understaffed and he needs me where I am. He doesn't take the time to help me develop in my career. It's hard for me to be doing the same things I've done for the past few years. No growth.

I know I do a good job, but I don't have the style or whatever it takes that gets the recognition. I'd like some help, some advice with moving ahead.

There's a good program here for taking college courses. Whatever you want to do it's there for you. But there's no one to sit down and discuss what you ought to do, like we are talking now. No one to help you figure out what you want and how to get there if you do know.

COMPANY "B"

I need feedback. I've been requesting a performance review once a week for the past few months, and every week I'd raise it with my boss saying that I thought it would help, clear the air, set priorities. It hasn't happened. I don't feel that I'm building toward any kind of a future here.

There is little emphasis on the training that would help people grow in this company. It's badly overlooked. They have to consider WHY somebody is in the position that they are, that people have future plans and goals for themselves. Now that the CFO has left, our controller who I'm sure doesn't want to be a controller all of his life, the next step for him would be to step up. He's been controller for many years and he's capable of handling a promotion, they don't even consider him. They don't think about training him to be ready, and they don't think of considering him when the person above him leaves.

The universal human desire for growth, stimulation and development

is an important issue in building company spirit. People who feel excited about what they are learning or how they are developing are clearly likely to be enthusiastic and committed to organizations that provide those opportunities, just as those who are put into jobs for which they have little interest or skills will feel discouraged, ineffective and therefore unhappy.

While both companies provide excellent educational benefits, there are many in each organization who said they didn't know how to use those benefits. Several interviewees in Company "A" mentioned that they didn't know the opportunity to take courses was for them, but only for people higher in the organization. Several interviewees in Company "B" mentioned not knowing about the company's educational benefits. Three quarters of the surveyed populations in each company were interested in professional growth in their organizations. In Company "A", 50% of those surveyed believed it was possible to grow in the company but they needed guidance on how to do that. In Company "B", 23% believed it was possible to grow in their company. Those whose supervisors were sympathetic to the desire for career growth and who helped sponsor that growth created significant commitment on the part of those employees. Those whose supervisors were not sympathetic and who did not sponsor that growth created significant animosity.

Employees from both companies list absence of effective training opportunities as a negative factor in detracting from company spirit.

COMPANY "A"

Most managers, supervisors like myself, have had no training in it, really. I went to a one day seminar, it was interesting but like any one day seminar, if you come away with one little thing that you do differently that's a lot. It doesn't change you a whole lot or last too long. I think you need constant training in being a manager, rather than just once a year going to a one-day seminar.

It's almost a mystery how people become experts at Company "A". There's a real fear of education especially among the people that don't have it. They don't want professors coming in here and teaching us about MRP or CAD. They really think that they are so unique here that the only people that can come up with solutions are the ones that live here.

COMPANY "B"

In the past 5 years I went to one training session that was on the computer system that we use, which was so basic that I learned things I've already been doing for a long time. I'd like the chance to learn some new stuff.

The company doesn't invest in its employees to cause them to be promotable. Taking what I consider to be the crown jewels of the technically intensive company, their scientific staff, and not forcing them, let alone permitting or encouraging them to go to technical conferences, to build learning networks outside the company, is in a word nuts.

There are people who have a lot of turnover in their departments because they are poor managers. No one is helping them learn people skills. There are some managers that are just dying for that help, and there are others who need it who don't even know they need it.

Training says to the employee that we are taking an interest in how well you do, we are taking time and money to invest in you, we care about how well you do here. Here we have on the job training, and this training is only as good as the guy next to you who's willing to help you out.

Training obviously plays a major role in career development and growth. While the mechanisms for training exist at Company "A", the ways employees access those opportunities are not clear enough. External training opportunities run by professional organizations are available to Company "A" employees, and top management reports funding and encouraging employees to take advantage of these opportunities, yet at least some of those interviewed were not sure which ones, or how to become involved. Those who did report going to professional meetings and seminars mentioned how valuable they were.

At Company "B", very few employees surveyed reported that there were training opportunities available to them. The few who did mention any kind of training beyond haphazard on-the-job training said that the opportunities available were poorly designed, insufficient, and not specifically geared to the needs of the employees.

Educational benefits at both companies are excellent but without guidance, employees are unable to make use of these benefits. Both companies have approximately 600 employees. Both companies need to do better on training first line managers in supervision skills. Formal, ongoing, in-house supervisory training for new first-line managers doesn't seem to be in place.

Employees from both companies list poorly designed compensation & benefits programs as a negative factor in detracting from company spirit.

COMPANY "A"

Sometimes we reward people who are skillful at avoiding controversy, rather than those who make a genuine contribution to the value of the company.

My wife has a dental plan at her company and we don't. She has more in the way of retirement and other benefits than we do. Plus she earns more than I do. Plus she gets an annual bonus. Plus every Friday they throw a beer party. They have a very progressive kind of thing going on over there.

It's crazy to give a 4% raise every year whether you do good or bad. That's not recognition and it's not appreciated in the same way that recognition for quality work is appreciated. It's the recognition and appreciation, not the money that makes the difference.

COMPANY "B"

It's not the money given, it's the money being taken away from people that's playing a major negative role. Where the money is given, as long as it's given in proportion, everyone is content. But take money away, that definitely does affect the spirit.

The company stopped their matching on the 401K plan, that was tough for people to swallow. The raises being delayed for 7 months, where people are putting in so many hours, to push raises back that long is really tough. I believe that when the job market gets better, we'll be losing a lot of good people because of that.

The Employees' Committee has frequently proposed putting in showers which is not a lot of money so people can exercise at lunch time, but it has been constantly turned down. Yet the next day after raises are suspended we come to work and find a \$3500 cactus planted in the lobby, where the customers come in. Fancy cactuses for the customers, no simple showers for the employees. The company's history has been one of penny pinching against the employees in many visible ways. The boss sees this as his company. It's his money. He sees the costs of taking care of the employees, but not the benefits.

In general, people at Company "A" are satisfied with compensation and benefits. No one expressed the opinion that those in upper

management were unfairly compensated compared to others. No one interviewed felt that his or her pay was unfair or inadequate. People rather expressed the view that appreciation and recognition were the rewards which were most valued at Company "A". Cost of living raises don't address the need individuals have for recognition of their contributions to the organization. With adequate supervisory training in performance appraisal, first line supervisors can be taught to identify exemplary performance and to reward it.

At Company "B", people are also generally satisfied with their basic salaries and benefits. What enrages them is the belief that their work is not valued, that they are not recognized and appreciated for their efforts, that they are "just employees," just tools of top management. What also frustrates and hurts them is being asked to give in some cases 50 to 60 plus hours of overtime for months at a time (including one Thanksgiving day) for the company while having their raises cancelled and their matching 401K plans cancelled. They are also angry about what they perceive to be the extra burden placed on the workers. They don't believe that the upper levels of the company are being asked to sacrifice nearly to the extent that they are. They believe that the cost of putting in an employee shower is probably less than the cost of the ornamental cactus in the lobby, and they feel that a decoration for customers and occasional visitors is more important to

management than the physical and psychological benefits of employees being able to exercise and shower during their daily lunch hour.

Both sets of employees mentioned frustration with the organization's structure as a negative factor in detracting from company spirit.

COMPANY "A"

Company "A" is highly over-managed. We've got 18 people in my department. We've got a manager, a work leader, two key men and two other people that are considered management out of the 18. I think the company appointed so many managers because they felt that if someone reported to management like one for every two or three people, things could be done on a more personal basis, which is a good theory but in practice it makes a mess.

A working lead man sometimes becomes neither a lead man or a worker, he just becomes a person getting 30 cents an hour more.

It's not clear here what's the difference between a manager and a supervisor. There's managers, supervisors, lead people, first line managers, middle managers, executive managers. There are lots of people that don't fit into any definitions so it's hard to know who goes to what level of meeting and how all that works.

COMPANY "B"

I think it would help to do some restructuring at the top level. There are some egotistical people here who make decisions while not caring what other people think. I want the CEO to take a look at his staff and maybe the level right under his staff, to make some real changes. Because I think that is one big group that doesn't work well together.

If we find a real good individual, what we tend to do rather than letting that person be very good at what he's hired to do, is, we tend to put more and more on him so he can never do anything well. You ultimately lose a lot in the end. The person burns out.

When I came to Company "B", I was informed that it was highly structured. But when I got to know the company, I found out there was NO structure. Totally UNstructured. We have rules that people don't follow. We have a lot of "If I don't like it, I won't do it." This is a part of the culture I really don't care for because I feel there has to be adherence to some basic principles, some systems.

I would like to see a major structural change. I'd like to see more decisions made jointly, I'd like to see departments intermingle in each other's group, I'd like to see cross training so that groups can understand the problems other groups face. The important people in each group never get a chance to share the other people's problems because they are always so busy.

In both companies, systems for tracking the costs for various projects were considered unclear and in some cases dysfunctional or inaccurate. And in both companies, employees felt that opportunities for more efficient coordination were lost because some departments were out of the communication loop.

In Company "A", its top managers described it as a flat organization hierarchically. But after interviewing 16 employees in depth, it was still unclear to the researcher who is considered management and who isn't, who is eligible to come to managers' breakfast meetings and who isn't, who is a supervisor and who isn't. No one, including the CEO, had a clear idea of how to categorize people. The reason for the lack of clarity was a desire to be as inclusive as possible, making the distinction of "manager" relatively meaningless.

In Company "B", the structural problems were far more serious. Most interviewees reported either not understanding the organizational structure, feeling that the structure is unresponsive to their needs, or

feeling that the structure contributes to many of the organizational problems, particularly those relating to interdepartmental competitiveness. Several interviewees tried to explain the organizational structure to the researcher, using what they call "the baseball diamond." It was unclear from the diamond-shaped chart how the structure worked, and in fact everyone explained the structure differently.

Both sets of employees listed hierarchical decision-making as a negative factor in detracting from company spirit.

COMPANY "A"

Sometimes, people may not carry as much clout as they could. It seems that a lot of decisions could be made at a lower level if people knew that the company would allow them the authority and give them the responsibility.

There are moves to make it appear participative, but it's hierarchical. Whoever has the highest hat rules the day, right or wrong. They don't justify it, they just say "I am in charge." They do it in a nice soft way, but that's the way it is. You don't challenge management decisions.

Once a year the senior management group looks at the numbers and says that we need more profits, we'll have a price increase. They ask us how much increase could we come up with. We tell them maybe 3%. It comes back from the top, they say they're taking 9% across the board. We tell them if you do that you are going to lose business. There's like no listening. The 9% goes through, and what happens is we go through all sorts of antics to lower the price, recapture the business that walked away from us while management ramrodded through the increase.

COMPANY "B"

It is very difficult to get a meaningful decision made that STAYS made. The decisions sometimes made, say, in the senior management group, they get overridden the next day because the CEO will get somebody to come in and offer new evidence. There are times a decision is made but not implemented. It will just kind of fade away and then we will approach it again, make it in a different way. There are many examples of policies that were announced and later erased in the back room.

You wonder how they come up with some of these decisions. We are told. "We have to have this for a certain date. We want this yesterday. Stop what you're doing on that and do this." We are told all this stuff. We don't get included in the thinking.

Decisions come down from the top. At my level not much input is solicited in decision-making. When a new project comes up, it usually comes up as a request from sales, we get the typed sheets with the specifications. We sit down and we try to do it. Now if instead of this kind of a one-way street, if we could sit down with the customer, the sales person, the head of the department perhaps, and figure out together what can be done, what can be improved, what does the customer really want compared to what he thinks he wants, can we do it better for him in another way? That sort of thing. It happens not infrequently that we have worked out a project for a customer and he comes back and he says, "It's nice but could you do this that or the other thing as an improvement?" And often we can. But it would have been a great deal easier and less expensive for him and for us to include it in the planning in the first place.

Our whole department and production people together said, "Why are you moving the stock room? How are we going to get kits and all these things?" A month later the stock room was moved and three days after they moved, the supervisor of the stock room came around saying, "How are we going to get all these kits moved from here to there?" They didn't take into account any of the problems or any of the flow of material that would come about, whereas if they'd only asked for our suggestions before making the decisions they might have come up with something that worked, or they might have figured out the answers to the problems beforehand.

In Company "A", while some interviewees mentioned that the company culture enhanced participative decision-making, others

reported that most decision-making was hierarchical although made to appear participatory. Hierarchical decisions were made and expressed softly and nicely.

In Company "B", most interviewees reported that decision-making was hierarchical in nature, and even the illusion of participation was not often part of the process. Yet people also reported that decisions were often made, rescinded, remade, countermanded, and that it was difficult to operate in an environment where decisions and direction were unclear. The stock room, after an enormously costly move, is being moved again, and yet again without input from the operational employees who need to access the supplies.

These nine criteria, poor supervision, communication (top down), not being heard (bottom up), inequities between rewards and effort, need for career development, training opportunities, compensation and benefits, organizational systems, and hierarchical decision making were the ones both companies listed in common as detracting from company spirit. Company "A" interviewees listed three other criteria which detracted from company spirit, while Company "B" listed ten other ones.

Company "A" Negatives

At Company "A", political roadblocks to advancement was a detracting factor. It is not clear to many of the interviewees how people get ahead at Company "A", but a variety of viewpoints was expressed during the course of the interviews. Although excellence and achievement clearly play major roles, people believe that getting ahead depends on whom one knows, one's style, willingness to push ahead of others, or one's pedigree. These methods for advancement were certainly perceived to impact negatively on company spirit. Furthermore, company "A"'s commitment to the local community, to being a "community employer," conflicts with the new trend toward selecting key management and technical people from outside rather than promoting them from within as had been the case since the company's founding two generations ago.

There are people in the inner circles that are on the CEO's or the President's friends that are on the MBA track. That disturbs company spirit. The general perception is that you need to have an MBA from a respected university to get into the inner circle here.

At Company "A" there's a hidden caste system that breaks very hard at the management line. Those at the top have proved their loyalty, not necessarily their ability to manage. In order to get ahead you need to be socially active within upper management, and you need to be active in local politics and local charitable organizations.

The labor positions are filled in from the local labor force. The management positions are filled more and more from outside the area. There's two types of expectations. The outsiders are more aggressive than the locals and it's interesting because the owners are sort of in between. They want to grow and be aggressive but on the other hand they still have this commitment to the community thing.

Another detracting factor at Company "A" was problems with getting needed equipment. Several interviewees mentioned the problem of a lack of critical computing capacity, particularly for the engineers. And one person eloquently pleaded for a simple wire crimper!

They just spent over a year of heavy duty time deciding on new computer equipment, but this is the third time they've done this kind of extensive research and every time the selection group picks out the product, all of a sudden you get to the second quarter of the year and the company isn't doing so well so we don't dare do anything right now. In the computer field, things change so quickly that by the time the purchase gets taken off hold, you've got to start that expensive research all over again, and meanwhile we don't have the tools we need to do the job.

Here I am trying to make the company product, and I can't get a \$100 pair of wire crimpers but there they are laying in that room that I can see and they aren't even being used. How does that feel to a guy that is trying to crimp wires?

And finally, Company "A" employees mention external competition as a detracting factor. Several interviewees see the company as non-competitive, as backing off in the marketplace when faced with a strong external competitor for a certain market niche. Those folks believe company spirit would be enhanced if the organization could be mobilized around fighting the "external enemy," and they believe that the company could be far more successful in competing than top management seems to think.

If we're not at an important trade show, what does that tell our competitors? But the manufacturing people don't like that. They think the sales people are spending all our profit sharing going to trade shows. But it's important for all the people to understand that you have to spend money to make money.

I've certainly tried to take measures to address different markets and to address existing markets in more competitive ways. In general we are not a real competitive company per se. We try to make things for market niches and when we appear to get some competition from out there, we shy away from it.

Company "B" Negatives

Company "B" interviewees list ten additional criteria that impact negatively on company spirit. A highly competitive internal environment is one of the most prominent. Many interviewees expressed the viewpoint that a moderate degree of internal competition between departments, divisions and individuals was healthy for the organization. But everyone mentioned that at Company "B", internal competition is pervasive, destructive of company spirit, and ultimately of productivity. Twenty quotes on this theme were included in the report to Company "B", which are presented here. The competitive environment in this company was acknowledged even by the CEO, who seemed confused about why internal competition was dysfunctional, as well as baffled about how to deal with it.

There was this one time I remember, I was helping out a field service guy who wanted to know how I set up the machine because he has to do it when the machine is shipped. And I was explaining it to him. And my boss got on me. "You haven't got time to do this. That's his problem, let him worry about it." But it's everyone's problem when you come right down to it.

A simple problem, take you five minutes to fix it, they blow it all out of proportion, take it upstairs to engineering, just to tell them, "You screwed up." In other words to throw it in their face. You screwed up, ha ha. And then meanwhile you've got 15 people involved for a \$2 part. You are wasting time and money. Why do you need 15 people standing around looking for who's responsible?

It's very competitive between divisions. Division 1 is the original one, it has been the cash cow over the years yet it receives little in the way of R & D expenditures or attention from the top on down. The CEO thinks that Division 1 is there and it's nice to have and it makes us money, but boy, the real exciting one is the semiconductor division, #2. But the fact of the matter is that Division 2 has only made a profit two years since it's been moved up here. That was 1976, 1977.

The competitive climate rolls right down from the top, right through the whole organization. Managers keep information from each other to make each other look bad. We have a few key people who have left in the past year who I think were good, but they knew they were beating their heads against the wall and they were maybe being meant to look bad, when in fact they knew what they were doing.

Another major detracting factor at Company "B" is the inability of its employees to know or to be inspired by the goals of the organization. At best no interviewee or survey respondent was able to articulate in any clear way the goals of the organization, from upper levels of management on down. At worst, the majority of people at Company "B" either didn't know what the goals of the organization were, or believed the goals were solely to make money for the shareholders. This is a serious deficit in Company "B"'s organizational life. With no clear and inspiring vision developed at the top levels and communicated throughout the organization, this company is like a rudderless ship tacking from point to point, taking advantage of whatever breeze it can catch, without any sense of destiny. The following quotes were duplicated hundreds of times between interviews and surveys.

The mission is unclear for the entire company. What business we really want to be in. The hot wall horizontal reactor appears to be a dinosaur, and our total market share is rapidly eroding on the vertical program as well. Clusters, plasma enhancers, RTP rapid thermal processes, all those kinds of things we've been saying in some of the strategic plans we used to do 10 years ago, yet we never followed through on. We are always in a panic situation for revenues. IBM wants a furnace for doing 8" wafers. This is probably the only one we'll ever sell, but there's the revenue so we've got to do it. We spend all kinds of money developing that system and that's it. And now the vertical comes along and the first work we did was back in 1983. And we said we ought to build one and do some processing to see what advantages or disadvantages it has. Well, other things came along that took priority. But now all of a sudden Japan has gone to the vertical, and Oh my God, we absolutely have to have it. So we've spent all kinds of money and resources to do this in a short period of time which has probably overall hurt the company for doing other things. If we had a clear mission we might have been working steadily on the vertical for years and been ahead of the market.

I don't really know what our goals are. We need a strategic plan. We don't know where we want to be, so we don't know what we have to do, and just as important, what we shouldn't do, to get there. We need to have people thinking along the same lines. We've got to help each other across divisions, up and down, to reach the goals. But even before that we need to know what the goals are.

Money. Plain and simple, to make lots of money.

To be honest with you, I don't know.

Our goal is quality. We were all told that we had to wear our badges as part of the new total quality program. There are still some people in top management who don't wear them even though we've been told that we have to wear them. If they think the quality program is only a big joke or is only for other people to follow, then we have no quality.

Another negative factor at Company "B" is the inconsistent application of rules and discipline. One of the most frustrating aspects of organizational life is seeing rules and policies unevenly applied, and

seeing consequences of deviating from the rules or policies unevenly dealt with. Interviewees frequently mentioned the problem of inconsistent discipline.

When you hear there's a policy that you can't have food or drinks throughout the plant, we all abide by that because we understand they are trying for a cleaner environment. But we watch engineers walk through with open cups of coffee, spill them all over, and we get blamed. I've even reminded the VP to put on his safety glasses.

How can you tell me that you want static free and they are so strict in the manufacturing area and then you watch an engineer walk through the plant with a PC board that is loaded with IC's and no protection for it! So what good is the program if they aren't going to carry it through from beginning to end. Rules should be made for everybody and there should be no exceptions. And that's what you don't have in this company.

I'd like to see us be more consistent in terms of how we do things. If we are going to have a dress code, then it applies to everyone. If we are going to have a food policy it applies to everyone. If we are going to have a meeting every three months then we are going to have a meeting every three months from now until the end of time and we are not going to postpone it, we are not going to let it slip a week, we are going to have it. We get upset when the newspaper doesn't show up at night but the paper boy delivers a whole lot better than we do.

Lack of recognition and lack of appreciation are serious detractors from company spirit. Most interviewees at Company "B" and many employees surveyed indicated that the company needs to look at the elements of the reward system that take only intuition, insight and awareness rather than the expenditure of financial resources. Company "B" managers need to understand the value of recognizing and appreciating the efforts of the employees. Aside from the recently

instituted employee recognition cash awards which approximately 8 out of 600 people receive each quarter, there is very little in the system which supports the culture of appreciation and recognition.

There are a lot of dedicated people working crazy hours, 12, 13, 14 hours a day, seven days a week. And not being recognized or appreciated for it.

I don't goof off, I'm dedicated for the 8 or 11 hours I'm here. I give the very best I can. I'd like that to be recognized.

Even though a lot of people accomplish things here, they don't get the feeling of satisfaction because it's not recognized formally or maybe it didn't contribute to anything. The goals were changed, the project was changed, and the work was for nothing and no one noticed.

Layoffs and turnover impact on a negative company spirit. Throughout hierarchical and divisional levels, people at Company "B" worry about the security of their jobs. It is difficult to perform at full capacity if employees are constantly fearful of being laid off; it is also a great distraction and a detriment to company spirit to have employees constantly looking for other employment opportunities before the axe falls on them at Company "B". Many interviewees expressed the view that better strategic planning, better projections, better selection processes would cut down considerably on the number and frequency of layoffs, thereby improving people's sense of having a place in the "Company B" family." People express the view that loyalty is reciprocal. "If you're not loyal to us we're not going to be loyal to you."

The last layoff, three members of the employees' committee were laid off, including the president. So some of the people say, "Well, if I speak out in an employees' committee meeting, that will be negative for me." So the employees' committee isn't really a safe place for employees to give their opinions about the company.

I don't expect to be here for more than another 6 months. I came here with very clear goals and tried to become part of a team. I've been pretty soured on what my opportunities are here. There are quite a few people in senior management that are actively looking to get out.

Business goes right up and down hill, so when it starts picking up, they have a giant influx of new employees, some are good, some are just warm bodies. They are here for two years, they finally get settled in, and then we have a new layoff and the dead wood gets weeded out. It's like "We don't like you. Instead of firing you, we are going to lay you off."

Take for instance we were going to have a layoff. Oh, this is the last layoff. And then three months down the line, the numbers are not there that they had hoped, which comes again from not having a steady plan with reasonable growth rather than this. I think when you have layoffs frequently, and I call frequently more than one a year or even one a year is too much, but if you've got more than one a year which we have had, it reflects poor planning, and it destroys any kind of esprit de corps.

Another negative factor mentioned by interviewees is problems with individual employees at Company "B". There is no employee assistance program, so employee problems are left to the discretion of the first line supervisors or else are neglected.

Drugs? You know it goes on but you don't know who. You can't get anyone to squeal on anyone else. We'll go out on a hiring binge of 30 or 40 new people, you don't screen them carefully, you're going to get a few of those in here.

The only problem I know of is like people who do drugs and stuff. When they do drugs at work, people either don't know or they kind of turn their heads. Management knows about the problem but they don't know how to deal with it so they turn their heads. It's a problem not only in terms of safety, obviously. But it's also a problem in terms of quality of work, and atmosphere in the plant.

There are a lot of people you can tell drink. There are some I know personally I've seen real bad. I talk to them, try to help reform them. A couple of key cases have turned around and have been very good, but there are still some you know have personal problems and they do drink. It's a shame.

A major problem in creating a positive company culture in Company "B" is the lack of a well thought-out, structured orientation. The function of orientation is to introduce the employee to his or her job, to his or her co-workers, and to the organizational culture. It is clear that the first impression an employee gets of the organization determines whether or not he or she will remain beyond the first six months to a year. The first impression also plays a role in a person's sense of satisfaction with the organization and sense of bonding to that organization. It is an element of the human resource process which requires intensive thought and planning both on the part of the HRD department as well as on the part of each immediate supervisor of a new employee.

Orientation at Company "B" seems haphazard at best, non-existent at worst. The current process at Company "B" is to bring new hires in to go over the rules and regulations, benefits and safety issues. People sign that they have read the employees' manual. And then new hires are turned over to their immediate supervisors. There is no structured approach to orientation on the part of supervisors, and no one commented on any supervision from the HRD Department in the process of orienting new workers to their jobs and departments.

It's usually a one hour meeting with Tess over in Personnel. There's a little handbook she shows you. And then you just go over to your department and it's very unorganized after that. They put you with an A assembler, say rather than a B, and you just be his helper for a while.

I came in. I had my picture taken. I heard about insurance and I signed some kind of a patent thing, any ideas that I had while I was here belonged to the company. If I got oriented, I don't remember it. It was "Here's your badge, insurance things, go to work." No company values, or this is what acceptable behavior is, this is what the company is made up of.

I kind of think we throw them into the fire in the first few days. We need all this work put out and let's get going. You hope there's follow-up and there's feedback to the individual about his performance right after the first week, acknowledging that he's doing a good job or sloughing off, you want to at least acknowledge it.

No orientation, which was kind of a surprise to me, because I am being put into such a clean atmosphere. It's a class one hundred. They just said, "You are going to be working with Bill today. He'll show you what to do." But showing me the ropes would only go as far as he knew. Until about six months after I got here, I had no idea what the furnaces did. I still don't have a good idea. I'm sure that more than three quarters of the people on the floor don't know.

Basically you just sink or swim. We typically hire people when we need them. They hit the ground running or they don't.

One of the most aggravating problems at Company "B" involves chaotic scheduling. Employees understood and accepted that top management should be making strategic decisions, but decisions which impact on employee areas of responsibility don't include employees. Scheduling is just such a decision, and the employees' inability to input on these kinds of decisions has created havoc and extreme bitterness.

People have been soured, by soured I mean that they say "Why should I work harder to get the job done when next week there's going to be another job just as much an emergency so if I work 60 hours a week for this job, you are going to want 70 out of me because you are going to keep doing that to me and keep doing that to me."

In my 4-5 years here, everything, but everything, has been rush. They have guys working for years until 9:30 every night, Saturdays, Sundays, double time, Thanksgiving day, every holiday. You want to work for triple time? You get paid for the holiday and you get paid double time for the hours you work.

The quality fits the time at hand. When you try to get everyone to do something in an unrealistically short period of time, work a lot of overtime, ask for the extra effort, that group of people will tend to criticize like hell all the other groups, instead of working together.

A lot of people are working on some important projects but everything is a crisis. And you can't have everything be a crisis all the time. You can't have managers or VP's saying "These people have to come in this weekend and the next weekend and the weekend after that," because then when the REAL crisis hits, these people don't have any more to give, they are tired of giving you their all for a crisis which is now the standard rather than the exception. A crisis should be just that... the exception.

Another negative factor in company spirit at Company "B", at least with women, was the gender issue. While employees believed that racial prejudice doesn't exist at Company "B", several of the men, and all the women interviewed, and several women mentioned on their survey forms, that the environment for women is not one in which they feel there are many opportunities for respect or career growth.

Last year we promoted two girls (!) on the shop floor. Promoted to supervisors, and well deserving of it they were, too. So I think we raised ourselves up a couple of points on the EEO scale.

There is a woman on the floor doing furnaces and she is constantly complaining, "Look at the money I'm making versus the money these men are making!"

Company "B" is a very male dominated company. And the women who are here leave in a very short time. It's not an open company for women as some companies are. One woman had a real big complaint with people listening to her and taking her seriously and coming to her meetings. Some men were always blowing her off. She'd have a meeting, and the VP for some reason or other just couldn't make it. Women just don't get the respect here.

I don't think a woman will ever go into top management here unless it is 50 years down the road. A big part of that is the European attitude between the CEO and the VP's. They don't believe a woman can be respected in an engineering company. My immediate chances for advancement are good in that I think I could be promoted into a low level manager's position. But I know that I will never go any farther than that here and I don't think a woman will EVER go any farther than a low to low-middle level management position here.

And last, but hardly least, interviewees at Company "B" frequently and bitterly mentioned the top management team as having direct responsibility for the negative company spirit. Many disappointed and disillusioned employees hold top management responsible for the highly charged, competitive atmosphere; for the lack of direction and goal setting; for the poor communications both top down and bottom up; for the lack of enthusiasm and vision that cause feelings of frustration; and for the inability of the company to move forward.

Company "B" hasn't stayed in any one management style long enough to be something. But I really do believe the major problem is that we are lacking in enthusiasm or excitement coming from the top.

There are people on the senior staff that need to have their people skills improved. People at all levels of the company deserve respect, consideration, a certain amount of patience. I don't think any amount of status says you shouldn't have to be respectful to people.

Let me tell you, maybe people say they don't care but they do. We all keep hoping that all of a sudden the top management is going to wake up, smarten up and make the corrections they should make. And realize that the labor force is the backbone of the company. Without the workers they've got nothing. But the workers are made to feel that they are the peons, that their feelings don't matter.

The president does not look at his employees the way a president should. I mean, employees run this company basically. I don't think he thinks much of his employees. One day all the visitor spaces were filled. And Don was upstairs with the CEO and they were looking at something. I overheard the CEO say to Don, "You know, Don, why are all these spaces filled? Are they really visitors or they just employees?" Just like that. And I was so proud of Don. I heard him say to the CEO, "Hey, those JUST employees are the people that keep this company going."

I think you need that company spirit across the board and I think you need it all across the CEO's staff as well. And that's really where you don't see it. It's a very noncohesive group up there. I don't know if it's the companies that they came from before this that was just instilled in them or what. But I really don't see anybody working together on that upper staff. I think part of that is the way the CEO runs this business in terms of not promoting teamwork and not really saying "Hey, listen, we've got to get out there and work as a team." I see him kind of playing one person against the other. I see how people are moved around and I see how really one hand doesn't know what the other hand is doing. And that's not good. We need enthusiasm, and teamwork that starts at the top and filters down.

CHAPTER VII

COMPARISON OF BOTH COMPANIES BASED ON THE 5-POINT MODEL

The basic question of this research asks how management practices and reward systems contribute to company spirit, and how to create a situation where employees feel enthusiastic and supportive of the organization and its goals, feel appreciated by management and co-workers, feel a sense of camaraderie in terms of working together to accomplish clear and inspiring goals, and feel happy to go to work because they recognize how their work contributes to the organization's development and their own personal growth.

In the pilot research, a five-point model of spirit-building in organizations was developed, which is described in detail in Chapter 3. The basic premise of the five-point model is that what managers do impacts enormously on the feelings that workers have about company spirit in and their desire to be committed to their organizations. Company spirit develops as a result of sound management practices and reward systems. The five point model looks at the ways organizations are managed in terms of vision, structural variables, selection and acculturation of group members, work design, and interpersonal relationships. The research in two for-profit companies brought out the importance of a sixth point, that of reward systems. Though the

pilot study suggests a five-point model for spirit-building, the in-depth research suggests that a six-point model is more valid. This section of the report looks at both Company "A" and Company "B" in terms of the original five points of the model, and then concludes by analyzing the sixth point, that of reward systems.

Vision

It was suggested in the pilot study that company spirit depends on members of a company being inspired by the company's purpose. The ability of the leader to create a vision, articulate that vision and empower members to fulfill the vision allows employees to transcend their own goals and adopt an overarching, transcending larger organization goal by which they feel spiritually connected to others who also strive for that goal.

Company "A"

Employees at Company "A" describe the company as high-spirited. They also describe having a strong sense of the organization's vision. It is no surprise that everyone surveyed, and everyone interviewed, gave consistently similar responses to the question "What are Company

"A"'s organizational goals?" The top management of Company "A" has developed, articulated clearly, and lives by a mission that includes:

1. Providing a quality product for its customers

Company "A"'s emphasis on building quality products and customer service is reflected in the phone call received by one of the salesmen from a company which recently purchased a 30 year old piece of used equipment manufactured by the company "A", requesting a new manual. The machine was still "humming away like a fine sewing machine, " and a copy of the 30-year old manual was sent off to the happy new owners of the old equipment.

Quality and customer orientation are also reflected in the concept of treating each internal department of the company as an "internal customer," with the focus on providing quality service inside as well as outside the organization. At Company "A", the employees are encouraged to access easily any other employee directly, to solve a problem or get information.

2. Being a caring employer

Company "A" is seen by its employees as providing a much higher level of caring for its employees than comparable companies in the area. This caring is reflected in many ways, the most significant of which is secure employment. Since its inception in 1911, Company "A"

has never had a layoff. For employees caught in the Philippines during the coup d'etat, the company provided care and constant communication to their families as well as working directly with the State Department to ascertain their safety. Training and educational opportunities provided by the company are also symbols of its caring. So are the quarterly communication meetings at which information about the condition of the company is shared.

3. Providing economic benefits to shareholders and employees

The willingness of the owners to take smaller profits during lean years rather than withholding benefits or raises from employees is perceived as highly caring. Profit sharing in strong economic times is mentioned by many as an important incentive.

4. Making a contribution to the local community.

Company "A" is seen by the local community as a positive force in the community. At company expense, it lends its employees out for community service. It matches employees' charitable contributions. It provides internships for local college students, it has funded a major arts center at the local college, it expects its employees to volunteer for, and gives its employees time to participate in community work such as town government, Rotary and other service organizations.

Company "B"

According to the survey results, employees of Company "B" are not positive about their organization. They describe Company "B" as a low spirited company. It is remarkable that everyone surveyed, and everyone interviewed, gave consistently similar responses to the question "What are Company "B"'s organizational goals?" These answers did not range far from "I don't know," "Money," or "Being number one." The CEO described the company's goals generally as "being the highest quality supplier in the semi-conductor industry." But the other employees in their surveys and interviews were much more vague or confused in their articulation of the company's goals. Without clear, overarching, inspirational goals, there is a lack of spiritual connectedness to others in the organization which could exist if employees felt that together they were working for a common and powerful vision. At Company "A", managed by the grandsons of the dynamic and charismatic founder, the original visions still inform the way the company operates internally and externally. At Company "B", managed by the man who purchased the company from the highly dynamic, volatile and charismatic founder, that original vision which was couched in terms of being on the cutting edge of high-tech engineering and innovation, has dissipated. The new CEO sees the

company in terms of its financial purposes and operates, according to his employees, by the quarterly report rather than by any larger goal.

Structural Variables

Structural variables impact on a company's spirit. These are some of the important structural variables: time, boundaries, relaxation from structured work, size and structure of the organization, hierarchy, and facilities. Each variable will be addressed as it relates to Company "A" and Company "B".

Time

Employees at Company "A" report that a spirit-building factor is being able to see the larger picture, to know what is going on in other parts of the organization, to be able to interact with other groups or departments to get or clarify information or discuss common problems. Interacting with other groups or departments takes time. There are informal cross-functional communication systems, there are task forces. People are encouraged to spend time meeting or communicating even if they happen to be out of the formal chain of command. Company "A" also reports at least some degree of collaboration in its decision-making practices, particularly its operational decisions. This kind of collaboration also takes time.

Groups need sufficient time to do whatever is the assigned task. Groups that work under constant heavy time pressure to produce aren't able to devote the necessary time to community-building. At Company "B", one of the most frustrating parts of organizational life is chaotic scheduling. Everything is a crisis, everything is top priority. Commitments are made without a chance of being able to live up to them, leaving employees endless hours, days and months of crisis work because someone in management who doesn't have to pay the price of unrealistic scheduling has made these decisions. Employees of Company "B" are soured about "being used" to meet schedules that everyone knows are determined by wishful thinking rather than reality. Some interviewees attribute this scheduling problem to the lack of vision or organizational goals which would enable the company to make more realistic and wise decisions about which projects to undertake and which to pass by. Other interviewees attribute the scheduling problem to an attitude on the part of management that workers are instruments to be used, rather than people with needs and goals of their own over and above the organization's needs and goals. Regardless of the reasons, employees of Company "B" complain bitterly about the lack of time to do quality work.

Boundaries

To be cohesive and high-spirited, a group needs to know who is part of the group and who is not. At both Company "A" and Company "B", employees are clear about organizational boundaries. In Company "A", employees are free to cross the boundaries freely to access information or to clarify issues. In Company "B", there is less opportunity for employees to cross organizational boundaries. There is a high degree of internal competitiveness within Company "B", not only between divisions and departments, but also within divisions and departments. This competitiveness keeps people inside of and zealously guarding their boundaries. Interestingly, Company "A" employees have less commitment to their co-workers than employees of Company "B". The assumption here is that with tighter boundaries, cohesiveness and dedication to one's own teammates are more likely to flourish as others inside the organization, but outside one's own work group, are considered the "external enemy." The amount of emotional and physical energy it takes to compete internally diminishes the organization's ability to compete externally, with its real competitors.

Relaxation from Structured Work

In both Companies "A" and "B", opportunities to know each other and to socialize increase company spirit. Social events outside the

structure of the task such as Attitude Adjustment parties, company picnics, department picnics, sports leagues, Friday night suppers out with spouses and teammates, dinner parties given by managers for their direct reportees at Company "A"; and anniversary celebrations for 5, 10, 15 + year employees, company picnics, the CEO's Christmas party for his top managers, sports teams, company cook-outs at lunchtime, a celebration ice-cream party for a new product launch, baby showers and pot luck buffets, a weekly raffle, fishing trips and outings to professional sports events at Company "B" are all reported by employees to be important to company spirit. One interviewee said that social activities contribute to company spirit, but they are also a MEASURE of the spirit. The fact that employees want to get together on their own time reflects their feelings about the company and about each other. Company "B" reports many more social activities than Company "A". This outcome is reflected in Company "B"'s higher level of commitment to co-workers. It is also reflected in the fact that Company "B" has an Employee Committee whose major function is to arrange social activities and events.

Size and Structure of the Organization

Both Company "A" and Company "B" are similar in size. Each has approximately 600 employees. Each is multi-divisional, multi-national, technology driven, and an original equipment

manufacturer. Each reports that close to half of its sales are made abroad. Each is highly dependent on the creative work of its engineers for product development, on the creative work of its marketing force for sales, and on the labor of its operational employees for manufacturing. Employees at both organizations describe organizational systems that are in some respects dysfunctional.

Company "A" describes itself as a "flat" organization. It is unclear to the researcher, as well as to some of the employees interviewed, how the structure of the company works. Who is considered management and who isn't, who is eligible to come to breakfast meetings and who isn't, who is a supervisor and who isn't, are all vague even to the CEO, who has expressed the wish to clarify some of these questions. Some employees feel that there are too many chiefs and not enough indians. They report that some people are paid an extra 30 cents an hour and given the title of working key man. In the end, these people are neither key men or workers, just people getting 30 cents more an hour.

Yet in terms of communication, Company "A"'s structure works fairly well. Excellent top-down communication was listed most frequently as a facilitating factor in Company "A"'s positive spirit. People appreciate the quarterly information sessions, the opportunity to spend time with top management, to socialize over breakfast, to hear the results of weekly managers' meetings. Quarterly, the top

managers visit each section of the company, shut down the departments, gather people around, and share the latest company news. Employees report that this kind of communication gives people a sense of direction, a sense of involvement, a sense of what the company's challenges are, a sense of enthusiasm. Bottom-up communication is seen as a lower priority at Company "A", where people share opinions with supervisors that they perceive to go no further up the line. In one division, employees have formed a problem-solving group that is outside the organizational structure, where they share concerns and feel that if management doesn't hear them, at least they hear each other. Their manager knows about this group and allows it to meet on company time, but doesn't participate in the weekly, one-hour meetings.

At Company "B", nobody spoke positively about the organizational structure. There have been three new organizational charts released in the past five months. Employees report either not understanding the organizational structure (one of the charts was designed as a double base-ball diamond and no one was able to explain how it actually worked), feeling that the structure is unresponsive to their needs, or feeling that the structure contributes to many of the organizational problems, particularly those relating to interdepartmental competitiveness. It is felt that there is too much "fat" at the top, too many managers do too little work; too many initiatives are started

(like a Total Quality Management program) which aren't backed up by the organizational structure to support such programs. It is felt that the structure is either unclear or doesn't reflect the reality of the way the company operates; that there are rules that are either not observed or are enforced selectively; and that a system of accounting for time doesn't actually reflect the time spent on a given job.

In terms of communication at Company "B", employees report major dissatisfaction with top down communication, bottom up communication, and lateral communication. Not only are organizational goals not communicated from the top, employees feel they don't have complete or accurate information about the organization to be able to understand and support other departments for the good of the whole. Information from quarterly managers meetings doesn't filter down to the lower levels. Information which does come down is reported inconsistently so that different departments have different versions of the same events. The most reliable source of information at Company "B" is the grapevine. In terms of lateral communication, an employee reported that there is confusion on the horizontal level. The left hand doesn't know what the right hand is doing. People are in their own cubicles and there isn't enough interdepartmental contact. In terms of bottom up communication, people have questions they are fearful of asking, they have ideas that they feel aren't wanted or valued, and

opinions get shared with supervisors that employees perceive to go no further up the line at best, or to reach the top and be ignored, at worst.

Hierarchy

Diminished hierarchy and class divisions between managers and employees increase company spirit. Formality in forms of address and distinctions of special privileges and perks contribute to the feeling of in-groups and out-groups, NOT to a spirit of community. Diminished hierarchy doesn't mean lack of role clarity or role differentiation; it means that employees use similar forms of address, similar facilities, have similar symbols of organizational membership. It also means that decision-making happens at all levels of the organization. Strategic decisions are clearly made at the top, but operational decisions are pushed as far down the line as possible, accompanied by the authority to act on those decisions.

At Company "A", people at all levels of the organization call each other by first names. There are no executive facilities, the owners and top managers pay for their coffee at the company cafeteria just as all employees do, and treat their guests to coffee from their own pockets. At Company "A", employees park in undesignated places in the employee parking lot. There are no assigned parking spaces for executives. And there is NO air conditioning throughout the company, not on the shop floors and not in any of the office spaces, even the executives' offices.

Top management decided that if they couldn't afford to air condition the whole facility, they wouldn't air condition any of it except where sensitive equipment needed to be maintained.

In terms of decision-making, some employees feel empowered to make decisions at their own levels of responsibility. This empowerment seems to depend as much on the communications skills and interpersonal skills of individual managers as it does on a corporate culture, which values and even more importantly, which provides mechanisms for widespread participation. Employees mention that if they can think of better ways to do a job, they are free to experiment. They don't need to get permission.

At Company "B", employees at all levels of the company appear to address each other informally. There are, however, special privileges for top managers. They have designated parking spaces in the Visitor's Parking lot right near the entrance to the building. They don't have special dining facilities, but employees at Company "B" mention that their executives rarely eat in the company cafeteria, preferring to have their secretaries bring in their meals or to eat out. Several Company "B" employees mentioned resenting having to bring coffee or food to their bosses, the atmosphere was one where they felt subordinated and disrespected.

In terms of decision-making, Company "B" employees stated that decision-making in their organization was hierarchical in nature,

though occasionally made to appear participatory. In the participative process, where decisions get discussed and input from employees is solicited, it is difficult to get a decision made that stays made. There are times when participatory decisions are made but not implemented. In general, Company "B" employees believe that few if any decisions are made in a participative manner. They are baffled by many of the decisions, such as the one to move, and then move again, the stock room. They would like to have their opinions solicited on decisions which they will either have to implement or which will impact on their work.

Facilities

The architecture and ergonomics of the work space are important in creating company spirit. Large meeting facilities, small gathering places, work space and break-time space, quiet contemplative space are all important. Sufficient contiguous space for the company's activities contributes to a sense of community. There need to be opportunities for structured, group-wide gatherings as well as the "happy bumpings into" that make for good spirit. At Company "A", the buildings are connected by walkways and employees are encouraged to visit other departments in order to get information, and stay on top of what co-workers are working on. There is one large company cafeteria

which is central to all the other facilities, and there are vending machines and kitchens in each section of the plant where people can store food in refrigerators, warm up lunches, eat more quietly than in the cafeteria, or prepare celebrations. There is also a large meeting room with audio-visual equipment that can hold 100 people at a time for training sessions, announcements, meetings and social gatherings. This meeting room is where the commitment surveys were administered. There is a company museum, which displays prototypes of the equipment the company has built since it was founded. This museum is the site for new employee orientations, as well as for ceremonial and formal gatherings. The cafeteria is also used for large-group meetings and socializing. There is no smoking allowed in any of the buildings or offices. Anyone, from the CEO on down who wishes to smoke must exit the building, where there are picnic tables and large sand ash containers for the smokers. There are many picnic tables located throughout the grounds of the company for employees who wish to take their breaks outside. Company "A" is handicap accessible, and in fact employs at least five identified handicapped workers, for whom the company has purchased electric wheelchairs and other special equipment.

At Company "B", there are three buildings, none of which is connected. There are cafeterias in the two major buildings. One building houses Division 1 and the executive offices; another building

houses Division 2, and the third houses the spill-over. Part of the competition between divisions may depend on the fact that the divisions are physically separated with little chance for interaction. Each has its own cafeteria, and only the executives tend to travel from building to building. The cafeterias are located right next to work areas, so employees who come to the cafeteria for breaks need to be quiet, and meetings such as the one in the cafeteria at which Commitment Surveys were administered needed to be quiet. Although employees have been repeatedly requesting that Company "B" install a shower for employees to use if they wish to exercise at lunchtime, or if they don't wish to travel home after work and before the evening (many Company "B" employees live great distances from work) the company has refused to install these shower facilities. There are two small meeting rooms, one in each building, that are primarily used by engineers for design meetings. There are no large gathering places other than the cafeterias. Smoking, while not permitted on the shop floors in the clean environment areas, is permitted in personal offices and in the cafeteria. Many people in Company "B" smoke in the cafeterias. Company "B" is located in an industrial park off a major highway, next to a duck pond and marshlands. There are picnic tables set up outside the cafeteria where employees can enjoy the environment in nice weather. There are no small kitchens for food preparation, though each cafeteria has a microwave oven for those who

wish to warm up meals brought from home. Company "B" is not handicap accessible, and in fact at this time employs no known handicapped employees.

Selection & Acculturation of Group Members

Selection of organizational members in terms of the technical and interpersonal competencies they bring to the organization, in terms of their individual personal and professional goals, in terms of their motivation to help the organization reach its goals, and in terms of the ways they relate to their co-workers, all play a role in how company spirit gets built. The attractiveness of the group to its members is another contributing factor. Members of high performance teams feel greater cohesiveness and group spirit than those who belong to less desirable or low performance teams. Companies "A" and "B" approach the selection process differently.

Company "A"'s labor force is fairly stable. Only 49 employees left the organization in 1990, 8 retired, 11 were fired, 23 quit, 2 died, and 5 left through what the company calls "Mutual Agreement," which means that the company and the employee acknowledged that the employee's future at the company was bleak and allowed the employee time to find other employment without "terminated" on the record. At Company "A," 55 new jobs were filled either with new hires or from

within. At Company "A", the selection process is rigorous. The company works on a zero-based hiring system. When a vacancy occurs, it isn't automatically filled by a permanent employee. The manager needs to make a case to the Human Resources Department as to why that specific vacancy needs to be filled. Meanwhile, the job might be filled by a temporary hire. Recently, the issue of temporaries who are hired on for peak cycles of work has come under scrutiny at Company "A", and it has been determined that anyone who has been on temporary status for more than 18 months will become permanent. Thus, even temporary workers undergo a rigorous selection process. Last year, the company had 49 temporary employees and is now down to 38.

Once the determination is made that a job needs to be filled, the company first makes every effort to hire from within, or to hire relatives or close associates of current employees. The advantages to this policy are that employees who are internally promoted are known. Their technical skills, interpersonal skills and motivational levels don't need to be guessed. It is easier to determine if the employee and the new task will be a good match because those making the determination know the employee and the task well. And those who join the company based on a strong personal recommendation from a current employee are accountable to the referee to perform successfully. The "known entity" vs. the "pig in a poke" phenomenon helps to maximize the possibilities of a good fit. Thus, new jobs rarely

come up unless they are entry level or highly specialized jobs. There are always Company "A" people in the "pipeline" who are preparing and waiting to move. But in the special case when a new hire needs to be found, the applicant pool is large. Since the company is known throughout the area as one of the best companies to work for because of its job security (there has never been a layoff at Company "A" since its founding) and because of its benefits and humanistic attitude toward employees, it has no shortage of applicants. Whether the job is operational, technical or in the rarest of cases managerial, the hiring process starts with a lengthy job application and two initial interviews, one with the selection team from the HRD department, and one with the selection team from the requesting department. Reference screenings are carefully done. Applicants who pass the initial screening of written application forms wait a considerable length of time for the interview process to take place. Before the final selection is made, one of the top management team will interview the applicant who has made it thus far in the selection process. After the interviews, it is not uncommon for applicants to wait again for several more weeks to hear the outcome of their application.

There are two benefits to this rigorous selection process. First, the company has enough people involved in the assessment to make a fairly informed choice. Second, the applicant gets impressions from a variety of people in the organization and is able to formulate a more

realistic perspective of the organization and the job than he or she would from one short exposure. Since the company follows a no-layoff policy, it is extremely important that new hires "fit" as well as possible the job, the organizational culture and the work team. A mistake is extremely costly. The company goes to great lengths to work out employee problems, by training, transferring or counseling employees. One of the complaints of Company "A" interviewees was that the company sometimes carries individuals who aren't as effective as they should be at their jobs, for the sake of not wanting to terminate. In order to accomplish its work, the HRD Department at Company "A" has one half-time and 11 full-time employees.

Company "B"'s labor force statistics tell a different story. 161 employees left the organization in 1990. 80 quit, 15 were terminated, and 66 were laid off. In contrast, 92 new employees came on board during the same time period. Interviewees at Company "B" describe the process as a "Boom-Bust" situation. People are hired in batches and laid off in large numbers corresponding to the cycle of new orders. The screening process is inevitably less rigorous when lower level people are hired in large numbers all at once. Thus, at Company "B", the benefits of creating a positive "fit" between employer and employee is less likely to occur. The company doesn't know as much about its new hires; the new hires don't get a chance to learn as much about the company. Because many interviewees state that Company "B" is not an

employer of choice, and does not have a reputation of being a good place to work (particularly for non-managerial and non-technical people), the ability to be selective is compromised.

In technical and managerial positions, promotion from outside is the common practice at Company "B". The CEO adheres to the opinion that "fresh blood" avoids the risks of the company becoming inbred, and enables people from other successful and larger companies to bring new ideas. Thus, a much larger percentage of new people work at Company "B" than Company "A". To cope with this degree of activity in the HRD Department, Company "B" has only 5 full-time employees managing the HRD function. Employees complain about the company's reputation as a poor place to work; they complain about the lack of employment security, and they bitterly complain about being unable to meet their own desire for professional development within the company.

In terms of orientation, new hires to Company "A" undergo a rigorous acculturation process. Aside from the mandatory meeting in the HRD department to go over forms, benefits, and company policies, new employees (both managerial and operational) are given a complete tour of the whole facility. They are introduced to employees during the tour, and to co-workers within their own departments. Arrangements are made for someone from the new employees' departments to take them out for lunch during their first week on the job, to orient them

not only to the work, but to the company, the company culture, and if necessary the local community. The CEO of Company "A" and the VP of HRD gather the new employees in small groups of 5-10 people within the first two months of their arrival at the company, and spend a morning with them in the company's museum. The CEO shows pictures of the company's history, talks about the company's development, talks about the company's goals and shows specifically how those goals translate into corporate decision-making. He also takes time to get to know each new hire, learning names, asking personal questions about family, employment history, and professional aspirations. The VP of HRD goes over the company's rules and policies, explains how they work, how they are applied, and answers the questions that the new employees have formulated during their first weeks working in Company "A". This session is one of mutual talking, and mutual listening. It forms the basis for the open door policy at Company "A". Interestingly, during the research interviews when the interviewer gave each interviewee a signed paper saying that the source of information from the interviews would be confidential, interviewees all said that they would personally tell anything to the CEO, whom they address by his first name, that they would tell to the researcher. The sense of trust, the personal connections made during the orientation between each employee and the CEO seemed powerful. This orientation to the company is at least as important as the on-the-job orientation

to the work that each supervisor provides for each new employee.

It seems clear that an early understanding of the company's goals, norms, taboos, community mechanisms, group rituals, group symbols, group history, myths and legends is important. New hires can learn these things informally, but the message they get from co-workers may not be the message that the management wishes to deliver. When new employees are confused about their role in the company and others' roles; about the way business gets done, conflicts get resolved and decisions get made, then their dissatisfaction is a powerful drag on company spirit and on productivity. A good orientation is a bonding, spirit-building experience. Highly discriminating selection practices and well designed orientation programs are critical to building company spirit.

Work Design

The technology of work, the way work gets done; the coordination of work, the way the tasks of one group mesh with the tasks of others; the inherent value of work, the larger purpose or the importance of the work; all help to determine the spirit with which employees approach their work. If the work requires that co-workers interact frequently and if their interdependency enhances productivity rather than impeding it, their interactions build spirit. If co-workers interact

Infrequently with other departments or divisions of the organization, their cohesiveness in their own work groups will be strong, but the low external interactions will hamper the sense of belonging to the larger organization and diminish the spirit throughout the company. If the resources needed to perform the work are available and ample, the spirit will be far greater than if those resources are scarce and create competition and conflict throughout the organization.

In both companies, in terms of actual tasks, employees report liking their work. At Company "A" an interviewee reported that after 9 years, he has had four different jobs, has enjoyed the challenges of each of them, and has enjoyed the chances to grow. Another interviewee reported that she had fought so hard to get into the company in the first place because there were so many opportunities, that the company was a "cornucopia" of interesting things to do.

Interviewees at Company "B" give similar reports. One employee who has been with the company over 30 years reported that his work has been "fabulous." He said, "When I got paid the first time, I looked at my check and said, 'My God, I get paid for doing this!' The work was interesting then, and I still find it interesting and fascinating." Another employee says, "I've been challenged by my job. I feel like every time my work was getting monotonous, suddenly I was getting into new things."

Work design goes beyond just the tasks, it also accounts for working conditions. Although this problem was not mentioned in Company "A", employees of Company "B" report at length the inconsistent application of rules and discipline. The frustration of seeing rules and policies unevenly applied seriously detracts from company spirit.

Training and career development are also part of work design. Company "A" offers extensive training programs both of a technical and a managerial nature. Employees are encouraged to attend in-house training, and are encouraged to attend conferences and outside training programs. The complaint at Company "A" is that though these opportunities are available, employees don't always know which training would be of most benefit to them or the company, or how to create a career development plan that would systematically incorporate all of the available training opportunities. To have these opportunities without the guidance of how to use them was frustrating to some employees. And yet, in the past two calendar years, 1989 and 1990, 112 Company "A" employees took a total of 259 college courses at the company's expense, and 14 students took a total of 21 continuing education courses.

One complaint at Company "B" is that there are few training opportunities. In-house training is basically on-the-job training, as effective as the individual with whom a trainee is paired. Structured,

formal training programs are cut due to economic hard times, as are memberships in and literature from professional organizations. Although the educational benefits at Company "B" are lavish and any employee can attend college or graduate school at the company's expense, employees don't know how to access these benefits, and don't see how academic development will be of value to them in moving along in the company. Company "B" does not keep information about which of its employees take courses at company expense. In the interviewing process, only one interviewee mentioned taking a college course at company expense. The benefits are available, but no one in the HRD division knows who is accessing these benefits.

Performance appraisals are another work design issue. At Company "A", there are 5 categories of performance appraisal. 262 employees reported being in the top half, 22 employees in the bottom half. At Company "B", there are 4 categories of performance appraisal. 206 employees reported being in the top half, 152 employees in the bottom half. At Company "A" there is no limit on the number of top ratings a supervisor can give. At company "B" supervisors are allowed to give no more than 20% in the top rating. Thus, at Company "A", employees do not compete with each other for high performance appraisals, they support each other to do their best. At Company "B", employees are in intense competition with co-workers for the coveted 20% highest ratings. Many employees at Company "B" expressed

resentment. Performance appraisals turned out to be one of the factors most significantly correlated to employees' positive feelings about their work and their organization.

Another work design issue is access to needed resources and equipment. Although Company "B" did not mention this problem, employees from Company "A" voiced the concern that the engineering division, the cutting edge of the company's ability to be innovative, had been unable to get the CAD CAM computer hardware that the company had been promising for the past three years. Someone in Company "A" even mentioned the frustration of not being able to get a new pair of needed crimpers.

Another element of work design is being able to take risks. Those who feel comfortable about innovating, experimenting, challenging the systems are more involved and feel a greater sense of empowerment than those who follow directions and maintain the status quo. The pleasures of learning new things, of feeling challenged and stimulated by work, are major contributors to building company spirit. Employees at both companies report the desire to grow in their professional realms, but while 50% of the people at Company "A" believe it will be possible, that the company will support their need for challenge, only 28% of those at Company "B" believe the company will support their undertaking new challenges and responsibilities. One business school graduate reported that she believed that she would

never be able to advance beyond a low to low-middle level management in the company.

And finally, a critical element of work design is being able to see the larger picture. At Company "A", those in middle and upper management most frequently reported the satisfaction of being able to see how their work tied into the larger picture, while those at lower levels of the company spoke also of their ability to roam the plant, access information from other departments and divisions, and through the quarterly top management meetings stay on top of what the company is doing. At Company "B" employees report desiring the opportunity to do cross-training, to "intermingle" with other parts of the company, so that groups can understand the problems other groups face, to work out solutions to common problems together. Interviewees describe Company "B" as being compartmentalized. Sales doesn't give sufficient information to engineering; engineering doesn't give sufficient information to manufacturing, and the inefficiencies and frustrations of doing work that needs to be re-done or that could have been done more efficiently with collaboration seriously detracts from morale, not to mention productivity.

Relationships

The way employees relate to each other is a significant issue in terms of company spirit. When people feel liked, respected, appreciated, included, they are more likely to feel high morale or spirit. In fact, when people describe what they mean by company spirit, they talk about sharing with others, being part of a community, pulling together as part of a team, being cared for and caring for others, looking out for the welfare of everyone, having fun, being enthusiastic, recognizing that everyone matters. People talk about camaraderie and esprit de corps when they describe company spirit. These are relational words, concepts that explain how people interact.

The relationships up and down hierarchical lines as well as horizontally make a big difference to developing company spirit. The kinds of structures or activities in organizations that either foster or impede relationships seem to be the interpersonal skills of supervisors, the systems for dealing with conflict, the degree to which internal competition is fostered or defused, the kind of trust that builds between co-workers across hierarchical lines as well as between peers, and the kinds of socializing and celebrating that the organization sponsors or permits.

In terms of supervision, employees in both companies recognize the role a skilled supervisor plays in building morale. Both in their appreciation of good supervisors and their discouragement with poor ones, employees recognize that at least one critical element of supervision is interpersonal skills. Employees say of good supervisors that they care about people, they are in "tune" with people, they treat people like people and not just like workers, and that they tend to get more loyalty from employees than those who "manage by the books." Conversely, employees say that poor supervisors don't listen, don't share information or reasons for decisions, are introverted, don't know their employees personally, are distant and segregated, are capricious in making decisions and applying sanctions at best; and take pleasure from intimidating and belittling, use power for its own sake, and play favorites at worst.

At both companies, the major distinction employees made between good and bad supervisors was interpersonal or relationship skills. Employees suggested that good supervision skills are learned, not inborn, and that training in listening, empathy, consistency, paying attention to people, can only benefit new supervisors as well as refresh old ones. It is clear that people with strong technical abilities but weak interpersonal skills, though they may be highly productive as operational staff, are unfit to supervise.

Another relationship issue mentioned by employees in both organizations was the ways conflicts are dealt with. In Company "A", the environment is open. The researcher's report and recommendations to the company, although they contained some negative findings, were made available to all employees. The company doesn't fear to expose its warts and blemishes. As a result, people at Company "A" felt much more comfortable about dealing with problems, expressing their feelings to their supervisors. The researcher was assured by every interviewee that confidentiality wasn't necessary and that anything told to the researcher could comfortably be told to the boss. Not so in Company "B". In Company "B", several employees mentioned that their performance appraisals hadn't been fair, and that there was no one they could go to for a hearing. There was anger on the part of employees regarding the dress code, which was being selectively enforced in different sections of the company. This issue was dismissed by the HRD department as unimportant and referred to supervisory discretion to be resolved, when supervisory discretion was what created the problem.

An important relationship issue is the degree to which internal competition is fostered or defused. A few interviewees from both companies expressed the viewpoint that a moderate degree of internal competition between departments and divisions was healthy for the organization, but most believe that internal competition is destructive of company spirit and ultimately of productivity. The psychic,

physical and financial energy required to compete within the organization clearly detracts from the energy available to innovate new products, find and satisfy new customers, and manufacture quality goods, all of which require cooperation and teamwork.

At Company "A", the environment is described as occasionally competitive. A few employees mention the struggles between production and R & D in terms of resources. R & D people feel that their work impacts on the future of the company, while production people feel that their work impacts on the present. They also mention the competitiveness that comes from zero-based staffing. If an employee leaves a department, he or she isn't automatically replaced. Other departments compete for the available slot, so the incentive to share temporarily idled employees is diminished for fear that one's employees will be seen as extraneous. In general, however, most employees feel that they can go to other departments with problems or requests and that the "internal customer" philosophy kicks in to provide them with what they need. Because of the effort made to communicate, people at Company "A" have at least some sense of how their work fits into the larger picture, and report a basic spirit of cooperation and collaboration for the greater good.

At Company "B", employees report the environment to be highly competitive. People describe the atmosphere as "cutthroat." An interviewee mentioned getting in trouble with the boss for spending

time instructing a field representative from outside the department on how to operate a machine. There's also a fear of appearing less competent than someone else. An interviewee described fifteen people spending an hour figuring out who screwed up a \$2 part. One supervisor who recognized the need for more cooperation reported that his answer to the problem was to fire a couple of guys and hire a couple of others, it was easier than trying to get his current people to work together. Another employee reported that managers keep information from each other to make the other look bad. There are descriptions of regular conflicts between engineering and manufacturing, and between sales and engineering. And universally, every interviewee discussed the competition between the two major divisions of the company. One is considered to be the cash cow that produces all the income but gets the least attention; while the other is described as the CEO's pet project, the one that gets all the resources.

In reporting back the research findings to Company "B", the researcher presented the issue of internal competition and its dysfunctional aspects. The CEO and the VP of one of the major divisions disagreed that competition was dysfunctional, that they deliberately fostered this competition in order to keep people on their toes. In the discussion that ensued, the VP commented that the researcher's viewpoint (that internal competition was counter-productive) was gender based... women defuse competition

while men enjoy and foster it. The top management team of Company "B" was not interested in looking at the research and the nearly universal agreement among organizational behaviorists that internal competition creates many more problems of morale and lower productivity than it solves. The CEO did, however, acknowledge that perhaps his company had gone somewhat overboard in fostering the competitive environment, and that they would need to "take a look" at that issue.

Another relationship issue is the kinds of socializing and celebrating that the organization sponsors or permits. Many interviewees mentioned the value of socializing with co-workers in terms of creating company spirit. Many also mentioned that company-sponsored opportunities to get together have been rewarding, and contributed to their feeling of belonging to their organization. Employees at both companies talked about company picnics, company sports leagues, parties celebrating employees' anniversaries with the company, celebrations of product launches, as being valuable. Company "B" has an Employees' Committee whose basic function is to organize social events, clubs, athletic teams, outings, raffles, celebrations, cards, gifts, flowers, and support for employees with illness or family crises. Company "B" has just hired a travel coordinator who is arranging special trips, fares and travel discounts for Company "B" employees. The employees' committee serves as a focal point for

employees to come together. It is interesting that although Company "B" rates lower than Company "A" in terms of commitment to work, and dramatically lower in terms of commitment to the organization, Company "B" rates higher than Company "A" in terms of commitment to co-workers. One possible interpretation of this phenomenon is that employees at Company "B" participate in many more out-of-work social opportunities than employees report doing at Company "A". And another interpretation is that when management is the "common enemy," employees are likely to be more cohesive as they protect themselves from that enemy than they would be if the enemy didn't exist.

And finally, a crucial relationship issue is one of trust. If employees are able to believe each other and believe the management of the company, if the actions of management are congruent with their words, that trust translates positively to company spirit. Employees at Company "A" feel universally respected. They feel free to hold and articulate divergent opinions; they feel safe from unfair work practices. They trust that the rights of due process will be available to them, they trust that what management tells them is what will happen. One employee talked about Company "A" being like America... he can come in and say what he thinks, he doesn't feel he has to leave his rights at the door.

One of the most painful problems that Company "B" has to deal with is a total lack of trust on the part of workers of top management. People have expressed the viewpoint that top management degrades and deals unfairly and disrespectfully with employees; that they espouse participative decision-making but practice top-down management; that decisions get made and disseminated that are not lived up to. People at Company "B" talk about the hallway veto, about not being able to believe their managers. They hear that this is the last layoff and two weeks later there's another one. The head of the HRD department himself proudly, in a "just between us" conspiratorial tone, told the researcher that he allows his people to think they're part of the decision-making, but he then goes off and does whatever he wants. The level of cynicism and distrust on the part of company "B" employees is deeply ingrained in the culture of the organization and is a major drain on enthusiasm, spirit and positive energy at Company "B".

Rewards

The original pilot research at Interlocken and NTL didn't take into account the impact of reward systems on building community spirit in organizations. The topic never came up in interviewing members of these organizations. In analyzing the 5-point model of building company spirit which was developed in these two human service

organizations, compared to what was learned in the two for-profit organizations, the reward system clearly became an important facet of building company spirit. Thus, the 5-point model is more useful as a 6-point model.

There were several elements in each of the reward systems mentioned by interviewees at both companies; the non-financial rewards such as challenging work or a comfortable office; the financial but non-cash rewards such as an Employee Assistance Program or daycare; and the cash rewards, or salaries. In each company, regardless of the kind of rewards being discussed, the overriding principle of building company spirit was that the rewards and punishments should be equitably distributed, particularly internally. If rewards are given to favorites, or those skilled in avoiding controversy rather than those who are the most productive, resentment builds. If rewards and punishments are seen to be consistently awarded, company spirit is enhanced.

In terms of the non-financial rewards, employees in each company talked about their success in achieving their professional goals within the company, the degree to which they felt recognized and appreciated by co-workers and by management, the degree to which they perceived that there was congruence between efforts/achievements and rewards. Interestingly, employees from Company "A" felt that the non-financial benefits were more important than the financial ones. They mentioned

as rewards the peaceful, quiet New England college town in which the company is located; the pleasure of job security and of working with compatible colleagues. They mentioned living close to work, the opportunities for training, for participation in decision-making, for feeling important to the management of the company, for being respected in the community due to their employment at Company "A". And they mentioned the sense that for many it would be possible to grow professionally in the company. For employees from Company "B", those who spoke positively about rewards did not mention any non-financial rewards as being important, the only exception being in a few cases people mentioned appreciating the opportunity to do inherently interesting work. Far from feeling rewarded by the idea that they had opportunities to grow with the company, employees from Company "B" overwhelmingly believed that no such opportunities existed for them. This absence of hope for professional growth was highly demotivating and detracted in a major way from company morale.

In terms of non-cash financial rewards, those from Company "A" spoke with satisfaction of the matching 401 K plan, the opportunity to have overtime, and the benefits package in general. People mentioned interest in a dental plan, which the company is investigating. Those from Company "B" spoke bitterly about the cessation of the matching

401 K plan, though when asked they generally expressed satisfaction with the overall benefits package.

And in terms of cash rewards, employees in both companies talked about the value of a profit sharing plan. In Company "A", the profit sharing plan was a major incentive to employees until the company went multi-national and siphoned off most of its profits into expanding international divisions. Company "A" hasn't seen a profit sharing bonus in many years, and top management people are discussing a profit-sharing plan redesign in which a percentage of each division's profits would be available for profit sharing, rather than looking at the total company profits. In Company "B", people appreciate the bonus plan when the company is profitable. They also appreciate the quarterly cash award program in which \$5,000 is divided among the 7 or 8 people each quarter who have made the largest contribution to the company as determined by nominations from supervisors and selection by the top management team.

Probably the most significant difference between the cash rewards at Company "A" and Company "B" is that every employee of Company "A" is on salary. There are no time clocks, and salaries are fixed based on a 37 hour week with payment for a 40 hour week for each employee. Non-exempt employees also receive overtime for anything beyond a 40 hour week. People at Company "A" express appreciation for being trusted not to take advantage of freedom to

leave during the work day for medical appointments or emergencies. At Company "B", all non-exempt employees punch the clock.

Another interesting difference between Company "A" and Company "B" is that those interviewed from Company "A" state that their salaries, while fair, are lower than they might earn elsewhere but that the actual cash rewards, (within reason) are not as motivating as good working conditions and appreciation. Those at Company "B" report that given the choice of more money or more appreciation and better working conditions, they'd take the money. Employees at Company "B" speak bitterly about money, not the money given but the money taken away. They resent having their raises delayed twice while they are working harder than ever to get new products to market; they resent the rescission of the matching 401K plan, but most of all they resent what they believe is an inequity of sacrifices being asked by the company. When raises are withheld or wages cut back on a percentage basis, or the plant closes for a period of time as it did this year for two weeks as a cost-saving measure, blue collar workers feel the pinch much more painfully than those in middle and upper management.

In general, people at Company "A" are satisfied with compensation and benefits. No one expressed the opinion that upper management received a better deal than workers. In Company "B", employees are dissatisfied with what they perceive to be unfair division of rewards between management and operational workers. They are focused on what has been taken away rather than what has been given. It may be

that money as a reward is more important than recognition and appreciation when the financial rewards are perceived as inequitably distributed or inadequate; while recognition and appreciation as rewards are more satisfying and important than money as a reward when money is perceived to be equitably shared.

CHAPTER VIII

IMPLICATIONS OF THE FINDINGS IN TERMS OF ORGANIZATIONAL CHANGE

While there is more an intuitive sense than scientific evidence that productivity and company spirit are correlative, it is clear that organizations need to act on that intuitive sense. If people have a choice of working in a high spirit organization or a low spirit organization; of working in a place they like to be and believe in or working in a place they have to be in order to survive economically, there is no question that the high spirit organizations would be the workplace of choice. Since a scarcity of qualified and capable personnel is clearly a first-world if not a global phenomenon, those organizations that are able to create high spirit are inevitably the ones that will attract, retain, and benefit from the involvement of the best quality workers.

The ultimate purpose of this study was to provide insights and tools to those responsible for worker productivity and worker satisfaction. The insights are the theoretical frameworks for helping managers understand what makes people excited about getting up in the morning and going to work. The tools are action plans for creating

organizations that are highly spirited, for designing organizations that inspire members to contribute their best efforts, and for transforming organizations into high-spirited places to work.

This research is meant to provide models, and guidance to managers for improving organizational behavior. Using the originally 5-point and now the 6-point model, it is theoretically possible to help each of our two case study organizations, Company "A" and Company "B", create a deliberate business plan for improving company spirit. Although Company "A" is a high spirit company, it is still important for its managers to consider consciously how to maintain and continue to build spirit. Company "B" is suffering from a serious deficit in company spirit, and needs all the help it can get to change its organizational climate.

Elements of Organizational Life That The Managers of Company "A" Should Consider, To Improve Company Spirit

1. Communication

Communication was mentioned as both a strength and weakness at Company "A". The willingness of top management to share information and to meet quarterly with employees is exemplary, and is felt to be sincere. And yet much concern was expressed about middle management and first-line management doing their share in the

communication loop. There is clearly an issue with bottom up communication, and the willingness of the company to solicit input and to pay attention to the ideas of lower level employees.

One suggestion is to institute a monthly report up the chain in which first line supervisors meet with their supervisees to collect questions, ideas, areas of concern; and pass these up during their own monthly meeting with middle managers. These ideas, questions and concerns can then be addressed by top management either directly one on one if they are specific; or indirectly to the whole organization in the company newsletter, or at a quarterly top management meeting. However, requiring first-line and middle managers to solicit and pass information up would be helpful only if responses came back down the line in a timely fashion.

Another suggestion is to connect all employees to the electronic mail system and train them in its operation, which would facilitate information going directly up and down the line without the inevitable loss or distortion by lower and middle managers. If employees are able to work with an even fuller knowledge of the reasons for operational decisions, and with a fuller sense that their ideas are solicited and valued, company spirit would be enhanced.

Another suggestion is to institute visits of top managers throughout the company, rotating to divisions other than their own, where every few months they would ask and answer questions, solicit

opinions and pay attention to what is going on in disparate areas of the organization to enhance their knowledge of the larger organizational picture as well as to provide employees with a chance to get to know them and be recognized by them.

A final suggestion is to clarify the goals of the company newsletter. Is it designed for employees as a communication link and spirit builder? Or is it a way of informing customers and suppliers about company news? If it is the former, it needs to have a rotating employee committee that collects employee news both of a personal and professional nature (i.e. Alice just attended a workshop for the Technical Writer's Association and returned with the following six new ideas; or... Alice just returned from four months of maternity leave after the birth of her second child, to a new promotion in the Public Relations Department where she will be designing the new company newsletter to keep customers and suppliers informed of Company "A" events.) This kind of information from the employee news committee would be fed to the newsletter editors to include in a section called "Company "A" People and Their Activities," along with news generated from various divisions about divisional activities, breakthroughs and frustrations, and news from top management about directions, exciting new contracts, fanciful ideas for possible future growth, for the company. This employee news could be an insert in the company

newsletter that is sent only to employees and not to customers and suppliers.

2. Supervision

People at Company "A" stated that there are too many managers, that supervisory responsibilities are unclear, that supervisors are in many cases good workers, but lack sufficient on-going training to be effective supervisors, that some of them don't know how to communicate, that they lack interpersonal skills, that they don't know how to appreciate but do well at fault-finding.

One suggestion is to institute a series of on-going supervisory training workshops that can be taught in-house on a continuous basis. Those who are interested in becoming supervisors should be able to sign up for this series of preliminary workshops, which would serve not only to train first-line supervisors, but which could serve as assessment opportunities to determine whether those who are interested in supervision have any aptitude for it. These workshops or training sessions, a series which might be taken over a three month period for about four hours at a time, should include time management, motivating employees, dealing with difficult employees, disciplining employees, appraising employee performance, dealing with conflict, learning to evaluate options and make decisions, and most important,

practicing communication skills... how to talk and be heard, and how to listen and allow the talker to feel as well as be heard.

There should also be a follow-up series of workshops for those who are already supervisors, at first on an annual and later on a biannual basis, to refine and further develop their skills, share problems, solutions and techniques with each other, and collaborate on updating the workshops to meet the changing needs of the organization.

One HRD person at Company "A" be designated as supervision skills trainer to coordinate the training program, and that pieces of the training task be assigned to those supervisors who are well noted for their skills in each particular area.

To supplement the on-going training in supervision skills, each new supervisor should be allowed to select a supervision mentor, either the supervision trainer or someone skilled in the organization with whom the new supervisor has an affinity and with whom the new supervisor could discuss problems, solutions and issues of supervision. Those who are chosen as supervision mentors should be acknowledged and appreciated by management as supervision role models. Supervisors would probably strive to be selected as mentors for the newer folks, and who should be rewarded financially.

There should also be a mechanism for workers to appraise their supervisors. The mechanism should be simple. Each supervisor might design his or her own questionnaire with the help of the supervision

trainer during the supervision workshops, or with the supervision mentor, for their supervisees to answer. The questionnaires could be administered by the supervisor, who would be able to keep the results confidential or share them with his or her supervising mentor if desired. The upward performance appraisal fulfills two important needs. First, supervisors get feedback on their performance which enables them to correct supervision problems; and second, employees feel the importance and the responsibility of giving their input and feeling heard.

Good ongoing supervision training will also help alleviate the problem of perceived inequities in how hard people work. If all supervisors are systematically trained in a given supervision model, and if they all understand, are capable of and agree to follow consistent patterns in supervising employees throughout the organization, employees are less likely to perceive that some get away with the minimum effort while others carry the load.

3. Need for Career Development

There were enough interviewees who weren't sure how to develop their own careers either within Company "A" or in life after Company "A" to indicate that a structured career development program would be effective. People who are eager to grow upward in their careers, or people who are interested simply in expanding laterally, but who don't

have the sophistication or the guidance of family, mentors or colleagues, are bound to be frustrated because they sense the opportunities that abound at the company but don't know how to access them. These are the people who are most likely to assume political or pedigree rationalizations as the ways to get ahead at Company "A".

Someone in the Human Resource Department should be assigned the task of career development. This person would serve as a guidance counselor for those with career aspirations, and could counsel those interested in making a professional change or growing a professional step upward on steps to take for advancement or enrichment. Even if there aren't places within the company for everyone who wants to move up or laterally to do so, it would positively affect company spirit for those desiring a change to be guided outside the company for career growth. Keeping stale employees whose only interest is job security and retirement is a kind of employee commitment, but not necessarily the kind that enhances company spirit or improves worker satisfaction or productivity. Stale but committed employees actually serve as a drag on company spirit and will better serve Company "A" by being developed, either within the company or outside it.

4. Hierarchical Decision-Making

Comments of interviewees that decisions are passed down as directives, when Company "A" claims to prefer a more participative style of management, are unsettling. It seems completely reasonable and legitimate that major strategic decisions should be made at the top. The value of explaining the reasoning behind these decisions helps those who have to operationalize them to do so well and with commitment. The problem comes from claiming to be participative while behaving hierarchically. It is better to be consistent in word and deed, and to feel comfortable with making strategic decisions at the top where they are appropriately made.

The importance of distinguishing between strategic and operational decisions is important, since operational decisions are best made at the level at which they need to be operationalized. It is usually the failure of top management to define which are strategic and which are operational decisions, and to train employees to understand the difference that leads to frustration on the part of employees with hierarchical management, or management decisions that appear (although they may not be) arbitrary, illogical or unfounded.

Top management should distinguish for itself which decisions are which, and even more importantly, should train employees to understand the difference. Being clear and unapologetic that strategic decisions are the domain of top management is reasonable, and taking

the risk of pushing operational decisions as far down the line as possible, providing those who must make the decisions with the resources and authority to make them happen will also contribute to employees taking responsibility and "buying into" the decisions.

Finally, the CEO at Company "A" mentioned during one of our meetings that the kind of action research that this study entailed is inherently a spirit-builder. Asking people about company spirit on a regular basis, diagnosing changes in company spirit and the current factors that facilitate and hinder it, is valuable human resource research as well as an enhancement of company spirit. The CEO suggested that a survey such as this one be conducted by an external researcher every few years. Such ongoing research would clearly benefit company spirit.

Concluding Remarks for Company "A"

The last question asked of each interviewee was "If you could wave a magic wand over Company "A" and make three changes that would improve company spirit, what changes would you make?" It was fascinating that most Company "A" interviewees spoke of the company in the first person plural (we) where interviewees at Company "B" referred to their organization in the third person plural (they). One response received at Company "A" (and not from top management, either) seems to typify Company "A"'s employees' feelings about the

company, and speaks to the admirable level of company spirit which exists at Company "A". The response is,

I would like to wave the wand and enable all employees to *realize* that their contribution *is* an important one. The final product would suffer without our effort. The company we work for is universally admired and considered to be one of the finest in the area. We enjoy a rare degree of job security. If we hope for significant wage increases, we have the ability to make ourselves significantly more valuable to the company. We want to exert a degree of effort that would satisfy US if WE were paying someone else to do our job. Here at Company "A", if the company does well, we do well. We are fortunate in that respect, and we need to realize it.

Company "A"'s commitment scores on the CDI turned out to be significantly higher than those of Company "B". Company "A" does, and clearly deserves to be proud of living up to its mission, and to being a place where employees like to work. Excellent isn't perfect, and there are steps the company can take to maintain and even improve its sense of company spirit. Some of the organizational changes included in this analysis might fit in with the company's strategic plans in terms of quality of work life as well as product quality. As it looks to the future, Company "A" deserves to be proud of its past and current achievements in creating and for three generations maintaining a uniquely high-spirited organization.

ELEMENTS OF ORGANIZATIONAL LIFE THAT THE MANAGERS OF COMPANY
"B" SHOULD CONSIDER, TO IMPROVE COMPANY SPIRIT

1. Team building at all levels of the organization, but particularly in top management

The way the members of the top management team relate to each other impacts significantly throughout the rest of the company. If the top team is competitive and cutthroat, they model this behavior throughout the organization. If respect and trust are absent, employees waste enormous amounts of energy on internal problems and conflicts that detract from the work of developing, manufacturing, pricing and delivering new products, of identifying new customers and servicing them to their satisfaction. The effort to build one's own division and power at the expense of other individuals and other divisions in the organization decreases the ability of the organization to respond to turbulent and dynamic external environments and opportunities.

The way employees relate to each other is a significant determinant of organizational spirit. To what degree does the company foster the sense of its employees being part of a team or "family?" This sense of family is a strong feature in many Japanese companies and a central characteristic of what Americans have come to see as company spirit within the Japanese culture. Without exception from the highest level of Company "B" down to the lowest, employees

perceive a lack of teamwork among top managers. The degree to which top management is perceived not to respect each other or those below them in the organization contributes to the pervasive, highly competitive organizational culture at Company "B", and is a major source of discontent throughout the company. It results in high turnover, feigned injuries, sabotage, complaining OUTSIDE the organization about life INSIDE the organization, disloyalty, and a disinterest in organizational goals.

It is essential for the top management team first to transform the organizational culture from a competitive to a collaborative one; one which genuinely values, respects and appreciates the workers. It may require some changes in the top team, by pulling together those who are inspired and excited by the opportunities for organizational transformation and bidding farewell to those who don't have the interest in or the capacity to change. For those who elect to remain and to lead the change effort, it will also clearly require training in new ways of communicating and working together. This kind of change is neither easy nor quick to achieve. It can only occur with the full support of and the full participation of the top management team. Organizational change starts at the top. It will take complete commitment, and it may also take several years. With the degree of suspicion and distrust that has built up at Company "B" (not only within the top management team but throughout the company), it will

clearly take time to help employees throughout the organization learn to believe that the organizational culture is shifting from competitive to collaborative. It will take time for the employees to believe that they are valued and seen as central to the organization's mission.

The starting point is to make sure there is mutual trust and respect among the top management team, and if there isn't, to take the time to develop it.

2. Setting and disseminating organizational goals.

If there is a corporate mission at Company "B", the only person interviewed at the company that clearly articulated that vision to the interviewer was the CEO. Those surveyed, and those interviewed, either have a cloudy vision of the mission (to be number one in the field) or a non-inspiring and non-directional one (to make money for the stockholders). The vision needs to be clear, simple, inspiring; and it needs to be presented and presented again and again and again, so that all employees understand it, remember it, and feel motivated by it.

In addition to inspiring employees, the corporate mission is the basis for strategic decision-making. What kind of business to go after, what kind of business to forego, where to allocate financial, material and human resources, all are determined by the corporate mission. This mission needs to be more than platitudes in the company brochure; it

needs to be translated into working goals that inform top management and all the OTHER levels of the organization about what to do and how to do it. So not only do the goals need to be clearly articulated, they need to be the basis for strategic planning, for operational planning, and for decision-making throughout the organization. They need to be operational rather than rhetorical.

One of the major issues employees at Company "B" have with top management is its inability to schedule realistically. The company is continuously in a state of crisis in terms of pressure to get orders out. Employees believe this problem contributes not only to a demoralized labor force, but that it also contributes to lower productivity and to lower profits. If there were a working corporate mission that formed the basis for strategic planning, top management could pick and choose jobs that fit into the organization's strategic plans, and could schedule these jobs so that profit margins would be realistic and so that constant pressure on the labor force wouldn't be a daily condition of life at Company "B". Let the corporate mission dictate the strategic plan, and let the plan dictate what work to accept, what R & D projects to undertake, and how to schedule the flow of work so that employees are stretched but not broken.

A company that operates without the whole team working toward clear and inspiring goals loses its strategic advantage. The strategic plan or goals don't need to be written in stone. There is no reason why

a deliberate decision to alter them can't be made. But having working goals in place that guide the company contributes to far more than inspiration and company spirit; these goals form the basis for team work, for everyone pulling in the same direction. They form the basis for satisfaction, productivity and profitability.

3. A clearer organizational structure

Company "B"'s organizational chart, referred to as "the baseball diamond," is difficult to understand. It doesn't make reporting relationships clear to the employees, and it doesn't serve as a guide for the way work actually gets divided at Company "B". To some degree, the organizational structure seems to have developed from the lack of teamwork at the top. A way of avoiding conflict is to redesign reporting relationships not because of their inherent logic but because of the need to keep the contacts between those who work poorly together to a minimum. Once the top management team is functioning as a team rather than as separate fiefdoms, and once the goals of the company are clear, it would undoubtedly be easier to design an organizational structure that is clear, commonsensical, and reflects the actual way work gets divided at Company "B". A clearer organizational structure would also facilitate the next recommendation, which is to evolve from a hierarchical to a more participative culture.

4. A shift from hierarchical to participative decision-making.

Because the organization espouses participative decision-making while practicing a more hierarchical style, there is a sense of distrust at Company "B". Top management should distinguish for itself which decisions are strategic and which are operational, and even more importantly, train employees to understand the difference. The top management team should be clear and unapologetic about the fact that strategic decisions are the domain of top management, and should take the risk of pushing operational decisions as far down the line as possible, providing those who must make the decisions with the resources and authority to make them happen.

The Employees' Committee is a valuable organizational resource which could be better exploited for the benefit of the whole organization. These people are elected by their peers as representatives, thus have the respect of their constituents. If top management believes in a more collaborative environment, a symbolic and an actual demonstration of this belief would be to have the CEO meet regularly and frequently with the employees' committee, to explain what he is doing and why, to use the committee as a sounding board for ideas and decisions. This group should not MAKE decisions; it should be a "kitchen cabinet" available as a sounding board to top management. It could be a fulcrum at which information is disseminated and collected. If trust were developed, if committee

members were encouraged with impunity to say what they thought, this kind of forum could go a long way toward dissipating suspicion and distrust throughout the ranks. This group could go out into the company and represent the views of top management not through hearsay or rumor but through direct contact and with positive understandings of the reasons for decisions. Information could flow down the line as well as up the line through this mechanism. Although the time spent in meetings of this sort might take away from time spent in other ways, it would be a sign to employees that their opinions are valued. It would also provide top management with vital information that could be invaluable in forming strategic decisions.

5. Training for managers at all levels

Top managers, middle level managers, supervisors on the floor are all in need of training in interpersonal skills, communication skills, the ability to be or appear to be consistent and even-handed, and the ability to demonstrate recognition and appreciation. Interview quotes and survey forms all bespeak the frustration employees feel in not being spoken to or spoken about with respect, in not being treated impartially, in not being listened to, and particularly in not feeling noticed or appreciated.

6. Redesign of some of the critical HRD functions.

A. Selection. Interviewees discussed the boom-bust cycles that are endemic to life at Company "B". They talked about people being hired en masse who were not carefully screened. And they talked about feeling "diminished" by working for an organization that is not highly selective. Since the difficulty of changing people to "fit" into an organization is well understood, a more practical route is to select people who already have the potential to fit. This kind of selection process requires that screening be thorough, not only to make sure that every person hired is suitable in terms of his or her technical skills, individual goals, compatibility with other employees, and motivation to be part of the team; but also to create the impression that Company "B" is selective and that it is a privilege and honor to be employed there.

B. Orientation. Developing realistic expectations on the part of new employees as to what needs to be given and what can be received is part of the actual and the psychological contracting process. The contract goes beyond the simplicity of a fair day's work for a fair day's pay, and touches on the unspoken and the covert, the organizational culture. The more realistic the expectations that new hires have about the organization, the more likely it is that they will be content, with expectations met. It is absolutely not enough to process new hires through their paper work and shoot them out into the organization

unsocialized. There is no substitute for a well-designed orientation that takes places over a month or two months' time. When new hires are confused about their role in the company and others' roles; about the way business gets done, and about the way conflicts get resolved and decisions get made, their dissatisfaction with the company is powerful and drags down morale. The way new folks are brought into the company, both formally and informally, has significant impact on their sense of being part of the team, and on the old members' acceptance and inclusion of them. A good orientation should be a bonding, spirit-building experience that acquaints the new hires with company goals, values, norms, procedures, personnel, expectations and products, and especially with others on the team.

C. Training. Systematic and intensive training, both in-house and with outside trainers or workshops, that are geared toward building the technical and human skills of employees and enabling them to grow professionally, to move either laterally or higher up in the organization, is extremely important. People who see that they are learning and developing, who believe they are growing and that the company is fostering this professional growth, feel enormous appreciation and tend to reciprocate by working longer, faster, smarter and with greater loyalty and creativity. In order to work toward the organization's goals (assuming that employees know what these goals

are) the employees need to believe that the organization take into account their own professional goals and that the company is willing to support them through training and education. Company "B" has excellent educational benefits, but these benefits need to be coupled with career guidance, with advice from managers about how the educational opportunities can prepare the employees to reach for new challenges within the organization.

D. Performance appraisals. Company "B"'s system of forcing performance appraisals onto a bell-shaped curve, while it avoids performance inflation and the need to give unwarranted merit raises, tends to set up a highly competitive environment. If only 10% in any one section can get the highest rating, and everyone is working hard and striving for high marks, then good workers are demoralized and discouraged by the lower performance appraisals that need to be distributed along the curve. Performance appraisal and organizational commitment are so highly correlated that it is far better to encourage good performance with strong performance appraisals than to force appraisals into a formulaic curve. Performance appraisals should be part of the career development process and not seen solely as a means of earning bonuses and pay raises. And finally, performance appraisals should be on time and consistent. First-line supervisors need to be trained to do performance appraisals that help their employees grow,

that are geared even more toward developing future performance than toward evaluating past performance

E. Finally, **massive layoffs must be avoided**. Not only are they costly in terms of unemployment compensation insurance, but job security is a critical factor in building commitment of employees to the organization. All interviewees said that loyalty from the company is generally reciprocated by loyalty to the company. Layoffs are not a way to weed out dead wood, dead wood shouldn't be hired. If some slip through the screening process, their performance should be carefully documented, and they should be fired rather than laid off. Good strategic planning, good HRD planning, careful scheduling of tasks and employees, should enable the company to avoid a pattern of massive layoffs. Any layoff should be a last resort after all other cost-cutting and down-sizing measures are implemented, should be carefully thought through, should be announced officially well in advance of its occurrence and never through the grapevine, and should be accompanied by help to those who are let go in terms of outplacement and support. Otherwise, trust in the company erodes and as soon as employment opportunities abound, people will leave Company "B" for a more stable employer.

Concluding Remarks for Company "B"

The last question asked of each interviewee was, "If you could wave a magic wand over Company "B" and make three changes that would improve company spirit, what changes would you make?" One answer seems to typify Company "B"'s employees' feelings about the company. The response is,

Company "B" is a very good company but it has a lot of problems and even though people are scared and angry, they keep hoping that things will change for the better. We all want Company "B" to succeed, and we all want to succeed with it. I'm a very opinionated person, and I think you'll find that I and everyone else here is being honest with you. I hope that all the information you provide to top management, I hope they, as I say, not only read it but understand what's in there. I think it's very important.

Company "B" has a fine reputation with its customers, it makes products that are important and necessary. It is financially viable, and is perceived by its employees as being highly financially successful. It operates in a dynamic, highly turbulent and competitive high-tech environment, and therefore it needs to be able to move rapidly, anticipate and take advantage of new opportunities, be creative, be lean and hungry, and operate with all cylinders at full capacity. Thus, it needs to have a committed, enthusiastic, supportive labor force. As it moves into its Total Quality Management (TQM) program, Company "B" must think of Quality not only in terms of product, but also in terms of Quality of Working Life. Company "B" needs to be a quality place to

work. It deserves to be proud of its growth and its technical achievements. It can also optimistically work toward the day when it can be proud of its company spirit, its esprit de corps.

Conclusion

Company spirit doesn't just happen. Few companies make spirit building an actual goal like their other business goals, but those that do elevate spirit building to a major corporate goal and design ongoing planning to achieve and maintain the goal create high-spirit companies. Company spirit needs to be part of the planning. Top management needs to say, "If we want company spirit to reach this defined level in five years, this is what we need to do...."

One way to plan for company spirit is to focus on it, spend time on it. Action plans can be generated for each point in the 6-point model, and a system of implementation and assessment can be devised and widely disseminated throughout the company so that all employees of company would be aware of and participate in the development, implementation and evaluation of the plans. In order for company spirit to be high and stay high, it needs to be an organizational priority. There needs to be a way to reward people who are spirited in some sort of explicit and defined way. People need to search out spirited behavior, to appreciate it, support it and celebrate it.

APPENDIX A: COMMITMENT DIAGNOSIS INSTRUMENT

(CDI) c 1989 Stephen L. Fink

The CDI is a series of 30 statements related to work and organizational life. Read each statement and indicate how TRUE it is FOR YOU, using a scale of numbers. At one end of the scale is "0," which means "Not true at All." At the other end of the scale is "6," which is used to indicate "Very true." The numbers in between reflect the various places between the two extremes. You decide which number comes closest to reflecting your attitude. The number "3" indicates the midpoint between the two extremes.

Please take your time and think about each item before circling the number. And thanks again for your cooperation.

For each item below circle the number that best reflects your attitudes or behavior. Feel free to make comments below each item.

1. I tend to become absorbed in my work to the point where I shut everything else out.

Not true at All Very True

0 1 2 3 4 5 6

2. I am usually aware of how others around me are doing in their work.

Not true at All 0 1 2 3 4 5 6 Very True

3. I feel pleased when I learn about my organization's achievements.

0 1 2 3 4 5 6

4. I don't enjoy the work that I do very much.

Not true at All

0 1 2 3 4 5 6 Very True

5. I am usually ready to help out when my co-workers need my help.

Not true at All

0 1 2 3 4 5 6 Very True

6. I don't pay much attention to information about how my organization is doing.

Not true at All

0 1 2 3 4 5 6 Very True

7. I take pride in the quality of my own work.

Not true at All

0 1 2 3 4 5 6 Very True

8. I tend to mind my own business and let others take care of theirs.

Not true at All

0 1 2 3 4 5 6 Very True

9. My organization's goals help me to fulfill my own goals.

Not true at All

0 1 2 3 4 5 6 Very True

10. I tend to watch the clock and look forward to leaving work.

Not true at All

Very True

0	1	2	3	4	5	6
---	---	---	---	---	---	---

11. I look forward to seeing my co-workers every day.

Not true at All

Very True

0 1 2 3 4 5 6

12. I have little sense of where my own work fits into or contributes to the organization as a whole.

Not true at All

Very True

0	1	2	3	4	5	6
---	---	---	---	---	---	---

13. My work day tends to drag and seems endless.

Not true at All

Very True

0 1 2 3 4 5 6

14. I don't mix work and friendship.

Not true at All

Very True

0 1 2 3 4 5 6

15. Once the work leaves my department, I don't think much about it.

Not true at All

Very True

0	1	2	3	4	5	6
---	---	---	---	---	---	---

16. I find it hard to concentrate on my work; I think more about other things.

Not true at All

Very True

0 1 2 3 4 5 6

17. I make sure my own work gets finished before I check to see if someone else needs help.

Not true at All

0	1	2	3	4	5	6
---	---	---	---	---	---	---

18. I tend to get defensive when I hear or read negative comments about my organization.

Not true at All

0	1	2	3	4	5	6
---	---	---	---	---	---	---

19. When I'm not at work I don't think about work.

Not true at All

0	1	2	3	4	5	6
---	---	---	---	---	---	---

20. I believe that I could do a better job if I could just be left alone.

Not true at All

0	1	2	3	4	5	6
---	---	---	---	---	---	---

21. For the sake of the organization I am usually ready to let another department's needs take priority over my own department's needs.

Not true at All

0	1	2	3	4	5	6
---	---	---	---	---	---	---

22. My work is a major source of need satisfaction in my life.

Not true at All

0	1	2	3	4	5	6
---	---	---	---	---	---	---

23. I get very little out of interacting with the people around me.

Not true at All

Very True

0 1 2 3 4 5 6

24. There are other organizations I'd rather work for than this one.

Not true at All

Very True

0 1 2 3 4 5 6

25. Just doing the work that I do is its own reward.

Not true at All

Very True

0 1 2 3 4 5 6

26. I find it difficult to see people from my department leave; it's like losing a family member.

Not true at All

Very True

0 1 2 3 4 5 6

27. If more organizations were like this one, the world might be a better place.

Not true at All

Very True

0 1 2 3 4 5 6

28. I constantly strive to improve my skills in my job.

Not true at All

Very True

0 1 2 3 4 5 6

29. When new people come on board I make every effort to help them become members of the group.

Not true at All

0 1 2 3 4 5 Very True
6

30. The behavior of our CEO is not something that affects me personally.

Not true at All

0 1 2 3 4 5 Very True
6

APPENDIX B: Introductory Explanation of the CDI

For the past 25 years I have been informally studying organizations and how people behave in organizations. I am especially interested in how people who work for large companies go about getting their personal and professional needs met while at the same time working towards getting their company's goals met.

Right now, I am involved in a formal research project. I am studying what companies do to create a feeling of "company spirit" in their organizations. Let me describe what I mean by "company spirit."

We all remember what school spirit is... that indescribable feeling that school is a special place, that it is OUR school, that what we do makes a difference to whether or not it is a great school, an okay school or a terrible school, that what the school administration does also contributes to school spirit, to whether we loved school and felt a sense of "belonging" and feeling that we accomplished important things there. I am taking that idea of "school spirit" and changing it a bit to the idea of "company spirit."

So, company spirit is how we feel about the company... that sense of this company being OUR company, that we as individuals make a difference here, that the administration, or in this case the management, cares about us and supports us as we do our work.

I would like particularly to know what management does that either helps or gets in the way of creating this company spirit, this feeling of camaraderie, this sense of belonging. The reason I am interested in the question of what management does to create company spirit is that I believe people are personally and professionally happier and more productive in high-spirit companies than in organizations that don't

have good company spirit. If there is good spirit in the company, both the company itself and the individuals who work there will be more likely to prosper. So if we understand some of the ways to build good company spirit, we can help organizations be more productive, and more rewarding places to work.

There are two steps to this study; the first is a company-wide survey of attitudes about the company. The second step is a series of detailed interviews with a few employees from different divisions and different levels of the company. What I learn from the surveys and the interviews will help in developing some ideas about what contributes to company spirit.

The Management of your company has set aside an hour for each employee at all levels of the organization to complete the survey. However, your participation in this study is voluntary. If you choose not to complete the survey, you are free either to leave now or to turn in a blank form. It is my expectation that the survey will be valuable to all of you here at your company, to help you understand in what ways your organization is making workers feel committed to the organization and in what ways your organization could be making improvements. What you say in your surveys will be shared with top management, who will also share it with all the division heads and others throughout the ranks of the company. You will learn what your co-workers think.

However, only the results of the survey will be shared, not the surveys themselves. What you say will be reported back in terms of aggregate data. For example, I might report back that 15% of females believe that their personal goals match the organization's goals, while 35% of men responded that way. I will personally take the survey forms, and working with a few graduate students, I will tabulate the results and

make some comments. It is these results and my comments that will be shared with all of you at this company. The SOURCE of the information, each individual survey, will be completely confidential. Therefore, you can feel totally confident in expressing your views, knowing that no one here will learn, or attempt to learn what any single survey said.

Do you have any questions, either about my research or about the process of filling out the survey forms? (pause) Then take your time. Read each question carefully and answer as fully as you can. The more thought you give to your answers, the more useful they will be to my research and to your company.

Here are your directions. The first section of the survey asks for basic information about yourself. The remainder of the survey asks for your opinions. Read each statement and tell how true that statement is for you, using a scale of numbers. Please raise your hand if you have any questions about the directions or about the questions as you work on your survey. I'll come by and answer any questions. Thank you for your participation. Your generosity and helpfulness in filling out this survey, like the generosity of your top management here, is deeply appreciated. Thanks very much.

APPENDIX C: BACKGROUND INFORMATION SHEET

Your age:

<input type="checkbox"/> under 20	<input type="checkbox"/> 31-35	<input type="checkbox"/> 46-55
<input type="checkbox"/> 20-25	<input type="checkbox"/> 36-40	<input type="checkbox"/> 56-65
<input type="checkbox"/> 26-30	<input type="checkbox"/> 41-45	<input type="checkbox"/> 66-75+

Years with COMPANY

<input type="checkbox"/> 1-2	<input type="checkbox"/> 7-8	<input type="checkbox"/> 16-20
<input type="checkbox"/> 3-4	<input type="checkbox"/> 9-10	<input type="checkbox"/> 21-25
<input type="checkbox"/> 5-6	<input type="checkbox"/> 11-15	<input type="checkbox"/> 25-30+

Your Gender: ☐ Male ☐ Female

Your Position at the Company: (each company's categories were used for that company)

<input type="checkbox"/> Vice President, Director, Managerial	
<input type="checkbox"/> Manager	<input type="checkbox"/> Supervisor
<input type="checkbox"/> Technical Salaried	<input type="checkbox"/> Technical Hourly
<input type="checkbox"/> Group Leader	
<input type="checkbox"/> Operational Staff (secretarial, clerk, accounting, etc.)	

Is this company the first organization for which you have worked? ☐ Yes

☐ No

Your Educational Level:

- ☐ attended some high school
- ☐ graduated from high school
- ☐ attended college or technical school
- ☐ graduated from college or technical school
- ☐ advanced degree
- ☐ Other (please describe):

Your Marital Status: ☐ Single ☐ Married

Do you have school age children? ☐ Yes ☐ No

Distance you live from work:

<input type="checkbox"/> under 5 miles	<input type="checkbox"/> 16-20 miles	<input type="checkbox"/> 31-40 miles
<input type="checkbox"/> 5-10 miles	<input type="checkbox"/> 21-25 miles	<input type="checkbox"/> 41-50 miles
<input type="checkbox"/> 11-15 miles	<input type="checkbox"/> 26-30 miles	<input type="checkbox"/> 51 + miles

I am currently working in the following division: (each company's categories were used for that company)

<input type="checkbox"/> XYZ Systems	<input type="checkbox"/> ABC Systems
<input type="checkbox"/> Operations	<input type="checkbox"/> Customer Service
<input type="checkbox"/> Administrative (Human Resources, Finance, Computer, etc.)	
<input type="checkbox"/> Other (list) _____	

Have you received job training work? ☐ Yes ☐ No

If yes, how recently? _____

What sort?

When was your last performance
Appraisal? _____

Was it: (each company's categories were used for that company)

<input type="checkbox"/> Exceptional	<input type="checkbox"/> Superior
<input type="checkbox"/> Competent	<input type="checkbox"/> Provisional

How did you feel about your performance appraisal?

<input type="checkbox"/> It was expected
<input type="checkbox"/> It was a surprise
<input type="checkbox"/> Other (please describe)

_____ **I have** reached my career goals at this company.
_____ **I have not** reached my career goals at this company.

_____ **I do** desire more responsibility at this company.
_____ **I do not** desire more responsibility at this company.

If you have not reached your career goals, do you believe it will be possible to do so at this company? _____Yes _____No

(In the actual form, sufficient space is left for the respondent to comment to each of the following questions:)

What are your career goals at this company?

What do you think are this company's organizational goals?

What words, images or feelings do you think are important in describing company spirit? Please explain WHY you think these words, images or feelings are important.

How do you feel about working at this company?

What suggestions (if any) would you make for improving the company spirit at this company?

APPENDIX D: HUMAN SUBJECTS RELEASE FORM:

To participants in this study:

I am an Assistant Professor of Management at Keene State College in Keene, and a doctoral candidate at the University of Massachusetts in Amherst. The subject of my research is "Building Company Spirit in Multi-Divisional Work Groups." I am talking to a cross-section of people from all levels of your organization.

As part of this study you are being asked to participate in an in-depth interview during which you will reflect on what happens or fails to happen in your organization that contributes to or inhibits "company spirit" or a sense of cohesiveness or community. As the interview proceeds, I may ask an occasional question for clarification or for further understanding, but mainly my role will be to listen as you talk about your experience within your organization.

When the interviews are finished, I will analyze the material from these interviews to understand better what elements need to be present, or cannot be present, in order for organizational members to feel committed to, connected to the organization; to feel a sense of community or company spirit.

Each interview will be audio-taped and later transcribed by me or by a research assistant who will NOT be connected to your organization and who will be committed, as I am, to confidentiality. I will own, and store the audiotapes and research notes in a place where their access will be limited only to me and research assistants. In any written materials and oral presentations in which I might make use of materials from these interviews, I will not use your name, or the names of people you mention. Transcripts will be typed with pseudonyms.

As part of my research, I may use occasional quotes from your interview as a way of capturing the essence of your opinions. I may also use some of the interview material for journal articles or for instructional purposes in my teaching. I may write a book based on this research.

You may at any time withdraw from the interview process. You may withdraw your consent to have specific excerpts used, if you notify me at the end of the interview. If I should want to use any materials in a way not consistent with what is stated above, I will ask for your additional written consent.

In signing this form, I am assuring you of your confidentiality. In signing this form, you are also assuring me that you will make no financial claims for the use of the material in your interview, nor will you hold Keene State College or the University of Massachusetts responsible.

I, _____ have read the above statement and agree to participate as an interviewee under the conditions stated above.

Signature of Participant _____

Signature of Interviewer _____

Date _____

APPENDIX E: IN-DEPTH QUALITATIVE STRUCTURED INTERVIEW SURVEY

When did you first join this company?

What does the term "company spirit" mean to you?

How does this company fit your definition of "company spirit?" What are the things that cause it to have good company spirit, and what are the things that take away from its spirit?

How often do you interact with people from other divisions or departments? Describe that interaction.

Has the company changed in terms of employees feeling that they belong to the "company" as opposed to belonging to their own team or division since you've been here? If so, how?

What are the company's goals, in your opinion?

In what ways do you think it is important for this company to have company spirit in order to achieve its goals?

What percentage of the people who work here feel excited about the organization and committed to its goals, and what percentage just pick up a pay check?

What are your personal goals in working here?

What role does the mission of this organization play in company spirit?

How often do all members of the organization come together either for work or socializing? Are these times important in building company spirit?

What kinds of non-work activities do you do here? Are these activities important in building company spirit?

What kind of orientation program does the organization have? How does it contribute to company spirit or a sense of belonging on the part of new members?

How do people in various departments connect with each other to mesh their tasks with other departments' tasks?

To what degree are decisions made participatively as opposed to hierarchically?

How are issues of cultural, racial, gender, age and personality differences dealt with in this company?

Do you have any relatives working at this company?

To what degree does this company feel like a "surrogate family?" Do you think a family feeling is important at work?

What role does money play in building company spirit here? Is your pay better than, equal to or less than you think it should be?

If you could make three changes here that would improve spirit, what would they be?

Is there anything you think I should be asking you about spirit-building in your company that I didn't? Any comments?

APPENDIX F: TABLES

TABLE 9: AGE

COMPANY "A" (anything .20 or more is significant)

Correlation of commitment to **age**

Commitment to work & age	.214
Commitment to co-workers & age	.046
Commitment to organization & age	.200
Commitment Total & age	.200

DEMOGRAPHICS:

11 under 20	79 between 31-35	83 between 46-55
41 between 20-25	71 between 36-40	33 between 56-65
51 between 26-30	45 between 41-45	2 between 66-75+

COMPANY "B"

Correlation of commitment to **age**

Commitment to work & age	.265
Commitment to co-workers & age	.062
Commitment to organization & age	.252
Commitment Total & age	.236

DEMOGRAPHICS:

5 under 20	104 between 31-35	59 between 46-55
60 between 20-25	56 between 36-40	28 between 56-65
72 between 26-30	44 between 41-45	2 between 66-75+

In both companies, the age of employees correlates significantly with commitment to work, and commitment to the organization, but not with commitment to co-workers. Older employees are more committed than younger ones.

Company "A"'s employees are significantly older chronologically than those in Company "B". Assuming each respondent in each company is the oldest in his or her age check-off, the average age of a Company "A" employee is 43.47 years; the average age of a Company "B" employee is 39.15 years. It is interesting that the correlation of age to commitment should be higher in the company whose employees are considerably younger.

TABLE 10: GENDER

COMPANY "A" (Men=N 258; Women=N 101)
 Analysis of Variance of commitment to **gender**

Variance of commitment to work & gender: women more committed				
Men:	40.252StDev	9.060	P=	.026
Women:	42.515StDev	7.409	F=	4.99
Variance of commitment to co-workers & gender: women more committed				
Men:	36.422StDev	7.331	P=	.005
Women:	38.802StDev	6.524	F=	8.12
Variance of commitment to organization & gender: no significant difference				
Men:	38.973StDev	9.386	P=	.116
Women:	40.703StDev	9.250	F=	2.49
Variance of totals & gender: women more committed overall.				
Men:	115.72StDev	21.17	P=	.006
Women:	122.33StDev	18.23	F=	7.61

Table 10 continued next page

TABLE 10: (continued)

COMPANY "B" (Men=N339; Women=N 76)

Analysis of variance of commitment to **gender**

Variance of commitment to work & gender: no significant difference

Men:	39.021StDev	9.187	P=	.941
Women:	38.934StDev	8.980	F=	.01

Variance of commitment to co-workers & gender: points to women more committed

Men:	38.056StDev	7.986	P=	.070
Women:	39.882StDev	7.661	F=	3.29

Variance of commitment to organization & gender: no significant difference

Men:	34.764StDev	9.186	P=	.241
Women:	36.132StDev	9.141	F=	1.38

Variance of totals & gender: no significant difference overall

Men:	111.88StDev	22.22	P=	.277
Women:	114.93StDev	21.53	F=	1.19

While women are more committed to co-workers in particular, and to the organization overall in Company "A", this same relationship doesn't follow in Company "B". A major reason for the differences between Company "A" and Company "B" might be that more women in Company "B" hold either operational or low level administrative positions, while more women in Company "A" hold high level technical or engineering positions. As we will see, commitment and position level are highly correlated with commitment.

Another possible reason for the difference is that the socialization process for women values and rewards collaboration and teamwork, while the process for men values competitive individual achievement. Company "A" is less competitive, more highly geared toward teamwork than Company "B", thus fostering behavior more natural to women.

TABLE 11: IS THIS YOUR FIRST PLACE OF EMPLOYMENT?

COMPANY "A"

Analysis of variance of Commitment to **first place of employment**

Variance of commitment to work & first place of employment:

Yes (N=33)	Mean	42.030	StDev	9.098	P= .559	F=	.58
No (N=379)	Mean	40.306	StDev	8.793	PooledStDev		8.818

Variance of commitment to co-workers & first place of employment:

Yes (N=33)	Mean	36.758	StDev	7.163	P= .959	F=	.04
No (N=379)	Mean	37.077	StDev	7.108	Pooled StDev		7.112

Variance of commitment to organization & first place of employment:

Yes (N=33)	Mean	41.758	StDev	7.665	P=.245	F=	1.41
No (N=379)	Mean	38.876	StDev	9.605	Pooled StDev		9.468

Variance of commitment totals & first place of employment:

Yes (N=33)	Mean	120.55	StDev	17.37	P= .543	F=	.61
No (N=379)	Mean	116.39	StDev	21.000	Pooled StDev		20.74

Table 11 continued next page.

TABLE 11: (continued)

COMPANY "B"

Analysis of variance of commitment to **first place of employment**

Variance of commitment to work & first place of employment:

Yes (N=44)	Mean	38.273	StDev	9.638	P= .629	F= .23
No (N=384)	Mean	38.971	StDev	9.015	Pooled StDev	9.08

Variance of commitment to co-workers & first place of employment:

Yes (N=44)	Mean	38.250	StDev	7.179	P= .936	F= .01
No (N=384)	Mean	38.352	StDev	8.050	Pooled StDev	7.966

Variance of commitment to organization & first place of employment:

Yes (N=44)	Mean	34.864	StDev	10.087	P= .958	F= .00
No (N=384)	Mean	34.940	StDev	9.059	Pooled StDev	9.168

Variance of commitment totals & first place of employment:

Yes (N=44)	Mean	111.48	StDev	21.94	P= .818	F= .05
No (N=384)	Mean	112.28	StDev	22.04	Pooled StDev	22.03

Employees for whom their current is their first employment are no more or less committed to work, to co-workers or to the organization than are employees who have been previously employed and therefore have some experience with how other organizations work. It would be interesting to know if or how previously employed employees are likely to compare company spirit in their current organizations with company spirit in their previous organizations. Is there a relationship between those who come from what they describe as high spirited

organizations and those who come from what they describe as low spirited organizations finding their current organizations either high spirited or low spirited by comparison? If so, it would be fruitful to look at an employee's interpretation of his or her previous company's spirit level as part of the hiring process.

TABLE 12: EDUCATIONAL LEVEL

1=Attended some high school
 2=Graduated from high school
 3=Attended college or technical school
 4=Graduated from college or technical school
 5=Advanced degree

COMPANY "A"

Analysis of variance of commitment to **education**

Variance of commitment to work & education:

1(N=24)	Mean	39.500	StDev	9.217	P=	.002
2(N=172)	Mean	38.890	StDev	9.347	F=	4.43
3(N=86)	Mean	41.314	StDev	7.823		
4(N=119)	Mean	41.471	StDev	8.261		
5(N=12)	Mean	48.083	StDev	6.127	Pooled StDev	8.655

Variance of commitment to co-workers & education:

1(N=24)	Mean	36.000	StDev	6.235	P=	.002
2(N=172)	Mean	35.750	StDev	6.831	F=	4.35
3(N=86)	Mean	37.279	StDev	7.189		
4(N=119)	Mean	38.681	StDev	7.309		
5(N=12)	Mean	41.333	StDev	6.959	Pooled StDev	7.020

Variance of commitment to organization & education:

1(N=24)	Mean	37.167	StDev	9.880	P=	.000
2(N=172)	Mean	36.919	StDev	9.658	F=	7.61
3(N=86)	Mean	41.116	StDev	8.668		
4(N=119)	Mean	40.176	StDev	8.943		
5(N=12)	Mean	49.000	StDev	6.339	Pooled StDev	9.190

Variance of commitment totals & education:

1(N=24)	Mean	112.67	StDev	19.72	P=	.000
2(N=172)	Mean	111.89	StDev	20.87	F=	7.65
3(N=86)	Mean	119.59	StDev	19.26		
4(N=119)	Mean	120.36	StDev	19.94		
5(N=12)	Mean	138.42	StDev	15.79	Pooled StDev	20.09

Table 12 continued next page.

TABLE 12: (continued)

COMPANY "B"

Analysis of variance of commitment to **education**

Variance of commitment to work & education:

1(N=27)	Mean	40.593	StDev	8.149	P=	.508
2(N=121)	Mean	37.752	StDev	8.872	F=	.86
3(N=114)	Mean	39.237	StDev	9.669		
4(N=132)	Mean	39.023	StDev	8.870		
5(N=26)	Mean	40.538	StDev	9.008	Pooled StDev	9.086

Variance of commitment to co-workers & education:

1(N=27)	Mean	36.111	StDev	7.557	P=	.332
2(N=121)	Mean	37.983	StDev	8.072	F=	1.15
3(N=114)	Mean	38.535	StDev	8.308		
4(N=132)	Mean	38.659	StDev	7.591		
5(N=26)	Mean	40.769	StDev	6.930	Pooled StDev	7.890

Variance of commitment to organization & education:

1(N=27)	Mean	32.852	StDev	8.977	P=	.232
2(N=121)	Mean	33.645	StDev	10.257	F=	1.38
3(N=114)	Mean	35.175	StDev	8.458		
4(N=132)	Mean	35.629	StDev	8.884		
5(N=26)	Mean	37.500	StDev	7.580	Pooled StDev	9.140

Variance of commitment totals & education:

1(N=27)	Mean	109.56	StDev	22.24	P=	.362
2(N=121)	Mean	109.33	StDev	22.98	F=	1.10
3(N=114)	Mean	112.95	StDev	21.89		
4(N=132)	Mean	113.45	StDev	21.45		
5(N=26)	Mean	118.81	StDev	18.72	Pooled StDev	22.000

At Company "A" there is a dramatic difference between those who have had some high school or are high school graduates (categories 1 & 2), compared to those who have had some advanced training or college degrees (categories 3, 4 & 5). Those with more education are much more highly committed in terms of commitment to work, and commitment to the organization (although not to co-workers) than those with less education. For those with advanced degrees (category 5) the differences are even more dramatic. It could be supposed that the most credentialled employees would have the greatest flexibility in terms of job opportunities; that they would be so highly committed, not particularly to their colleagues, but primarily to their work and to the organization, reflects a very positive image of Company "A".

No such correlation exists for Company "B". In terms of variance of commitment to work and education, those who haven't even graduated from high school (category 1) score practically identically with those who hold advanced degrees (category 5). And there is only a 4.6 spread between high school drop-outs and advanced degree holders in terms of commitment to organization at Company "B", while the spread in Company "A" is an astonishing 11.8. While the probability factors in Company "B"'s data render these data less significant than those of Company "A", it is still interesting that the most highly trained and highly skilled employees in one company are the most committed to the company while in the other company they are barely more committed than anyone else.

TABLE 12A: EDUCATIONAL LEVEL CORRELATIONS

COMPANY "A"

Correlation of commitment to education	P=	.01
Correlation of work & education:		.169
Correlation of co-workers & education:		.193
Correlation of organization & education:		.211
Correlation of totals & education:		.230

COMPANY "B"

Correlation of commitment to education	P=	.01
Correlation of work & education:		.024
Correlation of co-workers & education:		.076
Correlation of organization & education:		.121
Correlation of totals & education:		.090

These correlations, while interesting, don't actually reflect the true relationship between commitment and education since they don't look at a continuous but at an ordinal measurement. If respondents had checked off the exact number of years they had spent in formal education rather than checking off "attended some high school," for example, it would have been possible to look at a more real reflection of educational level and commitment. Yet, the correlations support the conclusions above; in Company "A" there is a greater correlation of educational level to commitment, particularly in terms of commitment to the organization; while in Company "B" no such relationship exists.

TABLE 13: ARE YOU MARRIED?

COMPANY "A"

Analysis of variance of commitment to **marital status**

Single (S); Married (M)

Variance of commitment to work & marital status:

S(N=120)	Mean	39.475	StDev	8.969	P=	.119	F=2.44
M(N=294)	Mean	40.963	StDev	8.714	Pooled StDev	8.788	

Variance of commitment to co-workers & marital status:

S(N=120)	Mean	37.392	StDev	6.675	P=	.689	F= .10
M(N=294)	Mean	37.085	StDev	7.233	Pooled StDev	7.076	

Variance of commitment to organization & marital status:

S(N=120)	Mean	37.475	StDev	9.187	P=	.017	F=5.71
M(N=294)	Mean	39.898	StDev	9.431	Pooled StDev	9.361	

Variance of commitment totals & marital status:

S(N=120)	Mean	114.34	StDev	20.23	P=	.090	F=2.88
M(N=294)	Mean	118.12	StDev	20.66	Pooled StDev	20.54	

COMPANY "B"

Analysis of variance of commitment to **marital status**

Variance of commitment to work & marital status:

S(N=137)	Mean	37.292	StDev	9.488	P=	.029	F=3.59
M(N=291)	Mean	39.653	StDev	8.806	Pooled StDev	9.029	

Variance of commitment to co-workers & marital status:

S(N=137)	Mean	36.993	StDev	8.275	P=	.057	F=2.89
M(N=291)	Mean	38.945	StDev	7.736	Pooled StDev	7.912	

Variance of commitment to organization & marital status:

S(N=137)	Mean	33.847	StDev	9.360	P=	.167	F=1.80
M(N=291)	Mean	35.436	StDev	9.037	Pooled StDev	9.141	

Variance of commitment totals & marital status:

S(N=137)	Mean	108.16	StDev	22.99	P=	.025	F=3.72
M(N=291)	Mean	114.07	StDev	21.35	Pooled StDev	21.88	

In Company "A", married people seem slightly more committed to the organization (though not to their work or their co-workers) than unmarried people. In Company "B", married people seem slightly more committed to their work (though not to their co-workers or their organization) than unmarried people. One explanation for why Company "A"'s married workers would be more committed to their organization than Company "B"'s married workers is that Company "A" has a policy of hiring spouses. There are a number of married couples at Company "A".

TABLE 14: DO YOU HAVE SCHOOL AGE CHILDREN?

COMPANY "A"

Analysis of variance of commitment to **having school age children**

Variance of commitment to work & having school age children:

Yes(N=177)	Mean	40.672	StDev	8.810	P=	.929	F=.07
No(N=229)	Mean	40.450	StDev	8.840	Pooled StDev		8.827

Variance of commitment to co-workers & having school age children:

Yes(N=177)	Mean	40.672	StDev	8.81	P=	.712	F=.34
No(N=229)	Mean	40.450	StDev	8.84	Pooled StDev		7.115

Variance of commitment to organization & having school age children:

Yes(N=177)	Mean	39.023	StDev	10.303	P=	.811	F=.21
No(N=229)	Mean	39.201	StDev	8.789	Pooled StDev		9.478

Variance of commitment totals & having school age children:

Yes(N=177)	Mean	117.04	StDev	22.26	P=	.906	F=.10
No(N=229)	Mean	116.86	StDev	19.48	Pooled StDev		20.74

COMPANY "B"

Analysis of variance of commitment to **having school age children**

Variance of commitment to work & having school age children:

Yes(N=155)	Mean	40.329	StDev	8.803	P=	.013	F=6/25
No(N=270)	Mean	38.059	StDev	9.130	Pooled StDev		9.012

Variance of commitment to co-workers & having school age children:

Yes(N=155)	Mean	38.342	StDev	8.102	P=	.983	F=0.00
No(N=270)	Mean	38.359	StDev	7.888	Pooled StDev		7.967

Variance of commitment to organization & having school age children:

Yes(N=155)	Mean	35.574	StDev	9.323	P=	.251	F=1.32
No(N=270)	Mean	34.515	StDev	9.050	Pooled StDev		9.150

Variance of commitment totals & having school age children:

Yes(N=155)	Mean	114.25	StDev	22.30	P=	.139	F=2.19
No(N=270)	Mean	100.97	StDev	21.76	Pooled StDev		21.96

There seems to be no connection between having school age children and commitment on any levels at Company "A". With or without children, employees at Company "A" have high commitment scores. Interestingly enough, those who have school age children seem to be more committed to their work at Company "B", although there is no connection between commitment to co-workers or to the organization based on having school-age children. In general, it seems clear that organizational commitment is not highly related to whether or not the employee has school age children at ALL in Company "A", and only slightly at Company "B" in terms of commitment to work.

TABLE 15: DISTANCE FROM WORK

COMPANY "A"

Correlation of commitment to **distance from work**

Correlation of work & distance from work:	.043
Correlation of co-workers & distance from work:	.009
Correlation of organization & distance from work:	.065
Correlation of totals & distance from work:	.055

COMPANY "B"

Correlation of commitment to **distance from work**

Correlation of work & distance from work:	.027
Correlation of co-workers & distance from work:	.067
Correlation of organization & distance from work:	.039
Correlation of totals & distance from work:	.053

Employees in Company "A" live on average 10.19 miles from work. Employees from Company "B" live on average 19.70 miles from work. In spite of the enormous commuting time for those workers in company "B", distance from work doesn't seem to be a significant factor in commitment.

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Those interviewed at Company "A" define company spirit as follows:

Company spirit is a desire and willingness to meet the company goals.

Company spirit is a mood; excitement, enthusiasm about where the company is going, about the people you work with. It helps to have a cheerleader to make you aware of the excitement.

It's getting up in the morning anxious to come to work because you're sharing your life with others in a productive way.

It's feeling safe, free to take risks, try new things. Like having these interviews; I have worked in places that regardless of your statement of confidentiality people wouldn't come in here and be interviewed. They wouldn't believe it was confidential, and even if it was, they wouldn't want to be seen talking to you because the company would get them. And their fear wasn't paranoia, it was real. Bad company spirit is fear; good company spirit is feeling safe.

Being part of a family, being cared for and caring for others, a sense of belonging, a spirit of feeling at home, not in an alien place, it's where your ulcers stop bleeding, not where they flare up. Feeling a part of things, believing in the welfare of everyone.

Esprit de corps, loyalty, standing behind the cause and image of the company, wanting to give more than just 100%, going one step beyond and being proud of where you work.

It's like a sports team with a goal of playing harder than other teams and winning. If you want to beat those other guys you're going to play harder.

It's a reciprocal relationship when the people care about what they're doing and about the company and each other and when the company cares about the employees.

Job security, staying away from layoffs, is a major factor in company spirit.

It's when people pull together to do what needs to be done with nobody saying, "that's not my job."

People want to and need to grow! Company spirit is when people feel they are growing as individuals at the same time that they're part of the growth pattern of their co-workers and of the whole company.

Company spirit means being happy to be here, not just here for the paycheck.

How Company "A" Employees value the concept of company spirit

You can achieve a lot higher level of performance if you have spirit. Good spirit is a difficult thing to achieve but it has dramatic results when you can do it.

You could be in a fast-paced market with an exciting product and still do poorly if your employees don't focus on the mission or objectives of the company. If people have a good attitude about their work and their company, they do a better job.

It's a team approach and you can't do without the team. The owners couldn't run Company "A" by themselves.

It's great if you sell a million dollar order to go out and buy a bunch of hats and celebrate and say, "Hey, we did it!" Having good spirit makes a big difference to how we do.

If you don't have company spirit, don't do these little extra things or feel proud of what you are doing, you're not going to put out the quality we are trying to put out. And if WE don't put it out, Japan, the Far East, others will take our business away. To do well, to keep good people who put out quality, you've got to have company spirit.

What is the company spirit like here at Company "A"?

I think overall it's got good spirit. There is a realization that people are better off here than they would be out on the street. People here are loyal, they appreciate the lifestyle they get at Company "A".

I think the company truly cares about its employees. The owners aren't cutthroat people. Their main interest is to have a model company in this community, that's what turns them on. That's good. They don't need money, and they're not a greedy bunch. They are more interested in making a good place for people to work than in going to the country club to brag to Mr. Smith how much money they made. They look out for the people more than they look out for the dollar.

When the economy is down, you hear a lot of grumbling and it's not positive. As far as how much of it is directed at individual managers or how much is at the company as a whole would be difficult to say. I've had three good managers here and one bad. If that's representative, then I'd say the percentages are pretty good.

People feel good about Company "A" because they've worked here so long and they know that it's a good place to work. In this area, it's one of the best.

Company "A" is a very very customer-pleasing, product oriented, profit oriented corporation and everyone gets behind it and does it. It is a very high spirited company generally.

This is a good place to work by any criteria. There may be some people who say it isn't, but they came here after high school and they are still here 25 years later. They don't know what other places are like, they have no basis for comparison. They take the company for granted. It's a fine company, but these folks are insulated from reality. It wasn't that long ago my nose was on the outside of the window hoping to get in. I know how lucky I am.

There have been a lot of struggles throughout the company of people and changes and whatnot. But in general people are good, they want to help, they see the company goals and want to contribute.

If you're in the right kind of management position it's easier to feel that sense of loyalty, but as you go down in the company it begins to dissolve. That can hurt a company, especially when the chips are down and the management group says, "OK, everyone has got to pull hard, make sacrifices."

Spirit depends on where you are in the company. If you're at the Monday meeting level, you are key, you are privy to the information that helps you feel a part of what's going on. You are privy to all the exciting information, so it's easier to get a sense of "Wow, this is a good company, look at what we're doing."

Within the divisions we have quite a bit of company spirit and loyalty. But beyond that people are in their own little worlds, the company tries to generate a competitiveness between the divisions in order to keep us at our peak within our particular job functions. That has cut down on company spirit.

If people had to choose between working here even at a boring job and working someplace else, the majority would choose to be here because of the security, steady employment and competitive pay.

I would guess 80% of the employees feel good about coming here. They've got to work someplace and this is a good place to work. I would guess the other 20% really love the company and love their work. They take their work home with them because they like it so much. I take mine home with me, I think about things at work when I'm getting in the shower, working around the house.

or the reverse.....

I would say 75-80% of the people either are excited about being here or have the potential to be excited about being here. I'd say the other 20% is just here.

Changes in company spirit at Company "A"?

Things have changed somewhat in the last 4-5 years. Years ago you could walk around and everybody would have known everybody by first name. There are lots of people I don't know now. But I think overall they still try to do as well as they can for the employees. They don't like to let people go, they stay away from layoffs.

We have more temporaries here now compared to what we used to have. When I first came here we didn't have any. They don't feel like part of the company and because there are so many of them the spirit is changed.

Some of the newer employees are more interested in their own careers and development than in the team, using the company as a vehicle to meet their own goals. And if they can't do it here, then they will move out.

Spirit has really gone downhill here. It's not like when Dave would come around and say, "Hi, Joe, How are you doing?" and knew everybody by name. I think it's the whole American society. People are self-centered and their goal is to better themselves, to get what they want. It's not just at Company "A".

The company has changed, but the company needed to change. There were some who were not contributing and because of the support Company "A" has always given to the employees and the no layoff policy, I think a lot of the people that are now gone are better gone. In recent years I think the company has taken a closer look and realized it needed better control so the people that have been here for a long time see that as a negative change. But it's not. It's arranging for their future better than ever.

I have seen a deterioration of company spirit within my division. Back three years ago they even went so far as to get a psychiatrist in here to interview everybody in my division to see why there was a lack of spirit and why the turnover all of a sudden got so large because we were never known for a large turnover. Most people came here and died here. The problem is that Company "A" does a lot of things but we don't seem to follow through with it. We got the psychiatrist in. I guess we got the results. That was it... nobody did anything, nobody heard anything.

I see the spirit at Company "A" in transition from being a paternalistic organization. You work for the company and they take care of you. There is still some of that in the culture of the company, they are protective of their employees. But now people are better educated and know how to think for themselves, and paternalism isn't necessary or desirable.

There's more sense of uncertainty of what the future holds that makes people nervous, retract into protecting their positions, protecting a system that's been good to them. They say, "Let's wait, the economy is going to get better, there's nothing to panic about." The economy is not going to get better unless someone makes it better. We need to be more competitive. A market niche means we have found something in the market that we can do better than anybody else and hold onto it. Here at Company "A", a market niche means we have found an area which has no competition so we are going to work it. These niches keep moving because as soon as we find it someone else sees it and we drop out, we just won't compete. We give up whole markets. We can't just run away from competition. Competition is good, it makes you do things better. That's why they give marks in school.

How Does Company "A" Feel Like a Family?

Any time you put 40+ hours a week of your life into anything, I mean you spend more time with your fellow workers than you do with your wife. It becomes a family whether you want it to or not. Now whether it is a dysfunctional family is up to you. But it's a family. Maybe it's a terribly abusive family or maybe it's a hateful situation but it's still a family.

I think Company "A" is generally like a family. I think that if we were suddenly threatened terribly by someone from outside, if people really believed that something bad was going to happen to this place, then I think it would be like a family, we'd pull together.

I think that it's more important for the organization to be effective and a family feeling is not going to make up for a lack of those things. Having said that, I think it is good if people feel warm and fuzzy about being at work and that the positive elements of a family atmosphere are good.

This is a big family here. And people are upset when they see bad things happening and they take it personally. It's not because people don't care... it's because they DO care and they want things to be good.

Company "A" is strong when there is a family problem or you really need help. They are good about giving you time off, anything they can do for you they do. The day to day, it's different. But in a crisis, they are fantastic. We had some engineers that were trapped in the Philippines. Company "A" did all sorts of things to make sure they were okay. Those are kinds of things that you might expect your family to do for you. To organize and help and be sympathetic and stay in touch with your problems.

When the chips are down, Company "A" pulls through for you and the people at Company "A" pull through for each other and the company.

What builds company spirit at Company "A"? (or, comments put into the positive)

a major area mentioned was top down communication.

The managers go around to a section of the building, the departments will shut down, gather round and hear the latest. I think this communication gives people a sense of direction. I think it's extremely valuable. They actually do it 4 times a year. That's something they don't have to do. That is good.

They usually bring what I call a toy. They hold it up and say, "You see this little gadget here? We designed it and developed it in R & D. This little thing here has the potential of selling 30 million world wide and we're real excited about it." And then they congratulate those who worked on the project, and we all sit there thinking like, well, there is a future here.

Quarterly they go around and speak to every employee in the company. First they have a managers' breakfast meeting where they go over how we've done, what our objectives was. They talk about if it's bad, they'll say it wasn't as good as we'd like. But they always try to keep a positive face on what they say, which is nice. They provide information, financial information, maybe above and beyond what they need to. We feel included. Now there are a lot of people who complain that these meetings are a waste of time, it's the same old rah, rah. They tell you that as a group. But you take any one of them aside and ask them and I think they look forward to it. They won't admit it in front of their buddies, but they look forward to these meetings and if they didn't take place, people would think things were really going to pot.

The grapevine is good, and accurate, it tells you what's really going on and it's the unsugar coated version. It's valuable in an organization if used well. The grapevine here matches the truth.

One of the good things here is that there's good communication from the top. One of the things that takes away from spirit is that the communication doesn't filter all the way down.

Generally this company is quite open. They show their warts and blemishes to the public. Some companies don't like to do that, they are secretive. They often miss the opportunity to use communication as an enthusiasm builder.

Communicating the goals or the theme is important; maintaining an internal sales pitch to the employees on the theme and selling that theme to employees in an entertaining, visual, graphic, songs and music way contributes to the spirit.

Once a quarter they treat you to breakfast at the Country Club. There are information presentations, and a feeling of being important to the company. It's a communications sort of meeting, a good thing.

The business group itself gets together every Monday morning for just who's doing what on what project. It's something that we have all asked for as a group. So any changes or information that happens through the course of a week is portrayed to us.

I am able to feed my manager just enough information so he's able to deal with things from other departments, without boring him with needless details. If I don't get needed information from him that he got at a manager's meeting, I don't harbor ill feelings; I just say I acted on the information I had and proceeded as best I could.

One of the things they try to do is communications, to keep people abreast of what is going on. And they do a better job of it than most. I've worked for companies larger than this one and very few of them do this well. The top managers field the negative questions and if business conditions are compromised they let us know that and what the implications are.

clearly articulated goals.

One of the goals is to grow, another is to provide steady employment for their people. They like to stay state of the art, a high tech company, have a good reputation and be respected, and of course they also want to make money.

Their goal is to be the company that everyone wants to work for, make a good quality of life for their people. The fact that you are here interviewing about company spirit shows they care how people feel about the company.

A profit, like any American company. But the owners have pride in their company, in their product, in their reputation in the area. There are many machines we sold decades ago, we will get inquiries that a customer just bought this 30 year old Company "A" machine which is humming away like a fine sewing machine and all it needs is a new manual, can we send one?

We care about making a difference, we are quality oriented, not slob workers. None of our people produce junk, we don't put any crap out the door, ever.

Company "A" is community oriented. I see a much higher level of caring for their employees than I've seen in other places. They are genuinely concerned to provide a clean, safe, healthy, happy environment. They want to be a good corporate citizen and the company works hard at that corporate image.

They want to make a quality product to fit a niche and a market that people need. Quality is number one, providing a service and product that are useful to people and fills a market niche; providing an environment that people want to be a part of want to contribute to, an environment that I guess would cause growth to happen. And of course the corporation has to make money.

Grow and expand, get into new markets, new, exciting products, be profitable year after year, and be good neighbors in the community. Community service is a big part of working at Company "A", it's right in the basic statement. Company "A" encourages people to be firemen and selectmen and school board members because we have real good talent at company "A" and if we supply that talent to the community then the community is a better place and it's a better place to run a business. It's good for company "A" and good for the community.

creativity.

Our business is creative, not because of something mathematical or mechanical; it's people who are going creative in doing their work, which requires a positive attitude and a high level of spirit to achieve that kind of creativity.

We are open and solicit their input; we encourage their creativity and energy. It's hard because often the people who have the most creativity and energy want change faster than the organization can assimilate it and they tend to make enemies from people who don't want to change, who aren't as creative. If an employee regardless of what level of the organization wants to learn about a part of our business or to make a contribution, the information will be made available to that person in a free way.

I initiate change and I support others' initiation of change. And we've done it without a lot of aggression or conflict.

participative management.

We try to be participative in our decision-making, pushing decision making down so that decisions can be made at the level where the information is. Sometimes they click into a hierarchical mode due to the time pressures, but by and large it's participatory.

If my manager and myself didn't agree, then he would do what he thought was best, which is what he is supposed to do. But there's always two heads which is a lot better than one, and he always listens to our ideas.

You may not make the ultimate decisions, one of the owners might, but usually you are encouraged to put your thoughts down on paper on this particular subject and send them up.

The machines are pretty standard, and we change them to accommodate the particular project so as far as the changes are concerned I work on my own. Recently I was concerned about a safety problem and went to my supervisor and said, "I think we need a guard on this machine." He didn't agree. So I talked to my manager again and got him involved and ended up putting one on. He ended up by saying, "Well, if you think we need one, then do it."

Depends on the level you're at. In our group, things are brought up and discussed but we don't make final decisions. Some things disappear and we never hear any more about them. Other things we can make decisions freely, as long as someone isn't going to get hurt. If you can do something better, then you can do it. You don't have to get permission.

money & benefits.

People who work here feel amply rewarded, have good benefits, have security, which can influence in positive ways. I'm paid average. I could be paid more and I think everybody would tell you that. But the advantage here is the benefits.

We have a great retirement plan, and we have a 401K with matching. People can put together a plan which is state of the art and when they leave Company "A" they can take it with them.

Every year we've had a Christmas bonus which has always been generous. Last year I forgot I was getting one and it was like, this is great. Where I last worked at Christmas we got a frozen turkey. They had a 40 foot tractor trailer truck parked out back full of turkeys. And you were told to line up at the back door when you went home at 5 p.m. for Christmas and someone would throw a turkey off to you as you went to your car. It was terrible, like an assembly line.

More money does not build company spirit. You could pay people \$100,000 and that's not going to make them any happier as far as Company "A" is concerned. Money is low on the totem pole. People only think about money when it comes time for a raise, after which they forget about it again. People are here for other reasons, for social reasons, to be appreciated and make a contribution. If you doubled my salary I would be elated but next year this time my list of complaints would be about the same. Money is a temporary fix; training and job satisfaction are where it's at.

We live in a complex world with lots of resources. Spirit, intelligence, creativity and money are all resources in the company. And people are compensated in lots of ways, by being able to sit next to a cherry tree or be able to drive home for lunch, or work under the watchful eye of a beautiful mountain, or with chances to travel abroad. Money is important. So are the other things.

Everyone here is salaried, even janitors. All full time help is. We've got a couple of different salary plans. I'm guaranteed 40 hours but if I work overtime I also get paid for that at time and a half, so it's better than some other salary plans. People here are trusted not to take advantage of being able to leave, and get paid for being at the dentist or something.

good supervision.

Within a department or division, your manager is pretty much able to call the shots, even if it deviates from company policy. If you've got a good manager, you've got it made. But if not, life can be miserable. The boss I have now is more aware, more in tune with us and helping us.

I have worked for some very tough bosses and respected them, liked them, drank and ate with them. Not hated them. And they've been the nastiest bastards to me in the shop. They've been clear and fair. They came down hard on me but they wouldn't let anybody else, because that was their territory. If anyone had any business with me, they went to see them first. It was clear, it was concise.

You have two types of managers here. Some are very goal oriented and not so much concerned about the people. Others are more people oriented. These managers tend to socialize with employees, treat them like friends as well as workers, and have more loyalty from their employees than the managers who manage by the books.

colleagues.

There's a good rapport between people; everybody is everybody's friend. There's no real hostility. The only time there's a problem here is if someone oversteps into another's territory.

They do a good job on their hiring. The people they hire have self respect, are not here just to rape the company and leave, they are here to do their work. Whatever they are using for a screening process, they make you go through a thing where you have to be persistent, you have to prove that you really want this job. You have to come back a couple times a week, show they you are willing to put that kind of effort in. There is a rigorous interviewing process. People go through a lot to get in here; because of that company "A" has a lot of good workers.

being able to grow professionally.

If people are really contributing and are on a growth curve of learning it will make them really happy and it will be good for the overall profit performance of the company. In general, a person won't leave solely because of money. It's always a combination of money and career path or growth. I could be getting paid more elsewhere than Company "A" for the job I'm capable of doing, but I feel I am able to grow here professionally and that's worth more than the money I might get elsewhere.

I feel good about the company. They have given me an education that I never would have gotten in some other place. I am secure; I can contribute. I can make my mark here. I'm much better equipped to do that than I was when I came here, and it's because of the learning environment of the company.

I try to take training that will improve me. If Company "A" didn't pay for it I probably wouldn't do it, but just to have that available is wonderful for me and helps Company "A" because I am improving my job skills. Getting people into the educational environment leads to bigger and better things.

Knowledge is what makes the engine of the company go. People should be continually challenged to reach for more, and mostly that's the case here.

At this point I've been here around 9 years, I've had a different job every two years, I grow into them and develop and continue along. If the company continues to recognize good performance and continues to reward me I could stay here forever.

Training opportunities make you feel the company is interested in your growth, that you are having doors open in front of you. I fought so hard to get into Company "A" in the first place because there were so many opportunities here of stuff I was interested in, a cornucopia, really. I am very pleased that I have been given the opportunity to learn and try new things.

I think when you undergo training away from the company, it picks you up, you keep up with technology, learn some different twists on things, how other people do them. But the greatest value is the enthusiasm that you gain from being with others from other companies who are doing the same things, learning that their woes are the same as yours. Because it's very easy to believe that all the woes are company based, and that's not the truth. I am pleased that we go to these conferences and trainings.

I like to make sure that people here are connecting with someone who has strong experience and some of this capacity for training, an inspiration and a good role model.

orientation.

It's very important, if it was artificial and the company couldn't support the image it portrayed at orientation it would be damaging, but that isn't the case. The image is believable during orientation and then in most cases the reality matches.

I had two and a half weeks spending time with every department in the company, talking to the managers and the staff, finding out who did what. My boss organized this great curriculum of activities to go around the company, it was great. He arranged for me to have lunch with a different person each day of my first week, which was great. A lot of work discussions and "breaking me in" happened at these lunches, but it was also a chance for me to make friends with co-workers and feel a part of the group. Compared to other companies I've been with like Wang and Digital, they didn't have this kind of orientation. Company "A" has a good initial idea.

The faster someone can get up to speed on the job and know who to interact with and get involved with people, the quicker that person is going to feel like part of the company. They walk you around and say "Here's where you'll be and here's what you'll be doing." You get introduced to the people you'll be working next to. Managers get sent around the company and have a 6 week training period where they'll spend a certain amount of time in each department. I'm not sure they still take the time for this kind of orientation now.

The initial orientation, the CEO and the VP of HRD invite new employees in groups of about 10 or 11, to the museum. They spend an hour or two discussing Company "A", its history, what we do, where we come from, what we believe in. They answer questions and encourage people in their best efforts and try to explain that they support the workers and about the open door policy. And we have a regular personnel check list to make sure we cover all the important things in orientation.

It depends on who you are. It's a great introduction and overview for middle and upper level people whereas somebody coming to the shop floor may not see quite such an introduction. Everyone is supposed to be taken on a tour of the whole company and introduced to people. In most cases this seems to happen.

If a company hires me, which they did; and they pay me well, which they are; and then they sort of drop the ball, it kind of makes me wonder what kind of commitment am I going to get out of them. I mean, if they are not going to take any time to point me in the right direction it would leave me with a weak impression of the company's backing and support. A good orientation is a positive message that doesn't cost the company a lot of money and it makes a big difference to how people feel about the company when they first arrive.

Company "A" has a good orientation. As we get bigger, it may be harder to do but they should really try to maintain it because it's important. It's not a formal program, it's up to the manager and I think I lucked out because the person I worked for felt it was important and organized a great training period. Other departments, that's not so. You come in and sort of figure out what to do on your own and figure out what you need to know about the company and make contacts on your own. I was pretty lucky.

pride in Company "A's" external image.

Company "A" is highly respected in the community, we try to be the highest in donations for charities, be supportive to folks in the neighborhood when any conflict comes up. Company "A" is a good neighbor. People, when you tell them you work at Company "A", are impressed, maybe envious. So the company enjoys a good reputation from outside its walls.

When I took the job at company "A" and started looking for a house, people in town, even the real estate agent who sold me our house said to me, "Oh, you're working for Company "A"? It's a great place to work. You're set for life. Company "A" is loyal to their employees." And then when I went to the bank to get my mortgage, all I had to do was tell the loan officer I was employed at Company "A" and the paper work went through right away. That made me feel good about the company right from the start.

They try not to upset the balance of things, they don't put up towering whatevers and billowing smoke. They maintain a spirit of rural modern industry which the community appreciates.

We sponsor a softball team, a bowling league, a running group, a radio club, a garden league. The company pays for the uniforms, the whole bit. Any group that wanted to do something could go to personnel and be funded, no problem. The company would encourage them. We loan executives to the United Way and support a number of United Way agencies. We support Junior Achievement, we have a strong matching grant program where the company matches 100% grants up to a certain amount.

These outside activities for Company "A" employees help generate team spirit, give employees the feeling that the company is supportive, and make for a more aggressive, fit organization. Little things like this do count a lot. They are reflections of company spirit at minimum, builders of company spirit when they are aggressively fostered, at best. Work is sort of a team effort, and whether you get employees together to sink the basket, run the road race, compete in bowling or sell the product, you are giving a subtle message that team work in work and in outside activities is important.

seeing the larger picture.

We feel we have the technical expertise and if a lot of decisions are made by other groups they rely on us for information to help make the right decisions.

It helps to know what other people are up against. If I know that the people I give my drawings to are trying to do something with them that I had no idea they were trying to do, and there's a way that I can make them better to make their job easier, I'll do it. And I get frustrated when somebody gives me something and I don't understand why they are giving it to me like this.

I believe it is highly important in this country that we update our manufacturing, not give it away. We are losing manufacturing jobs. If you don't make it yourself, you can't use it without mortgaging your soul to somebody who is. Service! This whole nonsense about being a country for service industry. All service industries do is move around money, they don't make anything. A service industry is like a reseller of food. If you don't have a farmer, you don't have food. You can't all go to town and be a merchant. And manufacturing is the same way. If we don't build our cars, we don't build our TVs, we better get used to not using them. Here, we are building things, adding value to raw materials through our hands and our brains. I believe in what we're doing at Company "A".

If you are in the upper management group, you are privy to all this exciting information and I think it's easier to get a sense of "Wow, this is a good company, look at what we're doing."

interacting with other groups or departments.

Often the scope of the responsibilities force you to come together. Usually there are product problems, product shipping problems, manufacturing problems, development problems, marketing problems. We are pretty much constantly getting together to iron them out.

It's pretty informal. There doesn't seem to be much of a structure for making any different groups work together, we don't have any regular meetings, but if an issue comes up then we get together. One of the strong points here is that we facilitate informal cross functional communication. We have a lot of task forces. People are encouraged and supported to pull together even if they happen to be out of given formal chain of command.

As a manager I have to call other managers to get help on a special customer need. What is interesting is the term called the internal customer. This is one of my little pet projects this year... to spread that concept of the internal customer within the organization. We've got this formal production schedule which is prioritized. If I do this work before your work then these 30 people are going to suffer so if we go back to the book theory and take things in order, we are not sensing the urgency, the need to figure out in a creative way what we need to do to satisfy the immediate need of our internal customer. I am working on that problem.

respect.

This is one of the few corporations... it's almost like America in here... where you can actually come in and say what you think. It's unlike other places I've worked. You don't have to leave your rights at the door.

Anybody here wouldn't worry about the confidentiality. And wouldn't care if the owner sat in on the interview. I have seen people get reprimanded, but not for what they've said. If it happens here, I've never seen it or even heard of it. Never heard even a rumor of it.

When I see things that need to be changed, I'm not fearful. I won't have a bad mark against my name because I stepped on somebody's toes and said something. I'd rather fix something that's wrong, make something more efficient, help this company. There needs to be and there is an ongoing system of change, and with change comes controversy. I'm sure some people don't perceive me as loyal, but if I couldn't make the contribution that I thought I should make to the world at Company "A", I would go somewhere else.

collaboration.

There is certainly a competing nature or a desire to make their own budgets look good. But in general, the cooperation, when you've got a real problem here you can usually find someone that will help you out.

If I need someone from assembly to work on one of my projects, I would go to that particular manager. In general people want to help each other, they want to be involved, especially people in other areas of the plant want to help us with the development end. There is a great willingness to help or contribute to the development aspect.

There is certainly an amount of protectionism and that may be more because of the political interactions, but in general if I were to go to another department with a real problem and express a need, people are very receptive to working together.

We've developed a culture where it isn't they, but it's we work together. We've fostered a spirit of team work here and people realize it. It takes all of us to make things happen. Everybody is striving to do the work as well and as fast as we can. We try to interact to involve all the people as the product is evolving so everyone has input. That takes away much of the competitive feeling. If everyone doesn't get involved it can happen. But we involve people early to avoid the problem.

socializing.

This custom started when we had a people-oriented management team, they initiated us going to one of the local restaurants after work on Friday and we would sit around and have drinks and eat chips, the husbands and wives would meet there, the table would just keep getting bigger and bigger, and when people were ready they'd leave. When they got rid of that manager, we kind of took it upon ourselves to keep these things going because we didn't want to lose that connection with each other. You get frustrated on projects, and it's important to see other sides of people, what they are like outside of work, the human side. There's some people that if you get a "Hi" out of them in the hall, it's a big deal, but if you get them outside of work they'll sit there and talk your ear off, and it changes your whole image of these people and makes you more willing to put up with being ignored in the hallway because you know that's just the way they are, they are very nice people.

We have within our division what we call AA parties, or Attitude Adjustment parties. And people take turns having them at their house. Everyone brings a salad or whatever and the hosts provide the beer. When you start seeing things getting bad at work, someone will usually say, "OK, it's time for an AA party," and it really helps get things back on track.

The company understands the value, and they make the effort. They give each department so much per head for group picnics and activities.

My boss invited me to his home once, and invited me to his daughter's wedding which I thought was really nice. We are buddies up to a certain point. He still gets mad at me and I get irritated at him and we disagree, but that's healthy. But I feel he's a friend and we can talk about a lot of things, work things and personal things. I try as a manager to be the same way with my people, pay attention to them and give them the time for work and non-work related things.

We throw a dinner party about once a month or two, have 6 or so people over. It lets people communicate more freely among themselves. I guess being together in a more unstructured atmosphere makes it easier when you are back in your work environment to discuss certain things.

I think this socializing is partly a carryover from the old days, and certainly my manager is good about keeping his people. At least once a year or maybe twice they go over to his house for a barbecue with the wives. This business of socializing with the managers is something that used to happen at Company "A" a lot, and tends not to happen as much now. I think that's unfortunate. It can be a nice relationship without this "I'm your Godfather" image.

I think you are a more productive employee if you have a relationship with the people you work with. I think the manufacturing people should come over and have a beer with us some Friday afternoon so they know we're real people. That's very very important. We need more of that.

What detracts from company spirit at Company "A"? (Or, comments put into the **negative**, listed from most often to least often mentioned)

poor supervision.

Where there are dissatisfactions, they seem to come from people who work for untrained supervisors with poor people skills.

Sometimes people will be involved in lengthy social chatter and this is where the managers come into play. Some will not do anything about that; a few will say that enough's enough, but I think most managers are afraid to make waves, stir anything up or cause any trouble.

When our manager goes on vacation, he doesn't say, "Oh, by the way, I am going to be out next week." You just come in Monday and he's not here. I don't usually have a lot of interaction with him but it would be nice to know.

I don't want to blame managers for everything, but I do think they should be setting an example for us.

We've had some management changes and it's been stifling my growth pattern. In the past 13 years I've seen 5 division managers, and of course there is a different philosophy or a different direction that we go through with each one.

I was told by my manager that I was going to be on a project which I was pleased about. Then we had a departmental meeting and I found out in front of everyone else that I wasn't going to be working on that project. I could have been forewarned by my manager prior to that. It was quite a surprise and a discouragement to me.

He has to be close enough so that if you have a problem you can go discuss it. Our biggest problem with our immediate manager is that he's not a communicator. He's introverted. He believes in good communication but he's not good at it himself. It's a difficult situation for our group.

There is one person in my group I'm being required to work with, very difficult for me. It's been known by other managers that we don't work well together but we've all of a sudden been put on the same project and other managers shake their heads as to why this is going on but my manager has made this decision.

I care about the company and I hate to throw it all out the window because of a bad manager, of whom I've tried to be patient. The one before this was bad too. This one doesn't even know who we are, basically.

I think they are a little too paternalistic, worry too much about the little things. For instance, we have a fellow who doesn't talk to you sometimes, it's just the way he is. After you get to know him you realize he may not talk to you for a week and it has nothing to do with you, he likes to be left alone. But on days like this the lead man or the manager went over and saw him every 15 minutes, tried to get him to talk. They do this a lot. They are so concerned. They don't want you to be human, they want you to be perfect.

I'd like to go into my boss's office and say I've got this great idea. And him tell me, "You're full of shit, it won't work and I am not even going to consider it." Instead of saying, "I'll get back to you, I'll get back to you, maybe possibly, could be." The average employee has a tough time reading between the lines and figuring out what the boss really wants or means.

My boss asked me what I wanted to do here, but he asked after I was taken out of where I was at. So bingo. That's like you are working on your doctorate now. And someone says, "We don't want you to finish this program any more." And then they say, "What would you like to do now?" And you say, "Wait a minute. I knew what I wanted to do but now you tell me I can't do it." So it leaves you wondering.

I'm at the mercy of what the manager wants to do. He doesn't know. I don't know. I used to be on the road often helping customers, which I enjoyed. They'd call, I'd be on the phone 20, 30 calls a day. I get satisfaction out of that, helping them. Now I don't do that. So am I supposed to work hard and try to get back to do that? What I want to do doesn't seem to matter.

communication.

Take your vice presidents. They are the people that are communicating. They do a very good job. It stops there. The managers, your division and middle managers, are not passing that communication down. The line people get that information from the VP's when they make their quarterly thing. That's all. There doesn't seem to be a connection to what I do and what they are saying up there.

Our internal communications from the human resource point of view, what gets put on bulletin boards, gets circulated as announcements gets published from the official company standpoint is awful. This stuff is poorly written, boring. They are supposed to be every two weeks or month; sometimes it's months before we see one. Even the *Company "A" newsletter*. Most people say they throw it away. I asked the *Company "A" newsletter* guy can't you put something in the paper about our running group. He said if you get a photo from the race organizers we'll reprint the photo, but as far as advertising to recruit people to run, they aren't interested. It was a good opportunity to play up the fact that the company was sponsoring this road race but the guy who does the newsletter isn't very motivated.

While communication is their biggest strength, it is also their biggest weakness. The employee gets very frustrated. He wants an answer to a question and it seems like he is up against a giant to get it. Sometimes at the quarterly meetings where people are encouraged to ask questions, the questions aren't really answered. The response will be, "Good question." But no answer. I've noticed that they almost never really actually answer the question. That's why they meet resistance in the plant, because people don't understand why things are happening. They may know what, but they don't know why. Which is why they fail. They're bringing in MRP now. It's good, no question, it's been done for 20 years, it's documented. It's no mystery. It's meeting with problems here because people don't know WHY. They just wait, thinking that this too will pass.

Wang, Digital and EG&G used to have an annual technology day where they would put out every new project, program, machine, software, anything that was being worked on and wasn't yet a product, they would put these things on display and the teams that were building them were there to answer questions. It happened in an auditorium and it was exciting and shocking to walk around and find out all the things the company was doing. There are a lot of exciting things at Company "A" that are under development which most people know nothing about. The reason to communicate what you're doing and show it off to your own people is that it creates a tremendous amount of spirit.

Each time we go through a change there is a realignment of direction, and people don't feel part of the changes. We're not really involved. We have to accept the end results but it becomes difficult to accept if the direction of it just doesn't make sense. If people are a part of it and can make suggestions and help make the end result more positive for everyone and feel heard it would be better. People who haven't been heard are, in general, very dissatisfied.

Communication should work two ways. Those at the top are lacking information. I don't think the first line and middle managers do a good job at passing stuff back up the line. Every employee should be part of a communication meeting, monthly at least, which means department managers should sit down with their employees and find out what's going on. Ask how they can do their jobs better, get people's ideas. To avoid large-group bitching sessions, work with one or two people at a time, or one on one. And the managers need to be probing to make sure the information is getting back up the line. Communication starts out well here but then things fall apart.

We've all talked to the previous management of our division about these same issues and it's fallen on deaf ears for a long time. So what we are doing as a group is forming our own meetings to define our concerns so that we can offer suggestions. And our manager hasn't been part of these meetings. He knows about them and he isn't 100% happy about them. We meet during work time once a week for about an hour or so, relatively short meetings so people don't get lost in the discussions and keep them relatively to the point. Even if management doesn't listen to us, we at least listen to each other.

inequalities, in terms of effort and rewards.

It's not how much I make that counts. It's how much I make compared to the guy sitting next to me. There is a huge range of compensations here for similar tasks.

Traditionally the company has carried people that shouldn't be here for the sake of not wanting to lay off. Either they don't work hard, or the technology has changed and they haven't kept up with the technology but we've kept them. If we want to continue to sit here and make money, we've got to find out who isn't working because we are carrying those people.

Company "A" is loyal to their employees. My brother-in-law has been there over 30 years and he doesn't do anything but he's never going to get fired. There is what I would call a tremendous quantity of dead wood in and around the company. People get away with things, and those who are motivated become de-motivated by watching others just get by.

If I had some people working for me that weren't meeting my expectations, I would be hesitant to take strong action because the company tries to be kind to its people. Where I used to come from everything was black and white. The expectations were clearly known and the consequences too. You do this, that will happen. It's not like that here. And that leaves me a little uncomfortable, not knowing if I might be poorly regarded if I acted too strongly.

I think some people would like to think of themselves as professional but their definition of professional is not having to work as hard as nonprofessionals when to me it's just doing something that requires special skills and training but not fewer hours. Some folks think that professionals are thinkers rather than producers. They talk about how things should be done rather than doing them. That's frustrating to me.

A lot of people are here on a temporary basis. I was here for 6 months as a temporary and they wouldn't train me because they thought I only had 6 months and it wouldn't be worth it. I was told where the bathroom was and what to do each day but not given the opportunity to see where I fit in.

Now the top management, I think they care but I also think they are so far removed from the people down at the other end that they don't understand. We have a 401K plan which is great for people who earn enough. My spouse and I earn enough but those who don't see the plan is only for the higher-ups. And I thought, "Agh, now that they've increased the amount you can put into the 401K, that's helping us again, but the people who couldn't afford it before can't afford it now. It's looking out only for the people at the higher income end."

It drives me crazy when they hire new people and pay them what they can get on the open market outside. You have to pay at least that or you're not going to get good people. When they hire new people on this basis they should by rights pay the old people what it would cost them to replace that person.

People get across the board raises, not raises relative to what they are worth on the outside market which puts golden handcuffs on some people while others are underpaid relative to the rest of the world, and they get disillusioned and pack up. That's why engineers have moved in and out of this company so fast.

need for career development.

A lot of times they put something up for bid and you find the job has already been filled. One fellow bid on this job, they told him he couldn't have it because the job was filled by someone else yet he bid on it the same day it came out. The moves had been made before the job was posted. Well, this creates a tremendous amount of animosity and gives you the impression you really can't move. It's not logical.

One of the biggest weaknesses is the job bidding. It's terrible. Other places you are usually judged by seniority and your ability to do the job. Here it's different. If you see a job on the board, you go to your foreman and verbally tell him that you are interested. He goes, maybe, if he thinks to mention it, to the person who is doing the hiring and says, "I've got somebody over here who is interested."

There was a mass retirement program here for people that had over 30 years with the company and we lost a lot of really highly talented people.

People fall into their positions because they are the person that is available at the time. They may not be qualified, but someone is needed to do the job and therefore it evolves.

As an engineer, you are always wanting to do new and better things, and many times you are stifled here because of a project schedule or immediate need that you can't seem to get swept under the carpet to get to the things that you would really like to be doing. The mundane things take over your immediate vision, making it difficult to be real excited about some of your tasks.

The younger ones, if they are educated, have a better shot at being promoted or doing other things. For older people who have been here a long time, they get the feeling that they are put in a corner. It's kind of demoralizing or demeaning. People over 50 get vibes that their career paths are blocked and all they can do is wait to retire.

In fact the way things were going at one point, I just asked my boss if he was trying to get rid of me, why was he doing these things? And he was really defensive. "No, no, we aren't doing that. We don't want you to leave." I've talked to other people that are in their 50's and they feel that when you get to that age group there's no respect for how long you've been here or what you do. They'll put you aside and figure well, you have been here so long you're not going to leave.

There is a good program here for taking college courses. Whatever you want to do it's there for you. But there's no one to sit down and discuss what you ought to do, like we are talking now. No one to help you figure out what you want to do. And how are you going to get there if you do know.

You get to a point where you want to be a manager, you ask to be a manager. But there is no mentoring, if you will, no helping you get the qualifications. It's whoever happens to be at the right place at the right time, you can see that many people may be interested and want to be qualified but they are passed over for people who are no more qualified but who happened to be closest or nearest the situation. A few young people that are now managers have not had the experience. Decisions on getting ahead are hard to understand.

Personally, I'm to the point I feel somewhat stifled. Take the present manager, I've tried to make that clear to him and express my concerns over the past few years, but our group is understaffed and my manager needs me where I am and he doesn't take the time to help me develop in my career. As a project engineer I get stuck as a jack of all trades. I'd like to be more technically involved in projects, but there's no way to graduate away from the things you have done for years in order to obtain newer job tasks. I will be doing some of the same things in a few years that I was hired to do in the first place. No growth.

I would like to keep progressing. I haven't really had a raise, or a promotion in eleven years. I would like to see some recognition of the work that I have done. I know I do a good job, but I don't have the style or whatever that gets recognition. I'd like some help, some advice with moving ahead.

political roadblocks to getting ahead.

There are people in the inner circles that are top managements' friends that are on the MBA track. And they do all the things and we don't have any say about it. I think that disturbs company spirit. The general perception is that you need to have an MBA from a respected university to get into the inner circle here.

I don't have the style that gets recognition. You need to be more aggressive and outgoing. I sometimes get the impression this company is run by aggressive people just below the top who are picking up the ball and running with it wherever they want to go and top management just rolls with it.

For no reason they move you and put someone else doing that job, which creates hard feelings. If people explained to you what the reasons were for making those kinds of decisions it would feel better as long as the explanation takes place before and not after the change. I was told at a big meeting with everyone there that I was being demoted, and this happened to another person that I worked with also.

At Company "A" there is a hidden caste system that breaks very hard at the management line. Those at the top have proved their loyalty, not necessarily their ability to manage. And now when you bring in technical people that have the most current ways of doing things the way the rest of the world does them, these people meet real resistance, I mean big time. It's almost like let's pretend to be Japanese Management. Let's have quality circles but let's not let this thing get out of hand.

In order to get ahead you need to be socially active within upper management, and you need to be active in local politics and local charitable organizations.

The blue collar positions are filled from the local labor force. The management positions are filled more and more from outside the area. There's two types of expectations. The outsiders are more aggressive than the locals and it's interesting because the owners are sort of in between. They want to grow and be aggressive but on the other hand they still have this commitment to the community thing.

training.

It's almost a mystery how people become experts at Company "A", there's a real fear of education especially among the people that don't have it. They are against academia. They don't want professors coming in here and teaching us about MRP or CAD. They really think that they are so unique here that the only people that can come up with solutions are the ones that live here.

When the needs of the company change, you need different employees. You can't retrain janitors to be engineers. That's the way the company has been. As it changes, people that have been promoted to management because they have been loyal to the company are promoted beyond their competence, beyond their element because they haven't been trained to do the jobs that need to be done today. And when you get someone extended beyond their capabilities, they get anxious.

Most managers, supervisors like myself have had no training in it, really. I went to a one day seminar, it was interesting but like any one day seminar, if you come away with one little thing that you do differently that's a lot. It doesn't change you a whole lot or last too long. I think you need constant training in being a manager, rather than just once a year going to a one-day seminar.

money, benefits & vacation.

One of the things that would help for spirit and motivation is a genuine bonus or reward or profit sharing, something quarterly so that people can feel a relationship between what they do and the monetary reward. A sore subject, Company "A's" profit sharing plan was tied to retirement pay. It worked well until the company went global and the company started transferring profits to other branches. It became a negative, a disincentive. The formula for profit sharing should have changed. Now for several years there weren't any profits at all so the perception is that there IS no profit sharing. I know from the other company I worked for that profit sharing definitely changed your attitude about the company. You were busy thinking more about ways to save money. If someone didn't pull his weight, you thought of it as not that the guy was just lazy, but hey, he's taking money out of my pocket.

I've known managers that say you can't take a vacation in the next 6 months because we've got to get this project out. Are you better off in a 6 month period saying you've got to work and having people that aren't happy, or saying you can take your vacation but we still have to get this project out in the next 6 months, and people would feel more loyal and will put out a little more and still get the project done. If you don't let people take time off they call in sick, so you lose both ways.

Sometimes we reward people who are skillful at avoiding controversy, rather than those who make a genuine contribution to the value of the company.

We had a 10% reduction in pay at one time when business conditions were bad. And my reaction to that was, "Gee, I'm glad I still have a job." Other people wondered if we would get paid retroactively when we came out the other side. Things that the others perceived as negative, I perhaps have a better understanding of and know that these things are done for a reason.

We recently instituted a policy of sending bills for our extension and those who made personal calls are expected to pay for them. There are a lot of people who are just outraged at that, the benefit of occasional free phone calls being taken away.

It's crazy to give a 4% raise every year whether you do good or bad. That's not recognition and it's not appreciated in the same way that recognition for quality work is appreciated. It's the recognition and appreciation, not the money that makes the difference.

organizational systems.

Company "A" is highly over-managed. We've got 18 people in my department. We've got a manager, a work leader, two key men and two other people that are considered management out of the 18. I think Company "A" appointed so many managers because they felt that if someone reported to management like one for every two or three people, things could be done on a more personal basis, which is a good theory but in practice it makes a mess.

We are paying people an extra 30 cents an hour and expecting them to be superhuman and actually when push comes to shove, they get relegated into a position of doing less than they would if they weren't designated as manager. A working key man sometimes becomes neither a key man or a worker, he just becomes a person getting 30 cents an hour more.

It's not clear here what's the difference between a manager and a supervisor. There's managers, supervisors, lead people, first line managers, middle managers, executive managers. There are lots of people that don't fit into any definitions so it's hard to know who goes to what level of meetings and how all that works. Even though I'm only a middle manager, they don't call me a manager. They call me a supervisor. In the strictest sense of the word, I am not a manager but I represent authority to the others and there's a cap there, I operate in a vacuum as far as gossip. There's a management gossip trail and a worker gossip trail and I don't fit in either category. Workers identify me with management; management identifies me with workers.

The way we are structured, not so much organizationally but communication-wise, prevents us from knowing what other parts of the company are doing, which works against getting people together, against letting them think they are all part of one firm.

We have an overhead here that's like a factor of three or three and a half. All overhead is things that people fail to put in the proper boxes. When you pick up a pen, or a pad of paper, you don't spend \$100 tracking \$5 worth of supplies, but by the same token you don't not keep track of \$30,000 items coming into the plant. Here they don't track engineering time against the job. The engineering time is the biggest piece of the cost of the job and it's not tracked. They just spread it out over all of the products. If we are building a custom machine, and the costs are too high, they'll put engineers assembling the machine because the engineering time isn't counted, rather than have assemblers assemble it. It's bizarre. They are paying engineers \$20 an hour; assemblers \$7. The biggest problem are the tasks that could be done by someone else, which don't have to be done by paying me at my salary level to be doing those parts. I have trouble accepting the fact that they continue doing that. It's been across the board with our type of work.

The idea of lifetime employment, I don't think that exists anymore. No one can look at a job now and say I'm here until I die. I can be tossed aside at any time by anyone regardless of how many years I've got in the company. I have to do my planning based on that. It will be interesting to see what kind of employment systems happen in another 20 years because there aren't as many kids growing up now to replace us. Employees may again get in the driver's seat and become valuable commodities. Right now we are a dime a dozen, they can dump any of us and get 10 people to fill the spot.

There are some things that are going on that don't require the involvement of anyone outside of a small group, so the systems aren't in place to coordinate. A classic example of this is the R & D group, they may be working on something that most people don't know what it is, and when it's fairly far along it sort of comes out and a lot of people are surprised and then have to figure out how they're going to have to manufacture that. They wonder why they weren't brought in a year ago, since they now need to retool. There should be systems for letting people know what others are doing especially when we need to depend on each other.

Not knowing what others do leads to apathy. We don't know what is going on in the other departments. I've been here over 5 years and I don't know half the people that work here. There was a time when everyone knew everyone else. Granted, the place was smaller then, but you had company picnics and large get-togethers. Now it's all divisional and you pretty much stay with your own little department. Some other places I have worked, you'd stop at lunch time for the Thanksgiving Party and the Christmas Party and you'd have the whole afternoon and you'd wander around to other places and see other people and what they're doing and talk to them, share in their festivities and learn more about what they do. That's not encouraged here.

getting needed equipment.

I am kind of sitting tight waiting to see what is going to happen. They just spent over a year of real heavy duty time deciding on new computer equipment, lots of people working on this thing. Supposedly the money is set aside to buy it, but this is the third time they've done this kind of extensive research and every time a product gets picked out and the team says "This is what we want," all of a sudden nothing happens, all of a sudden you get to the second quarter of the year and the company isn't doing so well so we don't dare do anything right now. Everything gets put on hold again. Well, in the computer field, computers change so quickly that by the time they get taken back off hold, you've got to start that expensive research all over again. And meanwhile, we don't have the tools we need to do the job.

We are trying to get CAD CAM, a \$2-3 million investment. In this company, they run a pretty tight ship as far as spending goes. My concern is when will I see something. I don't expect to see anything for a couple years, and it's frustrating. We have some of the cheaper, simpler solutions in-house, and we do have a small CAD station but you have 2 or 3 people working on each one and some have no access at all.

Nobody likes to put 100% effort and have a 10% yield because they are given the wrong tools or told to do the wrong things. There's not a good line for sounding disaster alarms up. It would do more for company if spirit if somebody said, "Hey, I need a pair of pliers to do this job but I can't order them because it isn't in the budget..." yet others get all they want, they don't even use them and they can get new pliers. People see that. They say, "Here I am, trying to make the company product, and I can't get a \$100 pair of wire crimpers but there they are laying in that room that I can see and they aren't even being used." How does that feel to the guy that is trying to crimp wires?

inability to see the whole picture.

We need to know what each other is doing here. One of the things I find frustrating is that people aren't cross-trained. We used to have a training department here years ago and it was disbanded. Now when people come here new to the company or they change jobs, information is offered on "need to know" basis. If you don't think to ask the question, you don't get the answer. Well, if you are new to the position, you don't always think to ask the question.

The fact that I wouldn't be in a meeting of any other divisions is odd; I wouldn't go to a chemical division information meeting even though I am involved in selling their products; they would never invite me. I have no idea what's going on in the chemical division. I don't know if they've added more production hours or if employees are pleased with or upset with working conditions.

I don't go outside the division very often; in fact there can be days I don't even leave my room other than to go to the toilet or the cafeteria. The whole place could get blown up and I wouldn't know it. I don't know what others are doing and they don't know what I'm doing.

I would be crushed if they told me they were going to do away with the little night shift and I could do the same thing starting at 6:30 a.m. I'd feel every bit as bad as somebody who liked days being told he had to work nights. But the decision-makers here don't understand that. My manager proudly boasts he's never ever worked one minute after dark. And he says, "We could use another guy on nights but Jesus, I can't actually punish anybody on days by putting them on nights." And we are feeling like we are in some kind of gulag out here! They don't know how we feel.

external competition.

If Company "A" isn't at an important trade show, what does that tell our competition? But that idea doesn't set well with people in manufacturing. They think the sales people are spending all our profit sharing. But it's important for all the people here to understand that you have to spend money to make money.

I've certainly tried to take measures to address different markets and to address existing markets in more competitive ways. In general we are not a real competitive company per se. We try to make things for market niches and when we appear to get some competition from out there, we shy away from it.

Everybody rushes to get stuff into the marketplace and they tend to do, in many cases, a slipshod job. Your marketing and sales people are out there making promises not based on reality. They'll tell them "Sure, we can get you one of these in a month." Well what's sitting out in the marketplace is a prototype. We don't even know how to build it yet. All the engineering has to be done and it never makes the date, never makes the cost, is always over budget, and life goes on. We'd be more competitive if the values shifted and we wanted a quality product that had a legitimate lead time, a product going out into the marketplace and being competitive for what it does, rather than how fast we can get it out there. Right now, it's all just, "Let's get something out there quick. And we'll worry about whether it works later."

internal competition.

When an employee leaves a department, they have what we call the slot game. You don't necessarily replace the person, you have to justify the need each and every time. The personnel group may tell you, "Well, your area has a need but this area has waited two years. I feel their need is greater, sorry." Bingo, your slot is over there, and you've got the problem. This policy causes problems between managers, and makes managers not want to share their employees. If I had an employee who in the summer months is quiet, I could take one person out of my group and loan him somewhere else, but if I did, it would tell other people that "well, if you could loan him out for this time frame, you really don't need him and therefore that slot is gone." So that situation creates competition between managers. Everyone's trying to do their own job the best they can, but sometimes we stand in each other's way.

There is one division here that is difficult to work with. For the most part people here know we are in it together, but the printing elements division, they make type, you take something over there and they don't care, it seems like they can't see that we are all working for the same company.

Some people are more cognitive of the big picture and more interested in the overall company welfare. There are some people running different departments that are manipulative of the accounting system to make themselves look good at others' expense. I think that's why they make wood sheds and those people should be taken out back to them. When somebody in management starts to partake of that nonsense everybody underneath feels the ripple of it. That comes from the business of people being promoted into management who really aren't managing, they are just protecting their positions.

There is a difficult struggle between the production divisions and the R & D divisions. Production is where you make your money, but R & D is the future of your production division. If you are not making new things and developing new ideas the bottom line is affected. It's a difficult struggle for R & D to climb that priority ladder when there are production things in the queue.

At the end of a project they have a party for everyone who worked on it, with little gifts, hats. It's positive. But at the same time they don't know how to decide who worked on the project and who didn't. How far down the line do we go? Where is the cutoff? I see people collecting things and saying, "I got this from this project, and nothing from working on that one." And then the next time when somebody comes to you and says, "Do you want to work on my project," you're human. You remember what happened the time before. And you start thinking they are just going to take my work and that's it. I'm not going to get anything for all this? You start looking for those carrots and you look towards only those that will acknowledge your efforts.

Now that we're so big, we've had to divisionalize. They try to generate a competitiveness between the divisions in order to keep us at our peak within our particular job functions. I think that may have helped in some aspects but I also think that it has cut down on company spirit. We think now, "We can do better than the other ones," but then we are not there to help the others.

hierarchical decision-making.

Once a year the senior management group looks at the numbers and says, we need more profits, we'll have a price increase. They ask us how much increase could we come up with. We say maybe 3%. It comes back from the top, they say we're taking a 9% across the board. We tell them if you do that you are going to lose business. There's like no listening, the 9% just goes right through. And what happens is we go through all sorts of antics to lower the price, recapture the business that walked away from us, while management ramrodded through the increase.

Sometimes, people may not carry as much clout as they could. It seems that a lot of decisions could be made at a lower level if people knew that the company would allow them the authority and give them the responsibility.

Decisions are passed down as directives. This is what to do, and if it's not done right you are going to get chewed out. But you don't have the authority to make the decisions on how to do something. You have to ask up. And that person has to ask up. They should say, "You run it, it's your group. You make the mistake, you hang for it." It's sort of, "I'm going to hold your hand through this. When you get in a tough situation, ask me." No one's going to make any decisions.

Appendix H: Representative Quotes from Company "B" arranged thematically

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Those interviewed at Company "B" define company spirit as follows:

It means cohesiveness, working as a team, wanting to work for THIS particular company as opposed to any other. It means liking the company, wanting to do a good job for them. It means getting things back in return, feeling that it's a two-way street. Wanting to be involved, as opposed to just collecting a paycheck every week.

It's people growing together where they know they have opportunities for growth, not so much even within their jobs, but also in their minds, and with others around them.

It's having fun working. You are here 8, 9, 10 hours a day sometimes. I think company spirit is being able to enjoy your work, having a quality 8, 9, 10 hours, doing something good for the company, good for yourself, learning new things every day, being excited about work.

It's a feeling among a group of people toward a common goal, toward interpersonal relationships that lead to that goal. Everyone needs to have a feeling of contributing toward the goal.

Company spirit is people having a warm feeling about their participation within the company, which leads to attitudes that are positive. It is generated by a feeling of accomplishment and gratification in the job. It is a feeling of good will among fellow employees, of getting along, of appreciating your company, your fellow employees, and your work. If people have a good feeling about what they accomplished, they've probably been very productive. Therefore the costs would be lower, the quality would be higher, the customer satisfaction would be better.

It's employees knowing the company cares about them. If you show that you care about the employees, they are going to give you just as much back and care about the company.

I guess it's from being in the Army, it's esprit de corps. If you are going to charge the hill, you've got to have everybody going in the same direction, working toward the same goal, overcoming the obstacles, getting to the top of the hill. It's not easy to do, but it's simple in its basic theory.

It's enthusiasm, it's the chance to pitch in, and know we're important to reaching the goals. We are a highly engineered company so the engineers here are the focal point. They get the credit. But it's all of us who really put it together and make it happen. Spirit is recognizing that we all matter.

It's pride in the company, how it conducts itself towards its employees, its customers and the larger community. It's everybody working together, everybody pulling together and doing their job, trying to get along as best they can.

It's the sum of the individual attitudes of the people who work in the company. Deep down, it's like a psychological good feeling about the company, about your job, about company policies. It really doesn't have to be outward, expressed in saying "rah, rah Company "B", but just a deep down feeling you respect your company and like working there, sticking up for it.

Value of company spirit as a concept

You can achieve a lot higher level of performance if you have spirit. Good spirit is a difficult thing to achieve but it has dramatic results when you can do it.

You could be in a fast-paced market with an exciting product and still do poorly if your employees don't focus on the mission or objectives of the company. If people have a good attitude about their work and their company, they do a better job.

It's a team approach and you can't do without the team. Top management couldn't run the company by themselves.

If you don't have company spirit, don't do these little extra things or feel proud of what you are doing, you're not going to put out the quality we are trying to put out. And if WE don't put it out, Japan, the Far East, others will take our business away. To do well, to keep good people who put out quality, you've got to have company spirit.

It is what unleashes people. If people feel good about each other, themselves and their company, they'll do their job in a way that everything is better. If you don't have spirit it's not going to happen, you'll just go under.

It's obvious that you'd increase productivity and quality if people had a common goal, if people had a gung ho attitude about the company, if they knew that when the company benefits they also benefit.

It's important, highly important... in the sense that good spirit means people give that little bit of extra effort that pays off.

Assessment of Company "B's" spirit

Those who are reasonably positive about company spirit at Company "B" describe their feelings as follows:

A lot of people, all they do is complain. Let's face it, we ALL complain. But I'll be honest with you. I give them 100%. I give my all. I like my job. It's interesting. I've worked in worse places than Company "B". I really have no complaints.

After a while, the complaining beats you down. After a while you say, "Hey, I'll be like everyone else and just put my time in." Some days I have a day that's the hell with this place, I'll just do the minimum. But that lasts for like two days and then I get back into the groove again and I want to work hard.

There are challenges, they design new products, we assemble them. Of course it doesn't go together right, so we get together and tell them what we did to make the products work. And then they correct the drawings. They don't always like it, but they do listen to us.

I've worked in worse places. I don't really mind working here. Company "B" has been good to me. There's overtime. I can make some extra money. They try to keep us busy, give us as much work as possible. Even though it's not the field that we are trained in, when we went real slow for a while they transferred me over to this building here, where they trained me in another department so I wouldn't be laid off. Work conditions aren't that bad, the work is interesting, it's high tech work. It's great. I like it here, I've no complaints.

There is a core of older people within the company, older in terms of service, not age, who have been here for a long time and want to do a good job and who really believe in Company "B". Of course there are also some who want to come in and reap all the benefits they can and are not necessarily making the decisions that contribute to the company's benefit.

We are good at what we do, and we're getting better. Company "B" is a reputable company. There are a lot of very fine things here but they don't bubble to the surface. You don't see enthusiasm, but I think if you compare Company "B" to other companies you find a lot of nice things and I think we should recognize them.

I would hate to leave. I like a lot of the people, they are genuine, very very nice people. I'd have to say 95% of the people like Company "B". I don't think we exhibit it, but I think we are all happy to be here. We bitch about it and moan about it but I think that's just a part of what goes on. I'd have to say it would have to be an awfully big carrot to make it worthwhile for me to leave. Because it's a nice environment.

I like the work I do and I take pride in the work I do. And I really care about what happens to Company "B". It's just that there are internal problems I wish were corrected.

I think it's a wonderful company and I want to make it better. I want to do a good job, I want to bring things together and get things going. I like to be creative, and I like to see people happy.

We are going for the Eastwood Award which is a national award for employee services. It goes to companies that really take care of their employees. The CEO has given us the OK to go ahead and apply for that award. I think employees would be thrilled to know that we were being recognized as a company that takes the best care of their employees. It's a big challenge and the companies that won it last year, they said it was difficult. And some of them spent considerable money trying to get the award. But I don't think it takes money. I think it just takes a unique idea and I'm committed to making it happen.

I'm happy here. I feel I've carved a niche here, the company has done well by me in terms of responsibility and moving me along. I see a lot of unhappy people here, and maybe that's just the nature of my job where sometimes I'm used as a sounding board for people.

There is a great bunch of people here. Company "B" is a very fortunate company. They've got a lot of dedicated people who really love their job. They might not be happy with a lot of things at Company "B" but they love their job and they are loyal to their job.

Those who feel that the company spirit is negative at Company "B" describe their feelings poignantly and eloquently as follows:

They do numerous things to fail themselves. Some of it's just vague memos that come out that don't express what they really mean. And it leaves openings for questions and rumors where if they just expressed it properly there would be no problem. One example is we just had a newsletter go out and they were talking about the quality team that just was initiated and they spelled "quality" wrong!

I really can't think of too many things that contribute to spirit. Spirit here isn't good. People aren't quitting though because the whole economy is bad, there aren't any jobs to go to. When things turn around, when jobs open up in better companies, there's going to be a mass walk-out here.

Even though I like my job, I hate the company. I have a bad, low morale for the company at this point. The company as a whole doesn't have good spirit. There isn't a wave where you can say everyone is pushing or pulling together. There is a lot of isolation and lack of good will. A lot of internal bickering, fault finding. There is inconsistency in direction and priority setting, so that people feel that in any given moment what they are working on may be thrown out or devalued because of the latest crisis.

I know I'm part of the problem, I also get caught up in some of these games of picking on people. It's an easy game to get caught in. On my second anniversary I kind of took stock of my first two years and I was very disappointed in myself. I can remember the attitudes and enthusiasm I brought when I first got here. And when I looked at what I was currently doing, I really gave myself a kick in the ass for getting trapped in this negative behavior that's pervasive at Company "B".

There is a sense here that people don't matter. That there's the company and that there's the workers, and the company isn't the sum of all the workers. It's a kind of we vs. they thing which I find very disturbing. The we/they attitude is driven from the top. It is senior managers vs. each other, engineering vs. manufacturing, engineering vs. sales, finance vs. all other departments. It's a feeling that we'll be better off if we can push those other guys down. There's a feeling throughout the company in all sectors that we're the ones who've got our act together and the rest of the company is screwing up. It's a very distorted view of who's contributing.

The people that can do something about problems don't really see it as their job to help solve the problems of other departments. They'd rather point them out and kind of relish them.

A consulting group was trying to get an understanding of the dynamics, where the problems were and the opportunities. They said the level of dissatisfaction, lack of team work is very high at Company "B" and if we don't do something about it we aren't going to be successful. The independent consulting group suggested at that point getting some kind of team building program underway, but so far nothing has happened.

There's a growing sense that people here are being taken advantage of. And that may be just a short term thing driven by a current project. But there seems to be a shift in gears. We as managers screwed up so we've got to get you guys to work hard and that means 70 hours a week or 80 hours a week for the next ten months, that's what you owe us.

I don't mind putting the hours in but not 7 days a week, 13 hours a day. I worked awful hard when I was younger, real hard, doing side jobs, constructing things, doing all kinds of work, whatever came up. But I thought I'd get to the point where I could enjoy more free time in my personal life and I'm not getting it. My kids are nearly grown up and I'm not getting it. Others here work many fewer hours. So spirit in some ways has to do with the fact that the load isn't shared equally.

Here it's like dog eat dog. Look after yourself because he's not going to, he's too busy looking after himself. I hate that. It's what I was trying to explain. It's like in other words, I'm a group leader and I have to kind of keep you guys down so that makes me look good. I don't know how to put it in words. If you get minutely close to me or my job, then he's going to do something to keep me down there.

The management doesn't trust the employees. They don't have any faith in the employees, I guess. And the reverse is true too. Layoffs, pay cuts all contribute to distrust. Company "B" has \$15 million in the bank. Why can't we use some of that money for the people who work hard? Governing by the quarterly report or even by the monthly report, with people in terror of losing their jobs or having their pay levels or benefits cut, creates an angry, hostile spirit, the reverse of what makes people happy to be working at Company "B".

People are critical of Company "B" and hard in their judgments because they are angry and they are hurt. Because so much goes on here that isn't right, within the management level to the people. We have nobody to turn to to get help. We can't be heard, and we can't have a matter looked into without being punished for it by the immediate supervisor. In other words, do your job and don't ask questions. And don't say anything even when you see an injustice, it's none of your damn business. That's what you are told. Just keep your head down, do your own work and mind your business. Management doesn't care about the people. It doesn't matter that you tell them there is great waste going on in this company. The waste I see since I've been here, I couldn't believe it.

There are a number of things that take away from spirit, things that people like myself probably don't understand. Last year was the most successful year that company "B" ever had, both revenues and profit. Yet this year, just because of the projection of revenues and profit people have had to take actual pay cuts. The stoppage of the 401K contributions, the only thing that is closest to a retirement program we have, working a week without pay, these things are hard for people to understand. Wait a minute now, we just had a good year. What's going on here?

My old company was great. It was a really positive company. When I first came the first couple of weeks I got the sense of what's going on here and people are so bitter here, and it got me nervous, because I thought, "Oh, this isn't good." But then I thought, "Hey, you're here! Make the best of it. Change it if you don't like it. Do your best." And I'm trying.

Right now there is some problem with spirit. But I think the potential is fabulous, And that's why I'm not discouraged. When I first came, it was hard because I came from a company that was really positive. A very very strong personnel department that did everything for the employees, and I mean everything. They would take care of their eyes, their ears, their boots, anything. If anybody asked a question, they got an answer. Company "B" is not employee oriented in that respect, taking care of the employees. And maybe that's why with some of the cutbacks and stuff, it's been taken right out of the employees rather than the upper management's pay, benefits, bonuses, that type of thing. There is clearly some resentment here.

When the economy is going well, people don't view Company "B" as a real place to work. It's kind of well, work there for 3 months until you find a real job. We don't have the reputation of being a good place to work, not like Wang, or Raytheon or Apollo. We aren't attractive to anybody. I would love to see Company "B" be attractive to the outside world, where people say "Gee, that's a swell place to work, they are terrific!" Once people on the outside are dying to get in here, then those inside feel great about being part of the team. A lot of people say that working for Company "B" is better than being unemployed. The ingredients are all here. It's like you're making a cake, the ingredients are all here. It's just a matter of how you blend them together. We could be the employment of choice if only things were different.

If I could wave a wand, I would hit them over the head with it and say, "Wake up, you have a LOT of good people here. And you are either not utilizing their knowledge or you are not taking into consideration that they have lives outside of Company "B" and they only have so much that they can give you without feeling cared for in return, and wake up, because if the job market ever turns around, these people are all going to be walking before you know it."

The bottom line is really commitment. Two way commitment is self-generating. People sense when the company isn't committed to them, and it builds kind of a wall. You are not committed to me so I'm not committed to you.

Changes in company spirit at Company "B"?

When I first joined Company "B" it was run with an extremely high entrepreneurial spirit. As the company grew, I think there was deterioration of the spirit. The spirit today here is probably a bit low. And that's because of the current business environment. There's a bit of insecurity among the troops, not having great backlogs and knowing that the industry that we serve is not tremendously healthy, and therefore not knowing where the next order is coming from.

We all get frustrated in not being able to get things done as quickly as we believe they were done in the good old days. I wonder if a lot of that is not nostalgia. I'm not deluding myself about that. But we are a much larger company today than we were a few years ago. More people, more hierarchy to go through to get a given piece of information or get a job done. And I find that frustrating. It's necessary because of our growth, but frustrating nevertheless.

I have seen a definite backsliding or downgrading of company spirit. There's actually suppression that is going on. A lot of it is because of the changes in management. You'll find that all the management, probably upper management, are very short term people. A number of them come from the Jones Company, and there's a lot of antagonism between people who have been here longer and the new Jones Company people. There is a definite difference in the style. There's a lot of people bashing that goes on now. The people here at Company "B", the people on the floor, they're good people, they are more than willing to try anything but they are so suspicious. They feel that everything has an ulterior motive. There's many things that have been done by the management that even I have perceived as being suspicious. There've been a number of take-away programs. Things happen that seem to hit you in the pocketbook but seem to enrich other people. That behavior is unfortunate. It's not the money, it's the principle of the thing. If everybody equally has something taken away, it's more acceptable. But when some people have it taken away and it seems as though it's given to other people, that's the part that causes antagonism and suspicion.

It's gotten worse. Maybe the layoffs have put Company "B" in a bad light, and then with the vertical system coming out and we had all these big things, and that's when the real competitiveness came about within the two divisions. That's when they had all the contests going on, and people may have gotten a little upset about that.

Absolutely it's changed, it's deteriorated. Mostly on one side of the house. I felt like company spirit was pretty strong when I first got here. Every company is always going to have some problems and some disgruntled employees. However, since this vertical project which you probably have heard about, I really view it as a total fiasco. What I understand if it is that we came into the project late, all our competitors already had the vertical system out. We were late and all of a sudden it's "Hey, we've got these deadlines, and YOU have to meet them. No if's and's or but's." A lot of them are totally unrealistic. And people in higher up positions are being told that we can't meet them and they are saying "I don't care. You have to meet them. I don't care if it takes 7 days a week, 24 hours a day. You get these people in here and you do it." And that's OK if you know it's only going to be for a month, two months, maybe even three months. But when people are told it will be over in three months and then they are told we need another month, and another, and another, and you are taking 8, 9, 10, people are fed up. I hear it from so many people, even in the hallways. People aren't seeing their spouses or their kids. It's crazy. And now that it's done, do we get any appreciation?

Company spirit used to be more intense in the old days... stronger in both directions. People either enjoyed the high pitched atmosphere or they despised it. They either loved Howard or they hated him. But one thing you could say about Howard. He was a hands on, involved manager. You always knew where you stood with Howard, there was no distrust or suspicion, he did what he said he was going to do, and he took care of his people.

There were a lot of people that really disliked the old owner, just by his personality. But he certainly didn't govern by shipments per month or by the quarter. Esprit de corps was better then than now. All the years that I was here under him there was never a pay cut and we had some years we lost money but there was never a pay cut. There was a suspension of raises for a short period of time and then the raises were given retroactively. But there was never a cut in pay and never massive layoffs and hirings on the scale that we have them now. It's just poor planning.

It started off as very autocratic. A very tough individual ran the company, I personally got along very good with him. He trusted me and my ability to do things, so if I really wanted something and it was \$50,000 I could convince him to go get it. He was also very science oriented. We've gone to people running this company that are more numbers oriented.

They talked about Company "B" when it was down south and Mr. Smith and his style of management, dealing with people and customers. And they talked about the old war stories and all that. I would imagine that when Mr. Smith was here they probably hated the man but now that he's gone, they idolize him to a great degree.

Things have become demoralized, a lot of it is the economy. I came here in '88 when they were having a good year, leading to '89 which was also a very good year. '90 is NOT a good year at Company "B" or anywhere else. I think that with the mass layoffs at Wang, Sanders, up and down the whole area, I can't really blame Company "B" for all the feelings because a lot of it is outside Company "B" also. The Massachusetts Miracle is gone, which affects all of us. But here again, I still want to say that we don't have or push down any enthusiasm from the top at Company "B". Even with the economy bad, I think there are things we could be doing to improve spirit here.

Personally I would have to say worse, much worse. Back when I was 25, 26 years old there were many social events out of work, 20, 30 employees with spouses and girl friends that would show up at one or another's house. That might have been just the age thing, but just in the small group I worked in we don't hang around together as much as we used to. People have long gone. Actually out of 20 or 30 people there's probably only 10 or so that are still here.

The company has grown in size and there isn't the same sense of belonging from the newer people. Before, there was a larger core of people percentage-wise, dedicated to the company. Now it's just a job.

And finally, there was ONE person who felt that for him, spirit had changed for the better.

When I first came here, there were some people who weren't the best, you know... taking drugs, being rude to management, screwing up. They were terminated. Now things are better, smoother, especially for me. Because when I first came in, I was hanging around with the wrong people. I was hanging around with those people that got terminated so for me it's definitely been a good change. I'm back on a good track.

HOW DOES COMPANY "B" FEEL LIKE A FAMILY?

I don't think a paternalistic company is a healthy environment. On the other hand, I think the idea that I spend a third of my hours here in a given week, most of my contacts outside my family are here, it has a lot to do with my physical and mental health, so yeah, I would like to feel, when you say a family, a feeling of closeness and bonding, of identifying as part of that, and wanting to feel that way. I think it's important.

This is a big family here. And people are upset when they see bad things happening and they take it personally. It's not because people don't care... it's because they DO care and they want things to be good.

I would like to see it as a family, but I don't. And I think that comes from the top. There's a lot of that team atmosphere, that family feeling of caring, that's missing here. Family feeling has to start at the top, percolate down through. To take the metaphor, if the "kids" feel like the "parents" really love them, the parents can demand a lot.

Within my group, 100%. The girls I work with, I love them to death. They are like my sisters. We all eat lunch together. We definitely are a family. We do things together after work. These are my friends for life.

I think it's a fact of life, almost by definition you are a surrogate family whether you like it or not. I think people need to have a sense of belonging to that family, to have a group or entity they belong to and the company could certainly be one of those entities for a lot of people. In a real family, each person contributes to the family welfare, and the family takes care of its members. Even when people have things they don't like about their families, at least they don't worry that their family is going to throw them out.

When my wife and I got married, her kids and my kids, they fought with each other, vying for attention. But let anybody from the outside come in and try to raise havoc with our new family and all of a sudden they come together like crazy. And that's really true at Company "B" that when it comes to outside interference, if there's anything that is a danger to the company coming from externally, people here are extremely protective of each other. But they are not necessarily that way on a day to day basis.

It's hard to say if Company "B" feels like a family. I'm trying to think of what that word means. This place to me feels like look out for yourself. Where I used to work, we were like a family. We all got together, we all went out fishing together, went to each other's houses. But over here it's completely different. The whole plant is like, I don't know how to put it into words.

Interviewees' responses to the questions of what contributes to and detracts from company spirit provide a fascinating insight into organizational life. In the Company "B" interviews, there were many more comments that referred to spirit-detracting factors than there were comments about spirit-enhancing factors. But those comments that did reflect on positive elements are important to understand, and to build on.

What builds company spirit at Company "B"? (or, comments put into the positive)

training.

Company "B" has given me challenging assignments, one or two interesting workshops over the years.

I think the enthusiasm for work comes from being able to upgrade your skills, the skills of all of us. The willingness of a company to train builds a lot of excitement about learning and being productive. One of the first things that goes all the time is the training funds, but I think when times are hard it's the best companies that pour money into training, into getting people ready to ride the next economic wave.

Training forms an experience that people share across departments. They get to know each other, form a network, a common language. It's difficult to discuss things between departments because terminology, even the very basic financial terms which aren't understood or understood differently between departments... company sponsored training programs help minimize these problems. Training programs are important for generating, maintaining and controlling the company culture. Training programs are probably the least expensive way of changing a bad culture or of reinforcing a positive one.

You need to cross train everybody. I've seen people here that never did a thing in the 8 years they were here except one particular job. You have somebody out sick or out on disability, that person couldn't jump in and fill in that place. In my section we can work PC boards, cable and harness, and our own job. There is nobody else in that whole area that can. Do we get appreciated? No. I keep telling my supervisor, you ought to thank god for us, because we can jump in. Right now I am doing PC boards. This morning I was doing cable and harness.

Personally, because I'm in a technical environment, I like it when people go to school, to conferences. I've always had money in my budget and I encourage them to go. Well this year we couldn't afford to send people away individually, so I got some videotapes where they have the tape and the workbook and all of that. We spent \$3,000 on that stuff. But gee, I looked at them at home, we've got people using them and they are learning a little bit, it's not great but it's all we can afford this year. But I think even teaching people a little bit, you keep the old brain cells cooking. And you bring people a little bit of the way up, trying to make them smarter.

I go to school. It's great, they do pay. I'm amazed they haven't stopped that. They took my raise away but they still pay \$300 a course. I don't know how they do that, it's a fantastic benefit, they pay 100%. They don't pay 80% for a B and 70-% for a C, which I've heard about other companies through my classmates.

diversity in the workforce.

I would like to consider myself not prejudiced and I like working with the people here. Even though there are sometimes communication problems, these people are really educated and if not educated they are very skilled. Mostly I deal with assembly, they are very good assemblers, very good workers. So as far as comparing to the world wide scheme of prejudice, it's not here at Company "B". I have never heard of a racial incident here at all.

You get all kinds of people here. Old people, young people, got a couple of black people, some Indians, Asians. They all seem to get along together as far as the work force. There's no discrimination. I mean, I get along good with everybody, and so does everybody else.

There is one Jewish manager that reports to the CEO, Marty, our advertising and PR man. I don't think there are very many Jewish people here, but I don't necessarily think that's a reflection on the company of not wanting to hire them. I just think that's the way it happened.

We have no ethnic problems here. No evidence of racism or any of that at all. I never hear anybody referring to anybody in any kind of slang terminology or any of that.

If you look at our manufacturing area, we've got a lot of minorities. I think half of that has to do with the geographical area that we are in. The nearby town is known for having a large Cambodian, Korean population. Some of the supervisors out there would much rather hire a minority person, because they've just got a stronger work ethic.

money and benefits.

I think we are constantly on a path where we are compensating our people fairly. We do that in a sense of looking at contributions of people and trying to make as much differentiation in the compensation as we possibly can, although that is hard. It is very difficult to set individual standards for every individual and pay people purely on merit. Merit is fraught with interpretation and subjective issues. So although it's a goal, it's very hard to implement. And we recognize that. We do try to provide people with a sense of giving them good benefits, fair package, and trying to improve on these as much as we can.

I think the bonus plan when the company is profitable, giving something back to the employees, is nice. Bonuses depend on what level you are on. For me it goes anywhere from 0% to 9% of my pay. It usually goes that non-exempt and hourly people will get a certain percentage, salaried or exempt people will get another percentage, and then I believe anybody who is a director or above is into a much higher category.

One of the nice things that they do here, it started about two years ago, they came out with a quarterly cash award program that they take I think it is \$5000 and they have a committee that is made up of some people on the CEO's staff, managers nominate people in their department for a quarterly award that's a cash bonus for kind of going above and beyond the call of duty. They take that amount and depending on how many people get nominated and how many of those nominees get approved, then they split up and they kind of rank them. If there's one person that really stands out, maybe that person will get \$1000 and the next person may get \$800 or \$750 or whatever. I think the least amount is \$250. It's really nice to get recognized for putting in those hours, they are given every quarter, usually about 7 or 8 people get them.

There is an incentive plan. Or there was, I don't know if they have it any more. Come up with an idea, they pay you money for it. I haven't heard of anyone getting it in the last couple of years.

good supervision.

I don't worry about being laid off, I've been here too long. They don't lay off by seniority but I know quite a bit about all the products. In fact last year it got slow over there, and I had to come over here and work on this side. That's one good thing about the management here, I've got to say, because I came from a union job. And if there's no work in what you did, you went home. Over here, if there's no work, they'll put you someplace else. I know there's a lot of layoffs all the time, but I don't worry because my boss knows I do good work.

Most of the people in top management are decent. The few that aren't unfortunately have influence over a significant number of people. That's the important part. The number of poor managers is few but the percentage of the population here they impact on is the largest.

Like I say, I have the utmost respect for Mr. Brown, and that's why I'm gung ho. I know David's a hard worker and he's been with the company many, many years. I give him the best I can because I know he appreciates it. We kid each other but to me he is one hell of an asset to this company. I'm sure they know it, but if they don't know it they are fools. He's the one person I've seen that's gotten the credit and recognition he should get. He works very, very hard. You won't find another unit manager with his sleeves rolled up out there inside those furnaces. He cares. There's a lot of us that DO care, as I say.

My best buddy is now my group leader. He's like my best friend here. We've partied. I've helped him move, and all that. Along with all the other co-workers I've worked with, I think he deserves this promotion. He has a great relationship with his guys.

Mike comes through often to say hello. He's a good egg, he's from the old school. I mean, he started from the bottom and worked his way to where he is. He knows exactly what's going on. But you get these other guys, they are up in mahogany row up there, they don't have a clue what's going on downstairs.

I like Neil very much. He is probably the most decent person I've ever worked with. Good people skills, a lot of them. So his is a real loss to me personally. I think he'd still be here today if we had this overabundance of what you call spirit and enthusiasm. He'd still be here, because for him it would have been an opportunity to really make things better. I think he suffered a significant amount of frustration and then when this other opportunity came up, it became even more enticing. It's unfortunate because I think we lost ourselves a nice human being and an extremely competent person.

I've been very challenged since I've been here. That's one of the things I really like about my job. I have to attribute a lot of that to Tim, because that's who I worked for. He did a good job of grooming me. I feel like every time I thought my work was getting monotonous, suddenly I was getting into new things. He was always giving me new responsibilities.

I would say my supervisor definitely cares about me. Nobody else does, but my supervisor is really good. Some guys, the furnace could be falling on top of you, and they'd look at you and say, "So?" There's lots of people here that would do that. They don't care. I'm glad I have my supervisor.

employee committee.

The employee committee sends gifts, cards and fruit to people that have been sick or who have a death in the family. I think that's good.

The employment committee, it's excellent. They are from all different departments within the company, from the model shop right through to the secretaries, the managers. They are listening, taking the ideas and implementing them if they think they can. I think the employee committee is a good enhancement to the company spirit, they've got great discussions going on in that.

The employee committee, our job was to go find out the gripes, everything that people had to say. Any ideas or anything like that. I'd be the person that would collect them, then go to these meetings and bring them forward. And that year I was in, they implemented probably 30% of the ideas from changing the employee service awards, company picnic ideas and things like that.

The employee committee could play an even bigger role, do more than company picnics, outings, the raffle. I think they could do safety issues, bring up bigger issues about how we communicate, how we coordinate, how we do things in the company. The employee committee is a good idea and has the potential of playing a major role in the company.

socializing

They invite everybody for an anniversary type thing. On a 5th, 10th, 15th, 20th anniversary. And they invite everybody into the cafeteria and they announce your name to come up. It's the whole group of people who have been here for 5 years, 10 years. They do it all on the same day. But the whole company just squeezes into the cafeteria, they pass out the pins, it's a great social event.

It's mostly shop floor guys who come to the company picnic. A few of the accountant people, they are regular workers, they are just office orientated rather than shop floor. I know of one of my previous managers that ten years ago had an incident with a drunk... but there's plenty of other well liked managers that show up with their families and nobody gives them a hard time.

The CEO runs a Christmas party every year, which I kind of look forward to, at his home, it's top level of management. I think he has 40 or 50 people on the invited list. All the top three levels of management perhaps plus board of Directors. I think it's a really nice move.

There used to be a Christmas party which was very nice, but as with most things when there's drinking and night and driving, there had been some previous problems and it was decided, there was a bad incident that made that decision for us.

The company picnic is fun, it's oriented towards children. It's nice of the company to have the outing, they select a beautiful place, it was really a nice day for the families. Every time I go I enjoy it and whenever I can't go I hear it's a good time. Then they had a little ice cream party the other day, I thought that was nice. I took it to mean it was their way of saying thank you to the people for their efforts.

There's a softball team, there are company picnics, company parties, divisional parties, certain holidays, certain activities that occur annually. There was at one time a family day, Company "B" employees would bring their families to the facilities for a small picnic and a tour of the facility. This is what Dad does type of thing. Some of them are sponsored by the company, others by individual employees' groups.

I think the socializing part is very important. I think it's easier to know a person and it's better to work with someone when you know his family circumstances, and when you know his wife and his children. It creates like a working friendship.

Erin had a party recently for the vertical furnace where everybody was invited, and everyone came. Last year we had an outside cookout in the building two parking lot and everyone was there for that too. We opened up the corporate travel department and everyone was there. It was paid work time. Company picnics, they tend to be so-so in attendance, because they are on a weekend. But the few things we do as a company while we're all here at work are wonderful.

Management basically thought the party was for the 200 people that worked on the vertical. But we put the announcement up on the bulletin board that the party was for everyone. What's 200 more ice cream sandwiches to make everyone feel good, feel a part of the success? Everyone kept saying, "I heard it was for only 200 people." And we'd say, "No, no, that's just a rumor. Why would we want to have only 200 people? What are the other people going to do when they hear the music and the fun? It's ridiculous." So everyone came, it was lots of fun. People still tell us how much they enjoyed it.

Like my department, we all go to break together. And we all sit at our own table. I know everyone on the floor and I get along with everyone, but we all tend to sit together in our little department. Everybody knows everybody else, but you have your own certain little group which makes it fun.

You can look at some departments, all of the secretaries up in one person's area all eat lunch together. They all cover for each other, they have baby showers, at Christmas time they all have this big buffet and everyone is very friendly. That makes the job so much more enjoyable. I had that in my last job and I wish I had it here.

They just hired a travel coordinator, and she just had a big open house that had all the airlines, hotels, car rental places giving out some kind of prizes. Three people won trips anywhere in the USA, there were health club memberships, and the real exciting thing was you could get to mingle and talk and it wasn't like, "OK, quiet now, someone is talking, you have to listen." It was a real party.

The weekly Friday raffle is lots of fun, it's like a little extra. They have a raffle which goes towards flowers, people go into the hospital, employees, any deaths in the family. The company does send out flowers, and they give out cash prizes, so a lot of people participate in that.

There was a fishing trip. There's been bus trips to Bruins games, discount tickets to the circus. The employees' committee just joined a group called Mass Association of Recreational Employee Services, that's mostly discounted things from different vendors, right from having a will prepared to comedy shows in hotels, and right down to Lenscrafters eyeglasses. You get a discount for working at Company "B". That's great!

Just last week the first two or three verticals went out the door. They passed out bubble gum cigars with an announcement that said "It's a Vertical, just delivered to IBM Vermont, June 3rd, weighted 2000 pounds or whatever, after much hard labor. Thank you for your support." My reaction was, "well, of all the odd things the company does, at least this was a positive odd one." I kind of liked it. I mean, 600 pieces of bubble gum don't cost that much. It's not like they were going to take away from someone's bonus. I assume it was this travel agent's idea. She's great.

I think the social activities contribute to company spirit, but I also think they are a kind of in some sense a measure of spirit. The fact that people want to do these things reflects their feelings about the company.

inherent satisfactions of the work

My original goal when I went to work for Company "B" was to do something that I found interesting and congenial, and indeed it was. It was fabulous. When I got the first pay check, I looked at it and said, "My God, I get paid for doing this!" The work was interesting and I was so much at home with it. It was the first job that I had that really interested me. I still find the work interesting and fascinating.

They send production people to install jobs rather than field service folks. I can travel all over the world. There were guys in China for a whole month. And Korea, and three different places in Germany. And then all over the United States. People get to go all over now.

One area I have to compliment them on is they've done an exceptional job in the safety department. I worked at other places for 22 years. I never saw that kind of a program. They have a safety team set up. They have a code and everyone goes running when that code goes off. So they've done very well in terms of the safety issues.

Of course there are lots of mouths that complain but don't do anything. So basically the woman in my office, she's really good when someone comes in and starts to complain. She says, "We don't want to hear that in here. Only good stuff in this office." So people don't complain around us any more. We don't have time for it really. And it saps your energy. We just nip it in the bud, so to speak.

What detracts from company spirit at Company "B"? (Or, comments put into the negative)

Lack of clearly articulated goals.

The mission is unclear for the entire company. What business we really want to be in. We are in some businesses that are what we call mature businesses. The Control side, the hot wall horizontal reactor appears to be a dinosaur, and our total market share is rapidly eroding too on the vertical program as well as other kinds of systems. Clusters, plasma enhanced, RTP rapid thermal processes, all those kinds of things which we've been saying in some of the strategic plans we used to do 10 years ago, "Hey, we have to get into those things." Yet we never did. It was also a panic situation for revenues. IBM wants furnaces for doing 8" wafers. They are probably the only ones we are ever going to sell, but there's the revenue and we don't have the revenue coming from anywhere else so we've got to do that. But we spend all kinds of money developing that system and that's it. And now the vertical comes along and the first work we did was back in 1983. And we said we ought to build one and do some processing to see what advantages or disadvantages it has. Well other things came along that took priority. And there wasn't a clear cut picture from our customers on the vertical. But now all of a sudden Japan has gone to the vertical processor, and oh my God, we absolutely have to have it. So we've spent all kinds of money and resources to do this in a short period of time which has probably overall hurt the company for doing other things. And how long the vertical will be around vs. maybe we should be really dumping some money into some of the other longer term things. We need a clear mission! If we had had a clear mission we might have been working steadily on the vertical for years and been ahead of the market. Or we might have been expanding in other ways which are active instead of reactive.

I don't really know what our goals are. I'd assume it's to be more productive and gain a bigger market share. We need a strategic plan, where we are going and what we are going to do and the reasonable time frame to get there. We don't know where we want to be, so we don't know what we have to do, and just as important, what we shouldn't do, to get there. We need to have people thinking along the same lines. We are one team here, and we've got to help each other across divisions, up and down also, to reach the goal. But even before that we need to know what our goals are.

Our goal is to work faster than is possible. Our goal is to do unrealistic planning. Like if we get a furnace that's due out, they always try to push it out well before the time they can possibly build it. They give us like 40 hours to do the job it takes 60 hours at least to do. So they are always pushing us.

The CEO has a set of goals which I think are pretty financially oriented, concerning wealth and stock and things like that. The company has a set of published mission statements and objectives, I think there are seven things printed out and I don't think they're real. I've read them, I haven't taken them to heart because it's clear that they aren't being used in any sense to really guide day to day decisions. So when you say what is the mission of the company, the stated mission is to be the leader in the thermal processing equipment business both for the semiconductor and for related industries in the electronics business. That's the stated mission. But the real mission is to make money for the stockholders, any way we can.

To be number one, I guess. I don't really know what their goals are.

Company "B's" overall company goals are not too clear. We don't have a strategic plan yet. I don't know whether we have a business plan, I assume we do but I've never seen it. We hired an outside consultant, paid them a lot of money. Came in. Worked very hard on it. And then it's kind of stopped. And part of the reason from what I understand is that they interviewed top level management and discovered there were some serious problems which had to be addressed by the CEO and top management and I don't know if they've been addressed yet. Until that's addressed then whatever you do for a strategic plan, it's not going to work.

Short of revenue goals that they have for quarter after quarter, sometimes they do a five year plan and where we want to be. Right now I think it would be to get the company in a better position in the market place, whatever that means.

Its goals are to be the highest quality supplier of semiconductor equipment. Do I believe that? I think it is a desirable goal, but I'm not sure that goal is implanted in everybody's heart, however. I think one of the goals, the most prevalent goal that Company "B" management has is financial success. That short-term goal of making the quarterly projections is not consistent with the ultimate goal of becoming the highest quality supplier of semiconductor equipment in the world.

Obviously the goal is to make a lot of money. I'm sure they also want to make the systems that go out work properly and be shipped on time with customers' ship dates. Otherwise they won't make the money.

Money. Plain and simple, to make lots of money, to capture more of the foreign market which I think they are doing a lot. From what I hear we are now about 50-50 domestic and international. I see them hoping to eventually acquire other companies, I'm sure their goal is to grow in terms of sales and income, other than that, I'm not sure.

Now the goal is to make money. Under Howard, Company "B's" goal was to be the best in terms of product quality and in terms of innovation. His feeling was that in this business, you are either number one or you are nobody. And making money was not ever his primary objective although he certainly enjoyed the fruits of his labors. The new management is composed of financial people whose sole objective is to make money. We have lost market share in terms of product development. We are no longer number one in many areas. We could be. We SHOULD be. But it's sometimes difficult to see that there is profit involved in stepping out into new fields or making big advances, so we are playing catch up. And that's expensive too. So company spirit now is at a fairly low level.

To be honest with you, I don't know. We've never really been shown what the functions of the furnaces are. I take my people now and I show them the units we make and where they go in the furnaces, and when I spot a furnace out on the floor I say, "Those are our units!" I want them to take pride. I say, "Come on, folks, I'll show you something! There's your power props, there's your temperature controllers." They say, "Isn't that wonderful! Look at this!" To think they made those units. But aside from the goal of doing quality work in my department, I'm not sure what the overall company goals are.

Our goal is quality. We were all told that we had to wear our badge as part of the new total quality program. Your name on it and things like that. There are still some people who don't wear them even though we've been told we have to wear them. And I think it is a good thing too, because as long as I've been here, I still don't know the names of some of these people that come from the other building especially. So I mean that in itself is a big thing. But I know some people in top management don't wear them even though they say everyone has to wear them. But if they think the quality program is a big joke or is only for other people to follow, then we have no quality.

Our goals are to be a successful high quality company. For our employees that means they need to feel a sense of achievement in their career. For the customer it means that his wishes are fulfilled fully. That means we bring out a quality product which meets specifications. In terms of the shareholders it only means one thing and that is to make more money and see a higher return on their investments. You have to balance all these items, you have to make sure that you can take some short term measures which really cater to the shareholders but not necessarily to hurt the long term goals of the company.

And some dozen folks just wrote in their surveys, in answer to the question "What are the organizational goals at Company "B?" ... \$\$\$\$\$\$.

A major area mentioned was poor supervision.

Like the CEO comes down, you never used to see him. He's walking all over the place now, when he comes around, there's trouble in the camp someplace. He's getting nervous. You generally don't see him.

One VP in particular intimidates people. He gets pleasure from it. He wants his hands in everything and he wants people to know he's the boss. And I think that's why they had the reorganization the way they did. The VP of marketing has since left because he disliked Peter. The VP of sales left and that was mutual but he disliked him a lot too. The VP of product engineering, it was a known fact that he had his resume out because he couldn't work with Peter either, so that's how they had the reorganization. Had all those gentlemen now report to the CEO, because Dick is a good man and lets them do their jobs without intimidation.

To this day it irks me and to this day I hate it. I've told him a zillion times I hate it. I hate it with a passion. But it doesn't matter. I know it probably seems very minor, but I'll tell you that when I came on board if they said I'd have to get my boss his coffee and lunch every day, I would never have taken the job. Because I don't even do that for my own husband.

I think that the supervisor's discretion that they are so solid on, should be done away with completely. There's an awful lot of bad things going on and injustices over in my area and over here too because of it. You've got a hard working dedicated worker and the supervisor has a friend in the department, the friend will get the better raise. And it doesn't do any good to argue with the top because they'll justify their behavior.

There is a lot of favoritism here, extremely a lot! The favoritism is especially great with the group leaders. I don't know how to explain it, you could see if you looked. When someone has screwed up, someone that wasn't a favorite would get yelled at or screamed at or written down but when a favorite does the same thing they just let it ride by.

We've got people, like if you work late at night, you are allowed to go out for half an hour at dinner. They go out at 7 and come back at 9. And they'll be half smashed. And there you are, you have been working all the this time, right? And you stop and have a sandwich in the cafeteria, you come back up and go to work again. These guys are gone. They aren't even in the building. That doesn't help morale at all. In fact they just had a big thing about it not too long ago. The guys that did the work finally got fed up and said, "Hey!" So they clamped down a little bit.

It all depends on the manager. If your boss doesn't like you you are going to get zero. I used to have excellent reviews on this side. Mike was one of our managers, he was real good. Then I went over there, they are different. I got some lousy reviews over there. I couldn't believe it. I'm still in the same company, I'm still the same guy, what changed? It's just that I find, and this is my personal opinion, that they have supervisors that are very very young and very inexperienced, and they are like little kids with the power. They are really not mature enough to be in that position. They get moody and take it out on us.

It's a review, when you go for your raise. And they put me down. I had a fit, I didn't like what they wrote. The better your review the more money you get, so they kind of keep it low key. I had a fit, because I take a lot of pride in my work and I said that my review wasn't fair.

I was asked a few times to be group leader. To me that's a lot of headaches. It's not worth the extra money for whatever it pays. To go home and scream at your kids? It's not worth it. I'd just as soon put a couple of hours of overtime and go home and forget about the place. You get some people that want power, power, power all the time. They'll do anything to get it, and they'll do anything when they have it. But it's not for me.

Dave, he's a very good unit manager, a good boss. It's too bad he's so busy and so pressured. He doesn't put up with any nonsense and he is a fair person. But he doesn't always know what's going on here really. You see, the supervisors have a great deal of discretion, and I think they have many supervisors here that are not competent to deal with people. They haven't had the experience, they don't know how to handle people or how to treat them. And they might have friends which is a case that is going on right now. Friends. Those friends can do no wrong. They can commit the biggest crimes against the company and it's fine. In other words the rest of us are told to mind our own damn business. As I told a supervisor, "Do you remember when you were on the bench?" He said he did. I said, "Did you like it when you worked hard for Company "B" day by day, yet you saw another person that didn't do an hour's worth of work and yet got the best raises, could walk out the door and come back whenever they wanted to and get paid for it because the supervisor covered for them? Did you like it?" They said no. I said, "Then why in the hell do you think, because now you're a supervisor to these people, that they should have to put up with it either? Why should someone have any motivation to sit there and work hard all day long and then see three or four people, same ones day in and day out, not doing an hour's work of work the whole day? Shape up," I told them. And they said "Mind your own business."

And another thing is which really bugs me too is we get five sick days a year. They just told this fellow he has 120 hours of sick time, but if he takes a sick day or two sick days a month, it's held against him. What's the sense of having sick days if you can't take them?

My boss is an excellent technician, but his supervision skills are lousy. When things are good we hear nothing, when things are bad he's all over us. I respect him, but I wish he was a little friendlier, a little more thoughtful. It wouldn't cost him more to be more pleasant with his people.

There are certain areas on the shop floor that turn over frequently, and it has nothing to do with job responsibilities. Some of the worst jobs, dirty and hot and heavy and all of that, and nobody would want to do them, I admire the people that stay there for a long time. There are other areas where the job is good but that you know the supervisor is bad and unfortunately nobody wants to get rid of that person or whatever, that there is a constant turnover there.

Management has their problems too, you know. There's a lot of them that just want their big paycheck and they don't care about the company. I care, and a lot of those employees in the labor force care. Because they don't want to see themselves in unemployment lines, they don't want to see Company "B" go down the tubes, they want to see Company "B" successful, and getting more successful every year. And be the best in the business. They are doing their share, many of them, but they are not getting treated fairly.

inconsistency of rules and discipline.

Well, when you hear there's a policy that you can't have food or drinks throughout the plant, we all abide by that because we understand that they are trying for a cleaner environment here now. And it depends on getting the contracts, so we are cooperating 100%. But we watch engineers walk through with open cups of coffee, spill them all over the floor, and we get blamed. It's the engineers that come right through my department. I holler at them. I've even told Peter to put his glasses on. He laughs about it today. How can you tell me that you want static free and they are so strict in the manufacturing area and then you watch an engineer walk through the whole plant with a PC board that is loaded with IC's and no protection for it. So what good is the program if they are not going to carry it through from beginning to end? Rules should be made for everybody to follow and there should be no exceptions to the rules. And that's what you don't have in this company.

The rules aren't clear. People find out what's OK and what isn't by word of mouth. They were told that they couldn't wear tank tops next door because it's a clean environment and a showcase for customers to come in and look at their job being produced. Well, they brought it up to the employees' committee saying, "We have heard that we can't wear tank tops but we want to know if it's a rule or not." Both Don and Tim agreed that it was better not to make a rule about tank tops, it was better to leave it to the manager's discretion which leaves it open for one manager doesn't care and the other one does, which leads to a bad company spirit. All they had to do was say, "No, it's a company rule." If they really didn't want tank tops they should write it down and then no one can question it and it can be fair to everyone.

I'd like to see us be more consistent in terms of how we do things. If we are going to have a dress code, then it applies to everyone. If we are going to have a food policy, it applies to everyone. If we are going to have a meeting every three months, then we are going to have one every three months from now until the end of time, and we are not going to postpone it, we are not going to let it slip a week, we are going to have it. We get upset when our newspaper doesn't show up at night at home. But the paper boys deliver a whole lot better than we do.

lack of recognition.

There are a lot of dedicated people here. I think if you give your all, I see a lot of people that are working crazy hours and seven day weeks and putting in 12, 13, 14 hours a day and not being recognized or appreciated for it.

I get into a lot of problems because I speak out. I'm not supposed to be speaking out according to my superiors, but I'm sorry, I say what I believe and what I see. If the shoe fits, wear it. I feel the company pays me a day's pay and I give them a damn good day's work. I don't goof off, and I'm dedicated for the 8 or 11 hours I'm here. And I give the very best I can. I'd like that to be recognized!

There's the story of the psychologist that hired expert wood choppers and started measuring the rate at which they could chop. The psychologist paid them reasonable wages and went on with the study. The next stage was to turn the woodcutters' axes around and have them work with the blunt edge. They couldn't get people to stay on the job. They offered double and triple pay and people were quitting. They said, "Hey, we gotta see the chips fly. We gotta see some response to our effort, everybody needs some feeling of accomplishment!" Even though a lot of people accomplish things here, they don't get the feeling of satisfaction because it's not recognized formally or maybe it didn't contribute to anything. The goals were changed, the project was changed, and the work was for nothing and no one noticed.

layoffs and turnover.

The last layoff, three members of employees' committee were laid off, including the president. So some of the people say, "Well, if I speak out in an employees' committee meeting, that will be negative for me." So the employees' committee isn't really a good place for employees to give their opinions about the company.

I don't expect to be at Company "B" for more than another 6 months. I'm looking as hard as I can for a job anywhere else. I came here with very clear goals and tried to become part of a team. I've been pretty soured on what my opportunities are here. There are quite a few people in senior management that are actively looking to get out.

I've survived 15, 20 layoffs in the past 4-5 years. And then 2 years later business will pick up. It has actually gone right up and down hill and so when it starts picking up, they have a giant influx of new employees that come in, some good, some just warm bodies. They are here for 2 years, they finally get settled in, and then we have a new layoff and the dead wood gets weeded out. It's like "We don't like you. Instead of firing you, we are going to lay you off." Most of the layoffs are large groups of people because you know it's coming. You aren't doing too much for a month or two, you know something is going to happen, the rumors start to fly, and then sure enough, another layoff.

Not all layoffs are done by performance unfortunately. We can see that in a number of groups. Some are payback and for whatever reason. You hate to say that your company does that but it happens in some of the more professional type areas and you wonder why they are done that way. And because it's political who gets laid off, people are afraid to pass on some of the key things they need. If they were to be promoted, the people under them don't understand all the standard procedures and don't have all the knowledge that they could learn at Company "B". I see that as a weakness.

The cycle of rampant hiring and rampant layoffs reflect the lack of clear goals, the inability to prioritize and to plan effectively. They also reflect the weaknesses of our hiring procedures. We hire mass groups with ineffective screening, and we lay off mass groups, with equally ineffective planning. If strategic planning was part of the HRD planning process, we could better stabilize the work force, and better utilize those on board. There would be a better atmosphere, layoffs wouldn't be such a drain on company spirit, and we would be more productive. It's absolutely crazy the way we handle personnel at Company "B".

Take for instance we were going to have a layoff. Oh, this is the last layoff. We don't anticipate any more. And then three months down the line, the numbers are not there that they hoped, which comes again from not having a long range plan, a steady plan with reasonable growth rather than this. We grew from \$65 million to \$100 million last year. What's that percent? Tremendous. 70%. Tremendous growth. And so we hire all these new people to get this stuff out, and then we are still predicting along the lines of this growth which is not the real business. There were a couple of orders that were received that were unusual, one for \$17 million, one for \$15 million. The company rarely gets those. Take those out and where do you predict yourself? You predict yourself at \$75 million which is still a reasonable growth. And you predict for there, and keep the steady core of people. And if you have to hire some more, well, you do it on overtime or a second shift rather than this laying off thing. I think whenever you have layoffs frequently, and I call frequently more than one a year or even one a year is too much, but if you've got more than one a year that's very high. And it reflects poor planning. And it destroys any kind of esprit de corps.

employee problems.

Drugs? You know it goes on but you don't know who. You can't get anyone to squeal on anyone else. They aren't going to come to you with the names. And usually you tend to get those when you hire a whole group of new people. We'll go out on a hiring binge of 30 or 40 people, you are going to get a few of those in there, some of the young kids. It's not the guys with the long hair all the time, you get a clean cut young kid who likes to take a smoke, we've caught a few over the years, they're hard to catch, hard to tell even anything is wrong. They sneak out.

There's accidents in the shop. You can't have this many accidents. But you look at them and a lot of them are like phony, things to get a few days off. We've had more cases than you can shake a stick at, that you know the guy isn't hurt and he is OK and just trying to sue you for a free ride. There's a lot of people like that.

The only problem I do know of is like people who do drugs and stuff. When they do drugs at work, people either don't know or they kind of turn their heads. Management knows about the problem but they don't know how to deal with it so they turn their heads. It's a problem not only in terms of safety, obviously. But it's also a problem in terms of quality of work, and atmosphere in the plant.

There are a lot of people you can tell drink. There are some I know personally I've seen real bad. We talk to them. Try to help reform them. A couple of key cases have turned around and have been very good, but there are still some whom you know have maybe personal problems and they do drink. It's a shame.

orientation.

It's usually a one hour meeting with Terry over in Personnel. I know there's a little handbook she shows you. And then you just go over to your department and it's very unorganized after that. They put you with an A assembler, say, rather than a B, and you just be his helper for a while. That's basically how it is. It's a co-worker basically telling you the general information that might be important to you. There's no structure saying this is how we operate.

I came in. I had my picture taken. I had a brochure telling me about insurance and I signed some kind of a patent thing, any ideas that I had while I was here belonged to the company. If I got orientated, I don't remember it. It was "Here's your badge, insurance things, go to work." No company values, or this is what acceptable behavior is, this is what the company is made up of. Perhaps there was a brochure that was given to me before I reported which told me about some of those things but I don't remember. Certainly as part of a group activity, there wasn't anything. I can vividly remember getting my badge and getting told that my office was across the way. And walking across by myself to find my office. I met with Don the first day who welcomed me here, but there was no program.

No orientation, which was kind of a surprise to me. I thought there would have been, because I am being put into such a clean atmosphere. It's a class one hundred. There was no organized orientation, they just said "You are going to be working with Bill today. He'll show you how to do this." But showing me the ropes would only go as far as he knew. Until about six months after I got here, I had no idea what the furnaces did. I still don't have a good idea. I'm sure that more than three quarters of the people on the floor don't know. They know that they are used for computer chips, but how they work, how the gases interact, crystallize on the chips, I don't have any idea.

Not much. A little pamphlet of the rules and that's it.

I kind of think we throw them into the fire in the first few days. We need all this work put out and let's get going. You hope there's follow-up and there's feedback to the individual about his performance right after the first week or at least criticism or merit, acknowledging that he's doing a good job or sloughing off or walking off the job early for coffee, something like that. You want to at least acknowledge it.

Basically I found everything out by going around and interviewing all the departmental managers, finding out what had happened before I got here. Their frustrations, what their goals were, where they thought they were being shortchanged, where they thought they were getting more information than they needed. So I tried to find out by doing my own survey in terms of just what they were expecting from my department. Then I took this data and I began to put together a program and a plan in terms of how to do the job.

There's very little. The Human Resources Department has an hour or two where they take new people and go through the benefits and everything. There is no company-wide training program. Individual groups have training programs for their own but there's nothing company-wide.

We have an orientation, it's probably fallen short of what it should be. We typically hire people when we need them. They hit the ground running or they don't. We do give them an indoctrination in that we give them a sense of what we're doing. We try to make them read the literature, the mission statements, what we stand for, what we expect of our employees, what we want to adhere to. And then we give them hopefully on the job training in most cases.

I remember the last time they hired a second shift, I was one of the only fools that stayed every night until 7:30 with them trying to train new folks. But I didn't have the cooperation or the backing. And as I tell them now, I said to my superiors, I hope you are going to do a better job this time. Which means you have got to have a qualified person in every area to train these new people. I don't care how much experience they've got from another company. They have to be orientated to our documentation, our terminology and our way of doing things.

Basically you just sink or swim. I am still not familiar with all the products, and after all these months I'm not familiar with all the divisions, the splits of the divisions, what one set of furnaces makes and the other. I think that's really bad. If we all knew what we made and we knew who our customers were, that we are dealing with Motorola and TI and then you can gear yourself better to the people that we work with.

Some people get a tour of the plant, but I think it's only the people in exempt positions.

I know there are certain things they do for hourly employees in the shop. Some kind of indoctrination on their first day with personnel to let them know where the ladies' or men's room is and those kinds of things. I don't think we do enough of those kinds of things. When we bring a new person to our department, we try hard to generate a level of comfort for that new person, we try to be very tolerant of him, not make demands of him until he can tolerate the demands and so forth.

Orientation is very important. I don't think it has to be elaborate, but I do think it has to be consistent. There are several things that we did at my old job that I think would help. Things like we took an organizational chart and put people pictures on the wall. Because I found out when I was here that I had a hard time learning people's names and people that had worked here for years didn't know the names of the people that worked in nearby groups.

It's very nice to go to work for a company and know what they are all about and get psyched to work for them. I don't think that happens here.

All we do for new people is we pay them. I don't know of any other organized program.

a highly competitive environment.

When you are talking about our two major divisions, they aren't vying for each other's orders, but I certainly don't see them working together either. They are like two separate entities that do their own thing and don't work together. I think that comes from having two different general managers and two different groups of people running things.

We got the bubble gum cigars to celebrate the new vertical furnace, it was only \$57, but it was a way of thanking people for their support and kind of a cute way of announcing the new product. But even that, I would hear people going down the stairs saying, "We are using them as suppositories," or doing this nasty thing. And I was really hurt. I didn't know there was such animosity between some of the groups, one division against the other. It's really too bad. I said to myself, "You guys, don't complain. Just smile. It's much better."

It's cutthroat. As long as their paperwork looks good, it doesn't really matter what happens. Among the lower people, I would say everybody is kind of looking out for each other unless someone is trying to hide a screw-up or something. But from above it's cutthroat.

A lot of the departments compete with each other and that's not right. I can't understand that myself personally. Managers, higher up. I'm not going to say ALL managers. In other words, me, I'm here. I'll help anybody. Engineer comes in or somebody from the next department comes and needs this, I'll help them. And my boss gets all bent out of shape because I'm helping them. And I'll say, "We're all working for the same guy." If I help this person, he's helping the company. But the bosses don't look at it that way. There's a lot of conflict between departments.

There was this one time I remember, I was helping out a field service guy who wanted to know how I set up the machine because he has to do it when the machine is shipped. And I was explaining it to him. And my boss got on me. "You haven't got time to do this. That's his problem, let him worry about it." But it's everyone's problem when you come down to it.

There's conflicts between engineering and manufacturing. This part doesn't fit. Well, it's his fault upstairs, and so on. Fighting back and forth. The two divisions. The same boss runs both, right? Money goes in the same pot. You get so caught up in the system that after a while you can't beat it so you say the hell with it. You've got to go with the flow. It's frustrating.

There's a fear of being displaced, there's a worry that somebody will show up and look better than you. So they kind of keep you down. They won't put in a good word for you. If other people look bad, they look better.

I've seen where you have a problem with a machine, a simple problem, take you five minutes to fix it. They blow it all out of proportion, take it upstairs to engineering, just to tell them "You screwed up." In other words to throw it in their face. You screwed up, ha ha. We all screw up, let's face it. Why make a big deal out of nothing. And then meanwhile you've got 15 people involved for a \$2 part. You are wasting time and money. Why do you have 15 people standing around scratching their heads and looking for who's responsible? What's the problem?

If we want to purchase other companies, if we want to grow, we've got to join together. Many of us do, but some of the very high people in the company tend to throw darts. That I guess comes all down through us, all through the organization. There's always finger pointing, we always go back and analyze why we got where we did and who screwed it up, rather than what are we going to do to avoid that in the future.

It's very competitive between divisions. The Division 1 is the original division, it has been the cash cow over the years. Has been the money maker and yet it receives very little in the way of R & D expenditures and facilities and just the general thought process from the top management down. The CEO thinks that Division 1 is there and it's nice to have and it makes us money, but boy, the real exciting one is the semiconductor division. But the fact of the matter is the semiconductor division has only made a profit two years since it's been moved up to here. That was 1976, 1977.

It's not as collaborative as I wish it to be. People collaborate up to a point, but not often enough to my liking. That's probably one of the key issues where I think there has been a failure to build the "right team" totally.

I'm trying hard to get people to cooperate more. I fire a couple of guys and add a couple other guys. That's my pet answer. Yes, I am working with people to try to change them. It's hard. Changing people is extremely hard. You work with situations and in cases you work too long, because you try to give it the benefit of the doubt. At times you have to bring them up and say "Sorry guys, this is not going to work."

I believe that Division 2 is considered the golden boys and Division 1 is kind of the old, the ones that originally started the company and they are making good money and that type of thing, but they are not as new and shiny. So the Division 2 is supposedly favored by the CEO, it gets more attention, or maybe they just ask for the right things. I think they definitely have to work on that problem. What they have to do is create a "one for all" feeling.

It's highly political and competitive, and that's unfortunate because if it were a collaborative effort, it would be far more advantageous to everyone, the company as well as the employees. And the attitude between the two divisions has never been collaborative, mainly because of the somewhat hostile acquisition of the division 2 organization back in the early 70's. The lack of respect and understanding of the division 2 people at that time by the division 1 people and the lack of appreciation of what the division 1 people were having to go through at the time has never been erased. And it's been fostered from the original employees that came with the division 2 organization and then the seeds planted with every new employee. It exists even today and yet there are no employees that I know of now that were with the division 2 organization when it was moved here.

The competitive climate rolls right down from the top, right through the whole organization. Last year we got a very large order with Hyundai for something like \$8 million. It was one of the largest orders that division 2 had ever gotten, and the first words out of the other general manager was not congratulations, but "How are we going to top that?" I was there when it came in and it was the first thing he said. And I thought, "Boy, that's really sad."

We need to get rid of the dissension between departments. Like, the friction. So that everyone works together, so that we're a team.

I think managers keep information from each other to make each other maybe look bad sometimes. We have a few key people who have left in the past year who I think were good, but they knew they were beating their heads against the wall and they were maybe being meant to look bad, when in fact they knew what they were doing.

I'm sure there is some element of competition when it comes down to sales and who brings in more of the revenue. When it comes to cutbacks, when we had layoffs last year, it was one division that really wasn't doing that well but it seems like that wasn't the division that was getting hit. I wonder how they come to some of these decisions.

communication.

Wang, Digital and EG&G used to have an annual technology day where they would put out every new project, program, machine, software, anything that was being worked on and wasn't yet a product, they would put these things on display and the teams that were building them were there to answer questions. It happened in an auditorium and it was exciting and shocking to walk around and find out all the things the company was doing. There are a lot of exciting things at Company "B" that are under development which most people know nothing about. The reason to communicate what you're doing and show it off to your own people is that it creates a tremendous amount of spirit.

We need much, much better communication, interdepartmental, side to side, top down, bottom up. It needs to be systematic. I would make a routine where projects are followed from the top down and met from the bottom up by information results, which happens rarely now. There is a desperate need to open communication between the employee and management.

In the past they sold units where some of the major software and stuff wasn't even invented yet and engineering wasn't even aware of what sales was selling. Some salesman just promised the customer he could have this. And somehow it didn't get documented and we built the unit and the day before it was shipped we found out it was supposed to have this capability.

The thing that seems to be the problem here is that even though the direction or the game plan is hierarchical, when we come down one level, we've got a difficult time communicating on the horizontal level. There's a lot of confusion that goes on. It appears that the left hand doesn't know what the right hand is doing. And that's what happens at the lower level. I think it starts out OK, but as it comes down it just fizzles out. We have to improve that part of it.

Compartmentalized. Everyone is in his own cubicle. There is not enough interdepartmental contact. Sales are off in one corner and they are our primary source of contact with the customers, whose objectives, of course, are our objectives. In other words if we don't make the customers happy we're in trouble. And sales tends to hang on to whatever information they have. They don't pass it around. They don't discuss it. They know what the customer wants, or they should. But this information doesn't percolate through the rest of the process, the design, manufacture, testing.

There needs to be a dramatic improvement in communications. We don't communicate well with our employees. We have inconsistencies in the things we do. We say we are going to do something and then we do something different. And that's fine if we explained a reason for the change. But we often do something different without any explanation so the people feel that they are being lied to or ripped off when in fact all good intentions sends you off in the different direction. So I guess communications and consistency of direction would be two things I would change.

The company newsletter is intended to be an employee newsletter, but there's no employee information in it. It's sales. We shipped our fiftieth furnace to this company, we made all these sales! We throw in quarterly awards, but otherwise it's all about business. And the reason for that is there are people on the CEO's staff that hand these out to customers. In my opinion, you either have a customer newsletter or you have an employee newsletter. OR... you can have a customer newsletter with an employee insert, which they've tried to do but the company newsletter ends up being four pages and you have one page for the employees. They don't want to read it, it makes them feel unimportant. The people want the newsletter to welcome new employees, Joe and Jim and Susan. This is where they came from. So and so is pregnant, we are so excited for her. Who got married. Who's getting training and what kind. It's definitely a good item for the employee newsletter. It should really spotlight people. But I don't think management wants to have an employee newsletter because when people were saying let's put the new employees in or tell who got promoted, there was kind of a lame excuse as to what if we miss somebody, so we'd rather not take the chance. I'm sorry, I just don't buy that as an excuse. You could always print a correction or an addition in the next issue. I'm not sure what the real reason is. The newsletter was always the CEO's pet project, and so he has to approve every word that goes into it because it goes out to customers.

People just don't know what is happening with the company and how we are doing. The CEO has a quarterly managers' meeting where he addresses the whole managerial team, but some of that doesn't filter down to the people who work under them. And I think it's real important, especially when you are going through hard times I think it would be good for him to call everybody or do it in three meetings or whatever. Call people into the cafeteria and tell them what's happening. I think a lot of people get nervous and that's when people jump ship. They are knocking on the company next door saying "I need a job because I'm going to get laid off tomorrow," when that's really not the case.

They put out a memo of some changes in the 401K plan, temporary changes that weren't going to match our funds for a short term. And myself personally I'm saving through the 401K to buy a house. So when they said you can only borrow 50% now rather than 90%, they didn't state that this was for regular loans and not for mortgages in the memo. So everybody throughout the company that is planning on buying a house is up in arms. I'm putting in 10% of my pay. When we read we can only borrow 50% of it, I'm upset. I'm not looking for a retirement plan now, I am interested in a savings plan for buying a house! It was just a vague memo. They didn't express it right, and they got everyone all upset.

Communication. We used to have a guy here, a big manager, he was great, he would have monthly meetings. And he would take us all into the cafeteria and say "This is how the industry is going. We have this amount of work." He explained what was going on which was great! If you don't know what is going on you're in the dark. You don't know if business is good or if business is bad, if there are going to be any orders, any work. We don't know. They just announced we've got a \$5.5 million order with IBM which is good. But we don't know all the other little orders, what's going on. No, they don't have any meetings for us. The higher levels they do, they have meetings all the time. But as far as trickling down to us, no.

But see, my manager told me now, officially. I had heard this weeks ago through the grapevine. So in other words it's the way this place works. You hear everything through the grapevine which is very accurate here, but they'll never come out officially and tell you anything. What is the reason for keeping information secret or for informing people through the grapevine instead of telling them officially?

We had a meeting two months ago, it was because of an incident that happened. It wasn't a meeting to say "Good job, boys!" No. It was a fight and they had to talk to us about what happened. Somebody got terminated, they told us why.

We don't do things consistently. If we are going to have an employee meeting every three months, we should have an employee meeting every three months! I think employees look forward to it. I think the CEO should put up a soap box and go down on the factory floor and stand up down there and talk to everybody every three months. And have an open door policy! Part of doing that is dangerous, I know, because there may be questions he doesn't want to answer. But I think the people out there care about the company, want to know about their company, want to be included in the thinking about what's going to happen, at least in terms of knowing why things happen the way they do, if not being asked for their opinions sometimes.

not being heard. (bottom-up communication)

I don't feel appreciated, not a bit! I feel used. When I talk to my superiors I try to be a friend to them and tell them this is what's going on out there. So they can't say they aren't aware of the problems we have. They ARE made aware. But they in turn make you feel like it doesn't matter.

There should be some kind of channel where people can throw out what's bothering them and what's making them disgruntled, or what's unfair and unjust that's upsetting the whole area where they work. Open a line to whoever has the power because it's the general consensus that as things stand you get no results in solving what's bothering people.

I wish management would listen to the employees' committee a little more. The employees' committee had an idea that if we worked over a certain amount of hours of overtime, that if we wanted to we could collect comp time instead of overtime. They just don't listen to our needs and wishes. They are not interested in keeping us happy.

The company I came from, it was very specialized and very successful because we had an incredible president. This guy was a dynamo and a perfectionist. He built a learning center which was state of the art. He dedicated it to an employee who did incredible service. This guy just knew how to inspire people. He was brilliant, I loved working with him and learning from him and I still do. And he always had company meetings to let the employees know what was going on, what's really important here. Every time they had a suggestion box, he read it in front of everybody. If they said, "Oh, we need a new something in the ladies' room," here the whole company is in front of him, he'd say to the maintenance man, "I want that taken care of this afternoon. OK, anything else?" It was just like boom, boom, it's done. And it was like a family. Everybody all worked together.

Management should listen to the people who are really doing the work before they call the shots as to what we commit to. Yes, we've gotten bit a few times and it's cost us but I think that we could all be happier and have a better first job ship out the door the first time rather than go out and fix it sometimes, if management listened more to the people doing the work.

I ask people why they don't speak up. But then I realize why they don't. Because they know they will get into problems and troubles with the management. People who speak up don't get their raises, even if they deserve it they don't get it. I had the top management tell me here, "My door is always open." And I looked him right in the eye and I said, "Who are you kidding?"

I sound like another union guy. I don't hate managers. Don't get me wrong. We have one fellow that comes down and he'll say to me, "This is going to be ready tonight, right?" And I'll say, "No, we don't have the parts." "Oh, it's going to be ready tonight." You can't tell him. He won't listen. It's very frustrating. They don't listen. It drives you crazy. I don't know how to put it. In our department we drew an imaginary line. On that side of the line is fantasy land. They only want to know what they want to know. Then when you step over to this side, this is reality land. This is the truth, it won't be ready tonight. And they get all flustered. They'd much rather hear the fantasy. And it works all the way up to the top! All the way up!

inequalities in terms of rewards and effort.

It's not how much I make that counts. It's how much I make compared to the guy sitting next to me. There is a huge range of compensations here for similar tasks.

They took our pay raises away and that really affects our morale around here. The whole market is slow, so they took away our raises for 3 months, then they increased it to 7 months, but nobody likes to work for nothing. Other companies don't take it out of the workers the way Company "B" does! They say top management also loses their raises, but it's all a percentage thing. The managers, it doesn't hurt. The regular workers, it hits them at home. They have no other way to get money.

They have this employee improvement policy. If we can save the company money we get 5% of whatever the savings is. I've never seen it happen. It's in the employee book, but I've never heard of anybody who ever got a check.

I do think that there is an inequity in the pay structure of old time employees vs. newer employees. It cause a lot of animosity. Newer people are getting much higher salaries.

Normally what has been done in the past is that the company would close down for a week. And you could take a week's vacation if you wanted. Somewhere somebody came up with the great idea "Well, why not just work them without pay?" I can just see it! Wow, can we do that!?! And sure enough, that's what happened!

Some people are not paid very well, it's unfortunate in a sense. Some guys are really good out there are they are not getting paid peanuts. In fact one of the big things was they'll hire somebody off the street and pay them more than you, and you are training them. That's come up a lot of times. See, in order for Company "B" to compete with the other companies, they have to pay decent wages. To get decent people they have to pay decent money. So meanwhile this guy is on the bottom of the scale. The new guy comes in, he's making more than the old guy. The old guy finds out about it. There's a lot of controversy there.

I think money is very important. Certainly people look at their raises and what they are making compared to others. I look at other people that have been brought in with considerably less knowledge and experience that what I have, and are paid a lot more. I like my work, but it definitely hurts that they are paid more. I am not sure it was wise to stay with the same company so long. I think I would have done much better if I had moved around.

There are pay inequities in the sense that we have had in the past 5, 6 years an influx of people at high pay levels who have been given large salaries, rewards in terms of bonuses and stock options, and who I find it difficult to figure out what the hell they are doing. Over the past year the company has suspended bonus payments, raises and 401K contributions. And the feeling at my level of the company is that these cuts are to provide money to pay the big shots. And whether or not that's true, that's the perception, and it's very dangerous.

I think Company "B" pays a fair wage scale. I think their programs are competitive in terms of the educational assistance. I don't think that people would do a better job if they got 10% more, but I do think that they would probably not do as much or care as much if they got that 10% taken away from them. Remember, it's got to be, everyone will swallow a take-away as a team, as long as it is perceived to be uniform and consistent. Equity is more important than the money. AND, as long as it is perceived to be necessary. We have had a lot of take aways, and they have been perceived as neither necessary or equitable.

compensation.

Money definitely plays a role in the spirit here, and it's not necessarily the money given, it's in this case right now, it's the money being taken away from people that's playing a major negative role. Where the money is given, as long as it's given in proportion, everybody is content. But take money away, that definitely does affect the spirit. I know myself, I come here and I do a good job, I'm really organized, which is important to me. A piece of paper that just tells you from 1 to 10 whether you are good or bad vs. the money, I'll take the money. I sure would. Keep your piece of paper saying I did a good job.

Benefits, the company stopped their matching on the 401K plan. I think that was real tough for people to swallow. The raises being delayed for 7 months, where again, people are putting in so many hours and things, to push raises back that long is really tough. I really believe that when the job market gets better, we'll be losing a lot of good people because of that.

Clearly there are places where money could be spent and hasn't been... such as money to put in showers which is not a lot of money, but it has been consistently proposed by the employees committee and consistently been turned down. Yet the next day after raises are suspended we come to work and find a \$3500 cactus planted in the lobby, where the customers come in. Fancy cactuses for the customers, no simple showers for the employees. The company's history has been one of penny pinching against the employees in many visible ways. The boss sees this as his company. It's his money. He sees the costs of taking care of the employees, but not the benefits.

Money plays a big part here, in that a big percentage of our employees are blue collar workers and money in their pockets is very important. A lot of people live check to check. And when you start hitting on those areas, that's when it gets personal to people like that. Whereas I think if people feel like they are being paid fairly, if they are getting good raises, if the bonuses come through, they love working for that company.

There are things besides money which build spirit. One of the suggestions they raised was some kind of day care facility in house, which posed a lot of liability for the company which they didn't want. But the other idea was to get kind of like a consortium of all these companies around here and plan their own little day care. So the company looked into that, but we never heard any more about it.

Is money the number one motivator? No, but it helps. Does it build company spirit? If I took each guy in the shop and told him he was going to get a \$3 raise and he only made \$12 an hour so you've got a 25% raise, the next year he'd have convinced himself that he is underpaid because you paid him that for a year before that. So does it build any more spirit? No, because if you gave him that one in review and the next time you gave him 5%, he'd say "How come I only got 5%?" That's human nature. Once you've got, you should have gotten long ago.

desire for career development.

My boss wasn't allowing me to take this position which I thought may have been better, which had more responsibility, more money. I think they tend to be a bit selfish here. They don't want us going any further than where we are. That's the only thing that scares me about being in my job, because I know that working for my boss I'll be in this position until I die, or until I leave Company "B". I think it would be better if he encouraged me to seek advancement and supported my growth, instead of keeping me tied to him.

There is little emphasis on the training that would help people grow in this company. It's really badly overlooked. They've got to consider WHY somebody is in the position that they are, and that people have future plans and goals for themselves. And just for instance, the chief financial officer has left and our controller, who I'm sure doesn't want to be a controller all of his life, the next step for him, has been in that position for many years and he's capable of handling a promotion, they don't even consider him. They don't think about training him to be ready, and they don't think of considering him when the person above him leaves.

We should never promote someone who hasn't trained his subordinates to take over his job. People here, for one reason or another, haven't trained their subordinates. A lot of jobs we could promote from within. I think that's a very good trait from the company's point of view. However, people here tend not to share some key things with the people who are under them, so these people never get trained and aren't considered when it comes time for promotion.

At one time when the CEO first took over, it appeared that he wanted first of all, degrees or credentials for everyone in management. But then he's hired a lot of older people from other companies, as he calls them, heavy hitters, with big salaries, who are up there in age. Close to retirement, upper 50's or low 60's kind of thing. These heavy hitters have generally not been successful. Not successful.

I'm an adherent of the opinion that it isn't a bad idea to hire people from outside because I like to see some fresh blood. You can learn a lot from other companies, large companies, companies that do things differently. There is a danger that you become too inbred, as well. So I give preference to promoting our own people, but I think occasionally it's not a bad idea to get some fresh ideas and fresh people in the company also.

I need feedback. I've been requesting a performance review, I requested one when it was due, once a week for the past month. And every week I'd raise it with my boss saying that I thought it would help, clear the air, set priorities. It hasn't happened. I don't feel that I'm building towards any kind of a career here.

I believe that if there's any one disservice that Company "B" has done to itself is the tremendous percentage of people brought in from the Jones Company at the upper management level. I don't believe it's right to transport a culture, you know... the old boy network, there's too much of it.

The Jones Company folks are a stupid, arrogant bunch of stupid, arrogant people. When they came here, you kind of said "Well, gee, maybe this person is really a super type person." But they come in here and you find out they are the biggest ass holes and that's the unfortunate part. If you bring somebody in and he's your good friend or whatever, the answer is not bringing in people from the outside. I like to work with what's here. And to develop them and make them strong and do whatever because I believe that's my job.

Most of the people that have been in the lower management positions, the supervisors, the group leaders, have been there for quite a few years. There's not that much promoting and movement that goes on. I would institute a policy and mean it, of promoting from within. And if that policy really got understood and people believed it and it happened, that would cause a lot of other changes as far as training, manager selecting and grooming, mentoring, the attitudes of developing people, cross-training. There would be a great energy here if people felt that Company "B" valued its people enough to train, mentor and move them along.

It's more in upper management. To get ahead at Company "B" you have to fit a certain image to get up to a certain level. And as I say, I am thankful for as far as I've gotten. I did it more out of natural instinct, I didn't have the education. I may not dress like them. I may not do a lot of things like them, I am more outspoken than some of the other people, but I do try to speak in a civil manner. I don't call everybody idiots and everything else. So in order to reach the next level, you have to fit a certain image. Coming out of a shop environment and having started on the floor, I'm not sure that's looked on as where they want to pluck a guy from for top management. Because they like to go out and say, "Well, I hired a guy from Jones Company or I hired a guy out of A & D or one of the big companys, and he's our guy, running the operation." The image and the resume and all that make the difference. Sometimes there are a lot of key performers throughout the whole company who do a good, good job. But they haven't been given a chance because they've been here a long time. They don't have glamour. They just get the job done.

Like at my last review, I've been trying to push myself extremely hard. I've been trying to achieve what is called a Class A. I'm a Class B right now. I'm trying to get the A, which I thought I would have gotten. The reason why I didn't get it was because I didn't tell my supervisor I wanted to advance. I was shocked when he told me that. I figured he would have figured it out for himself, that naturally I have been working hard, I am ready to advance, he said so himself, and of course I want to advance. Do I have to hit him on the head, or is he out there LOOKING for people who are working hard who want to grow with the company?

There's been a lot of animosity caused by the lack of promotion from within. People don't feel that the company looks internally to fill major roles, and certainly in its recent history has gone outside. That's how a lot of the Jones Company people got in. But getting back to the money thing, in the same sense the company doesn't invest in its employees to cause them to be ready to be promotable. Training programs. Taking what I consider to be the crown jewels of the technically intensive company, their scientific staff, and not forcing them let alone allowing them to go out to technical conferences, to build networks outside the company. It's all part of not valuing what we have.

training.

An employee was a member of the Association for Statistical Process Control, membership was \$40 a year. This year the company wouldn't pay the membership, so he paid it for himself because he likes going to the meetings. Forty dollars, that's the kind of cut that to me doesn't make any sense. It's penny wise and pound foolish. And it's the wrong message. Now he maintains the membership with his own money because he feels that he wants to grow in his field, and it's a good networking opportunity too. He gets to learn what other people in the field are doing, and brings good ideas back to Company "B". Training means quality. Quality is not necessarily just product. It's everything you do, everything.

In the past 5 years, I went to one training session that was on the computer system that we use, which was so basic that I learned things I'd already been doing for a long time. I'd like the chance to learn some new stuff.

The company doesn't invest in its employees to cause them to be ready to be promotable. Training programs. Taking what I consider to be the crown jewels of the technically intensive company, their scientific staff, and not forcing them let alone allowing or encouraging them to go to technical conferences, to build learning networks outside the company, is in a word nuts.

There are people who have a lot of turnover in their department, because they are poor managers. No one is helping them learn people skills or things. There are some managers that are just dying for that help, and there are other managers who need it who don't even know they need it.

Training says to the employee that we are taking an interest in how well you do and we are taking time and money to invest in you, we care about how well you do here. We want you to do a good job for the company. Unfortunately since I've been here the only training I've ever had is an occasional supervisory training course that you give some of the shop supervisors through a canned package. But every time money gets tight even that goes on the back burner. I think you need to invest in your employees. Here we have on the job training, and this training is only as good as the guy next to you who's willing to help you out.

hierarchical decision-making.

It depends on the level. When decisions are made they tend to be very authoritarian and not participative. Although sometimes in the participative process which should lead to a decision but in general doesn't, it is very difficult to get a meaningful decision made that STAYS made. The decisions sometimes made in say, the senior management group, they get overridden the next day because the CEO will get somebody to come in and offer new evidence. There are times when a decision will be made but not implemented. It will just kind of fade away and then we will approach it again, make it in a different way. I think that there are many other examples where the hallway veto can be traced. Things that either are announced, policies that were announced and later erased in the back room.

Our whole department and production people together said, "Why are you moving the stock room? How are we going to get kits, how are we going to get all these things?" We all raised these questions, and then they postponed moving the stock room. Then a month later they actually hired a company, came in, moved the stock room and three days after they moved, the supervisor of the stock room came around saying "How are we going to get all these kits moved from here to there?" They didn't take into account any of the problems or any of the flow of material that would come about, whereas if they'd only asked us for our suggestions and then made the decisions they might have come up with something which worked, or they might have figured out the answers to the problems beforehand. Number one is, when making decisions, they should use some foresight... think of the pros and cons of what those decisions might be.

You wonder how they come up with some of these decisions. We are told. "We have to have this for a certain date. We want this yesterday. Stop what you're doing on that and do this." We are told all this stuff. We don't get included in the thinking.

There are a lot of committees, with people on them that don't know anything about what they are deciding on. Which from a technical aspect is kind of disheartening. People who don't know how a furnace works here are making the decisions about how to build furnaces.

I could be doing this job and he could either pull me off the job instead of having me finish it, or even I could be doing this job, I could be almost done with it and then engineering could come down and say, "We are changing the idea, or we don't like the way it came out. Change it." I couldn't say, "Well, I like it this way." I wouldn't have any pull in that. The work orders came up with a new system this year, and we were never told about it. We never reviewed it, went over it. A new way of matching the prints to the work order so we can see how to build it. There was a new way of doing that. We were never asked, we were hardly even told. It just happened.

Very often decisions come down from the top. At my level not very much input is solicited in decision-making. What goes on layers above, I am not too sure. When a new project comes up, it usually comes up as a request from sales. We need such and such for so and so. And we get like a two page typed sheet, listing specifications and the results that the customer wants. We sit down and we try to do it. Now if instead of this kind of a one way street, if we could sit down with the customer, the sales person, the head of the department perhaps, Dave or whoever else, and figure out what can be done, what could be improved, does the customer really want this or does he think he wants it? Can we do it better for him in another way? That sort of thing. I think we can work out a much better result for him, and for us. It has happened, not infrequently, that we have worked out a project for a customer and he comes back and he says, "It's nice but could you do this, that or the other thing as an improvement?" And very often we can. But it would have been a great deal easier and less expensive for him and for us to do it in the first place.

I think you basically get told what to do. The supervisor really likes his hands on everything. He really likes a say in the work that goes on in the division. And that's what the people don't like. He will listen. He will make you think like he is taking it all in and listening to what you want. But always, it's got to be done the way he wants. Yes, always.

Getting back to this wonderful vertical project, which is all you hear about here, I think that the wrong people are making the wrong decisions and that comes from a lot of discussions which I've had with the engineers, the designers, whatever. They say, "Nobody's asked US how long it's going to take to do this." The director of engineering says, "We promise you this by this date." And these guys are saying, "I don't know how they can expect us to do this, and we've told them eight times over. We can't do it in this amount of time." And it doesn't matter. They won't listen. Or in the manufacturing area, saying when are we going to ship this unit? It's the VP that's upstairs saying, "We'll ship it by this date." And everybody under him is saying, "What is he, crazy?" I think a lot of other people need to be involved in a lot of the operational decisions around here.

To me the biggest thing is just maybe getting some people involved in some decision making and making them feel that they are part of the company instead of just being told what to do and what's going to happen. There needs to be more of a stress on that area and a lot of people who are in responsible positions are being told what to do instead of being included in the thinking process of what should be done.

scheduling.

Chaotic schedules, the nature of the business being a \$100 million job shop, and the economy. When the economy gets tough, we quote unrealistic ship dates. We take lower margins which any company is going to do to get the jobs. And some people have been soured, by soured I mean that some engineers I've talked to over the years say "Why should I work harder to get the job done when the next week there's going to be another job just as much an emergency so if I work 60 hours a week for this job, you are going to want 70 out of me because you are going to keep doing that to me and keep doing it to me."

Timetables! In my 4-5 years here everything, but EVERYTHING has been rush. They have guys working for years until 9:30 every night, Saturdays, Sundays, double time, Thanksgiving day, every holiday. You want to work for triple time? You get paid for the holiday and you get paid double time for the hours you work. They just expect a whole handful of them are going to work 80 hours a week and we'll get it out. The one complaint I heard recently was guys working 50-60 hours a week but not on Saturdays or Sundays, and their supervisor wants these guys to work then too. And these guys who are basically good workers, refuse. They've got families. They don't work weekends but they put in their 50-60 hours a week. But that's not enough. 80 is better. How can they further their education? How can they get training? How can they go to seminars, how can they have a family if they're working 80 hours a week? When will they have time to spend the money they earn?

I think that when we get into these type of positions that the quality of our work whether it be order intake through engineering, through the manufacturing, what we get out in the shop fits the time at hand. The quality fits the time at hand. When you try to reorganize to get everyone to do something in a shorter period of time, work a lot of overtime, ask for the extra effort, that a group of people will tend to criticize like hell all the other groups, instead of working together.

We receive the order. We come down to what we call an order review team. We sit down at a table. We look at the order and say OK, we can do this. Engineering can have the release in four weeks, and manufacturing can do it in 13 weeks. Manufacture, test and ship the thing. As I say, there's always a pressure from sales, well you've got to do better than that. Engineering, when you squeeze engineering, they take a week or two off the release date, but that affects the quality of the job. And then you get the feedback. There's two means of getting feedback. As the job materializes on the floor and you are trying to assemble it and it doesn't fit, you have contact with the engineering group and hope that the engineering management knows about all the problems. Probably the second and final feedback analysis is done after the job is shipped. You really don't know all the problems until the final assembly is done in the last few weeks of each job, and you don't REALLY know all the problems until the furnace is installed and operational.

It all builds up until you end up suffering because of what's not done up front. If it's a joint commitment to take a job at a short, a very, very short cycle time, and the commitment is made with a chance at you being able to meet that goal, I mean commitments are made, there isn't a chance of keeping them, and those decisions, I hate those kinds of decisions. We all down here have to live with them, endless hours of crisis work, because someone else who doesn't have to pay the price has made them.

Everything is a crisis. Everything is top priority. And I think that takes away from spirit, but also from quality and productivity because there are some people that don't take into consideration the employees that are actually giving you all their hard work and their effort and that they are taking it away from their families and their health. When that's not given back, people say "What am I doing this for? If I am not being recognized, I can go somewhere else and earn the same money and not have to go through this stuff."

A lack of priorities within the company detracts from spirit. Meaning that a lot of people are working on some important projects but everything is a crisis. And you can't have everything be a crisis all the time. And you can't have managers or directors or VP's saying "These people have to come in this weekend and next weekend and the weekend after," because then when the REAL crisis hits, these people don't have any more to give, they are tired of giving you their all for a crisis which is now the standard rather than the exception. A crisis should be just that... the exception.

organizational structure.

I think it would help to do some restructuring at the top level. There are some egotistical people here who make decisions while not caring what other people think of them. I want the CEO to take a look at his staff and maybe the level right under his staff, and to make some real changes because I think that is one big group that doesn't work well together and everyone underneath sees that.

I think the company should be a bit more open to time share positions, and in the summer, I think they should be open to different changes that other companies are doing, for example going to 10 hour days in the summer, and alternating, like having 4 day work weeks in the summer.

The main change I would make is to get rid of some of the fat at the top. Some of the executives are useless and worse than useless. There are too many people making too many calls, too many managers, not enough work getting done.

The employees' committee is not a grievance committee helping management and employees work out their problems. It's strictly a sociability group that plans outings and sends cards and flowers. What we really do need is a true employee committee that can work on problems that are going to affect productivity, quality, and company morale.

We've had two or three quality programs that have started, but they were never backed up by top management. It would be good to hire a Director of Quality and say, "Here, go! Do what you have to do."

If we find a real good individual and we put him in a position in the company, what we tend to do rather than letting that individual be very good at what he's hired to do, is, we tend to put more and more on him so he can never do anything well. You always tend to throw more things at the person who can take care of the problems because you know that he can take care of them... you ultimately lose a lot in the end. The person burns out.

The other major companies that I've worked for, the first was for 12 years, and it was a highly disciplined, structured organization. They had to be because of their size. They had definite rules in terms of this is the left side of the road and this is the right side. There was a tremendous amount of leeway between the left and the right but as soon as you went over that line on their right OR the left, you were in deep trouble. They just wouldn't tolerate it. I loved the 12 years I was there. When I came to Company "B" I was informed that it too was highly structured. But when I got to know the company, I found out there was NO structure. Totally unstructured. We have rules that people don't follow. We have a lot of "If I don't like it, I won't do it." This is a part of the culture I really don't care for because I feel that there has to be adherence to some basic principles, some systems.

I would like to see a major organizational culture change. I'd like to see more decisions made jointly, I'd like to see departments intermingle in each other's group, I'd like to see cross training so that groups can understand the problems other groups face. The important people in each group never get a chance to share the other people's problems because they are always so busy.

Don't laugh, I know it's ridiculous, but we're set up like a baseball diamond. Here we have the inner diamond which is the COO. I'll show you how it used to be. The CEO and the COO had everything. Then there were a few problems that arose, basically with this fellow right here, and with a number of people who reported to him. Those who reported to him went to the CEO and the COO and said, "Hey, we can't do this, it's not working." So rather than change this, he changed the organization so that this one now reports directly to that one. This fellow here has now been pushed down to there, and has gotten these people on the inner diamond, those guys all report to the CEO, they don't report to each other. This here is Company "B", and this here is the Control side. Before, I reported to here because these were general managers of the division. They aren't general managers anymore. They are basically sales managers. They don't have the responsibility of profit and loss any more which they really did back here. At the present time I don't know who has responsibility for profit and loss.

They keep telling us to charge the jobs. Why should I be charging time to a job when I am not working on it? Group leaders should have their own number. If you can't trust a group leader and know that he's giving you a good day's work and does his job thoroughly, he shouldn't be a group leader. Therefore, why am I sitting and doing something I don't do in life, which is to lie? I have to keep putting down job numbers that I'm not even touching those jobs other than the administrative level of it, or records.

gender issues in the workplace.

We meet the EEO requirements for this size company, but just barely. We don't have many women in management in the operations group certainly. Last year we promoted two girls. They are sisters in fact. One's in the instrumentation area and the other one in the instrument test area. Promoted to supervisors and well deserving of it they were too. They do a good job, keep a tight hand on things. So I think we raised ourselves up a couple of points on the EEO scale.

The general consensus in the company is it's a chauvinist company. But they just recently made two women supervisors over in our area, two sisters. And we were all very happy for them. There is a woman on the floor doing furnaces and she is constantly complaining, "Look at the money I'm making versus the money these men are making!"

Company "B" is a very male dominated company. You look around here, you don't see hardly any women managers. You don't see them. And the women who are here leave in a very short time. It's not an open company for women as some companies are. One woman had a real big complaint with that. With people listening to her and taking her seriously and coming to her meetings. Some men were always blowing her off. She'd have a meeting, and the VP for some reason or other just couldn't make it. Women just don't get the respect here.

There are only two three women managers here... the travel manager, the cost accounting manager and the budgets manager, relatively low level, middle managing positions. There are a couple women engineers. And that's it. I don't think a woman will ever become a director here unless it is 50 years down the road. I think a big part of that is just the European attitude... between the CEO and the VP. They don't believe women can be respected in an engineering company.

There is one woman, she is pregnant. She's been here for many years. And she told her boss that she was pregnant and she had a few problems at the beginning so she needed to go to the doctor's fairly often. And she had her review right after that and she only got competent because she had been out quite a bit. She was really upset about that. Because she said, "My work, I'm not doing anything differently than I was before. I am taking some time to go to the doctor, but I'm making the time up and making sure the work was done." She was really furious.

Women don't get respect here, they aren't listened to, they get interrupted, their meetings don't get attended, that there is a glass ceiling here with not much chance for advancement. My immediate chances for advancement are good in that I think I could be promoted into a manager's position. But I know that I will never go any farther than that here and I don't think a woman will EVER go any farther than a low to low-middle level management position here.

top management team.

There's been a lot of changes management-wise. Company "B" hasn't stayed in any one management style long enough to be something. But I really do think the major problem is that we are lacking in enthusiasm. We don't feel enthusiasm or excitement coming from the top down.

We give participative decision making lip service here. The majority of decisions that affect morale and company spirit are hierarchical. I think the people that make those decisions don't necessarily know they are being that way. The top management of the company aren't skilled at running the company, but probably don't own up to that fact. Hence I think there is some damage done when certain decisions are made the way they are, but I don't think it's being done maliciously, if you will.

I think we need some changes in top management's view of the way of doing things. Top management doesn't work as a team, there is infighting, politics and bickering that goes on which is generated from the top by way of using one person to go against another. A lot of top managers, CEO's do that, but they have, I feel, a plan in doing it. I don't see any plan in doing that here. People have just been degraded and not dealt with very fairly.

I think there are people on our senior staff that need to have their people skills improved. I think that we have some people that are entirely destructive and detrimental to the company in terms of how they handle people. People at all levels of the organization deserve respect. I think they deserve consideration. You have to have a certain amount of patience, and I don't think that any amount of status says you shouldn't have to be respectful. Whatever your level, you should not be above dealing respectfully with people. Get some people in up there who can effectively deal with others on a personal basis.

There need to be some changes at the senior management level, in terms of their operating style. These managers need to manage the company and not their individual departments. I think it's almost impossible to see that team pull together with Peter in there. Sad, but that's the conclusion I have reached over the years.

The person who supervises me now, I do report directly to him but I don't have much to do with him. That's the way things worked out. This gentleman went down in stature here. There's a whole political thing that has gone on here.

Let me tell you, maybe people say that they don't care, but they do. We all keep hoping that all of a sudden the top level group is going to wake up, smarten up and make the corrections they should make. And realize that the labor force is the backbone of the company, because without the laborers, they've got nothing. But the workers are made to feel like they are the peons, that they don't matter, their feelings don't matter, that top management could really give two damns for them.

When you talk about effective management and building an effective management team, you are obviously looking for the functional skills that enable you to drive the people in that part of the organization. Over and beyond the functional skills particularly in the hire of executive levels, I look at the ability to coordinate, operate and advance to the next level. I hate to hire people who have reached a plateau. I would like to hire people who want to go further, who pose a challenge. I'm not afraid to lose people either. I'm the last one to hold people up if they have a better career somewhere else or they are on a fast track and we can't provide the means for those people to advance fast enough.

I believe that Company "B" is a very, very strange organization, and I've been working out there since I was 24. I've worked in larger companies and ones the same size. Company "B" I think has the strangest culture of all the ones that I've worked in. They seem to have a lack of a motivation internally in terms of the culture. I don't really see that management here does anything to try to alter that. I define it as management being hands off. They really don't participate with the employees. It's like a clinical relationship. I hope that things are changing gradually. We have implemented a quality program in terms of total quality management. And to truly implement that it requires that management change and do get more involved in the day-to-day type of thing. And I think the CEO is making a sincere effort to do that.

We have a lot of situations here where depending on the level you are, you don't have to follow the rules. There should be some basic rules that apply to everyone regardless. I don't see that here, there is too much free wheeling. There should be more discipline, and I don't mean on the factory floor, either, I am talking about management. For example, we had a salesman here who was going to the west coast. I came from a company where you were told what hotel you were going to stay in because they had arrangements already made in terms of negotiating the rates. You were told how much a day you could spend for food. That was it. But at Company "B" we had an individual, he was going to be put up at the Raddison Hotel on the west coast. Well, this person didn't like it, he wanted to stay at a place that cost \$50 a night more. So then what was said was "Well, fine, but you have to pay the \$50 out of your own pocket." And the answer was, "I'm not going, in that case." Where I came from you would never even have that conversation. If you were going on business, you were put in a decent hotel, everything was taken care of. But to negotiate the kind of a room of the kind of a hotel would be unheard of.

Mr. Smith was the center of the company, and everything revolved around him. And that held up until the time he left. He was a dynamic person, a highly competitive type. He directed the projects with a fair amount of skill. Not without some highly abrasive contacts, but people cared about him and he obviously cared about them, and it penetrated down through. He knew everybody in the whole company. AND their children and their wives. I see the new boss like maybe three times a year and accidentally in passing. I saw Howard.... every 20 minutes.

The whole quality thing. That's a change in culture and that's what has to happen. Top management espouses that, they realize, I think they believe that we have to change in order to exist. I'm not sure they understand the depth and breadth of how long it is going to take and what we have to do to change it. A CEO has to be behind this. Has to be the guy that's pushing it. The CEO is definitely espousing that kind of change. And hopefully he too will learn, it's an education kind of thing.

I think it's really important that the CEO sit out in the cafeteria and have lunch with the rest of the people on a regular basis.

I think you need that company spirit across the board and I think you need it all across the CEO's staff as well. And that's really where you don't see it. It's a very noncohesive group up there. I don't know if it's the companies that they came from before this that was just instilled in them or what. But I really don't see anybody working together on that upper staff. I'm not sure if part of that is the way the CEO runs this business in terms of not promoting teamwork and not really saying "Hey, listen, we've got to get out there and work as a team." Or it may be the people at the VP level who are also responsible for lack of teamwork. I see how people are moved around and I see how really one hand doesn't know what the other hand is doing. And that's not good. We need enthusiasm, and teamwork that starts at the top and filters down.

Company spirit has to come from the top, in the form of clear objectives, in the form of guidance toward those objectives and in the form of rewards for achieving them.

The CEO, whether he knowingly does this I don't know, but certainly when he talks about things, it's usually division 2. He could certainly talk the division 1 side up a bit more. Just in the financial operation of the company I think division 1 should certainly get its share of what it is bringing in and I don't believe it does.

My feeling is that a company which is managed by a financial person which is in a highly technical area, such as we are, is terribly handicapped. I think if we were to have a change in management that was technically included, and even with a bit of experience in the field of semiconductors, that a feeling of competence would percolate down through and be a tremendously important factor. We might even make more money.

We have just laid off people. And about two days later this big huge cactus is in the lobby that goes practically from the floor to the ceiling. And the rumors of how much that cost! Boy, that was a sore spot with people!

I'm happy with the CEO. I know how people feel about him, but I think he's great and he's creative and he just needs the right people to tell him what to do. I feel really comfortable with him in things. He doesn't poo-poo any projects, he's always like, good, good, ok.

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