

we will address the issue in this form, but will later ask where this leaves the individual's needs.

This interface is in a sense the most basic of the three we have considered. For, if an organization is to carry out planned transactions with the several sectors of its environment and is to achieve coordination among its parts, somehow the organization must motivate and control individual contributors so that they effectively perform specialized and coordinated activities. Nevertheless, it is useful to treat this interface separately because, while healthy conditions at this interface are necessary for organizational health at the other interfaces, this alone is not sufficient. Obviously the factors reviewed in the preceding chapters are also necessary for the organization to function at these other interfaces. In this discussion, however, the focus will be on the basic issues of the psychological contract between man and organization and not on how this also relates to the other interface problems already discussed.

Such basic psychological issues do present themselves in all specialized activity groups and at all hierarchical levels. Managers express concern about how to motivate scientists to be more creative, how to induce sales representatives to meet sales quotas, and how to get blue-collar production workers to maintain higher quality standards. They become concerned because employee absenteeism and/or turnover are too high. They wonder which of the multiple packages of monetary and fringe compensations really motivate employees. For example, M. Scott Myers recently has reported on the efforts of the Texas Instrument Co. to understand and develop this interface for a wide variety of employees—from scientists, engineering and manufacturing supervisors, to technicians and workers on the assembly line.¹

These issues are not limited to the lower and middle levels of the organization but are equally pertinent for top management. In our own experience, one of the authors has been involved in helping the proprietors of a family-owned business consider ways of working out a psychological transaction with the professional managers in the firm so they would be more motivated to contribute to the long-term growth of the organization even though they were barred from ownership equity. These same issues are at the heart of one of the thorniest problems faced by the top corporate management of the so-called "conglomerate" companies. These corporate managers are plagued by the issue of how to motivate the chief

1 M. S. Myers, "Who Are Your Motivated Workers?," *Harv. Bus. Rev.*, January and February, 1964.

5 THE INDIVIDUAL-AND-ORGANIZATION INTERFACE

Earlier we defined an organization as "the coordination of different activities of individual contributors to carry out planned transactions with the environment." So far, we have dealt with two of the interfaces which this definition suggests—the interface of the organization and its environment, and the interface among groups of individual contributors. The interface between the individual contributor and the organization is the final set of issues upon which we want to focus.

The crucial question at this interface most often raised by managers is how individual contributors can be induced to perform their defined activities. How can we motivate individuals to make the contributions to organization purpose required of them? How can the organization channel and control the behavior of individual contributors in the desired direction? Closely allied is the additional question of how organizational goals can most effectively be communicated to individual contributors so that individuals see the relevance of organization goals to their own personal needs, or stated another way, so that organizational goals and individual needs are complementary, if not congruent, rather than antagonistic. These ways of defining the issue at the individual-organization interface accept the managerial point of view in giving primacy to the achievement of organizational goals. Throughout the bulk of this chapter,

executives of newly acquired divisions. The division managers frequently were the former owners and have been made independently wealthy by the acquisition transaction. These corporate managers are asking, in effect, how we can continue to keep the division executives motivated toward divisional growth and profits when the value they personally place on economic incentive may have been substantially reduced.

In all of these instances, managers are usually very much aware of the symptoms of the problem. They can point to the lack of effort or results or to absenteeism or turnover. However, quite often their explanation is that the individual contributors involved have a character weakness: they lack motivation. But managers who offer this explanation fail to see its basic fallacy. The fact that individuals are not motivated to accomplish organizational goals does not mean they lack motivation. It simply means that they are motivated to do something other than work toward organizational ends. For example, the fact that the workers in Roethlisberger's and Dickson's study of the bank wiring room restricted output could not be cited as proof that they lacked motivation.² On the contrary, they were highly motivated to develop elaborate mechanisms to restrict production output. Similarly, the former owner of a newly acquired division of a diversified firm does not suddenly lose his motivation. He is still motivated, but he directs his effort toward his golf score or investing in the stock market.

Thus, one of the difficulties facing managers who are concerned with problems at this interface is that they lack the tools to obtain even a rudimentary understanding of the issues of individual motivation. They can identify symptoms but not causes, and thus are at a loss to develop a meaningful diagnosis and action plan which would allow them to rearrange the organization-individual transaction so that individual and organizational goals are at least complementary. The first step, therefore, for persons doing organizational development work at this interface is to provide a set of conceptual tools which can be applied to the kinds of problems we have mentioned.

Relevant Motivational Concepts

Of the three interface issues that we are considering, there is little doubt that we have available more concepts, tools and theories for dealing with the individual-organization interface. But the availability of these concepts

2 F. J. Roethlisberger and W. J. Dickson, *Management and the Worker*. Cambridge: Harvard University Press, 1939.

is not an unmixed blessing. The difficulty is that the wide body of literature on individual motivation in organizational settings offers a variety of explanations, often contradictory, of what motivates individuals to make contributions to organizational goals. While space precludes a comprehensive review of even the major conceptual positions, Schein has provided an interesting and concise summary, which provides the flavor of several major approaches.³

The first assumption about individual motivation which Schein discusses is the idea that man is basically rational-economic. According to this view, man is primarily motivated by economic rewards. Such economic rewards are controlled by the organization. Consequently, the psychological contract between individual and organization is very simple—effort in exchange for money. Man's feelings about work, other individuals in the organization, or the organization itself are essentially irrational. Through management action and the design of the organization, these feelings must be prevented from interfering with the rational-economic contract between individual and organization. As Schein also points out, these ideas have been put to work historically in a large number of industrial settings and even today are widely accepted. To a certain extent, they are successful in that they induce individual contributors to work toward organizational goals. But their essential shortcoming is that they fail to recognize a number of other human needs.

As Schein points out, the observation of this shortcoming by Elton Mayo and his colleagues led to the development of another approach to individual motivation in organizations. This approach placed emphasis on man's social needs. The need for belonging was seen as providing the basic motivation for individuals to work. An exaggerated and idealized statement of this view of the psychological contract individuals would prefer with the organization would be satisfaction of social needs in exchange for individual effort. According to this view, man's emphasis on social needs is a result of the rationalization of work, which has reduced the intrinsic meaning of work for the individual. Under these conditions, management needs to recognize the existence of peer groups as a source of powerful satisfaction for individuals. If the shared expectations of members of a work group do not support organizational goals, the social controls of the work group can be a powerful countervailing force to management's efforts to use financial rewards and organizational controls

3 E. H. Schein, *Organizational Psychology*. Englewood Cliffs, N.J.: Prentice-Hall, 1965, pp. 47-63.

to achieve organizational goals. This view of individual motivation stimulated a large number of research studies into the topic. While, according to Schein, these studies lent general support to the assumption "that man is socially motivated in his organizational life," they also. . . "caution us not to overgeneralize. Though the rational economic model of man is clearly not very general, we cannot claim clear evidence for the universality of social man, either."⁴

Other behavioral scientists shared Mayo's conclusion that work in organizations, particularly industrial organizations, had lost much of its intrinsic value. Schein indicates that these researchers found that "this loss of meaning is not related so much to man's social needs, however, as to man's inherent need to use his capacities and skills in a mature and productive way."⁵ Psychologists like Argyris, Maslow, and McGregor, therefore, developed a third set of motivational assumptions which Schein has labeled "self-actualizing man." The assumptions underlying this approach, according to Maslow, are that man's needs are arranged in a hierarchy—needs for safety or survival, social needs, needs for self-esteem, needs for autonomy, and needs for self-actualization, that is, the opportunity for man to use all his resources. As the lower-level needs (safety and social, etc.) are satisfied, man becomes interested in satisfying the higher-order needs (autonomy and self-actualization). According to this view, the ultimate psychological contract between man and organization could be written as safety, social contact, self-esteem, autonomy, and self-actualization in exchange for individual effort. The problem, according to this view, however, is that while man ultimately seeks independence and self-actualization, the organizational context places him in a position of dependency and constraint which prevents him from satisfying these higher-order needs.

Schein concludes his discussion of self-actualizing man by pointing to the limits of this view. "There is clear evidence that such needs [higher-order needs] are important in the higher levels of organizational members like managers and professionals on the staff. It is not clear how characteristic these needs are of the lower-level employee, although many of the problems which were interpreted to be examples of thwarted social needs could as easily be reinterpreted to be instances of thwarted needs for challenge and meaning."⁶

4 *Ibid.*, pg. 56

5 *Ibid.*, pg. 56.

6 *Ibid.*, pg. 59.

At this point, we have reviewed a sufficient number of approaches to understanding the individual-organization interface so that the reader can sense the dilemma these approaches pose for organizational-development activity. Accepting any one of them at the expense of the others could have a profound effect on one's diagnosis of the situation and on subsequent action plans and implementation steps. Not only do they provide conflicting views in what they consider, but they also leave untouched major areas and issues which our systemic approach indicates would be relevant to consider. None of these approaches takes into account the variable nature of individual tasks or the multitude of possible variations in formal organizational factors. They fail to recognize that the predispositions of different individuals may vary. In essence, as Schein has pointed out, "organization and management theory has tended toward simplified and generalized conceptions of man."⁷

Schein's answer to this dilemma is to take a fourth approach which he has labeled as "complex man." This is basically the same direction which we have followed in our own work. It builds upon the historical contributions of the earlier approaches discussed above, but it also takes account of the fact that each of these approaches tells only part of the story, and it utilizes more recent empirical research findings.

The conceptual framework which we utilize at this interface recognizes the complexity of man and the factors that influence his motivation to contribute to organizational goals. But it also provides a framework for bringing some order out of the theoretical confusions which we have reviewed and out of the basic complexity of the problem which organizational development at this interface poses. This conceptual scheme is built upon a number of recent research findings which indicate that an individual can usefully be conceived of as a system of biological needs, psychological motives, values, and perceptions.⁸

The individual's system operates so as to maintain its internal balance in the face of the demands placed upon it by external forces. In essence, this internal system develops in response to the individual's basic need to solve the problems presented by his external environment. For the infant, the problems which must be solved are the essential ones of securing food,

7 *Ibid.*, pg. 60.

8 See, for example, Schein, *Ibid.*, pp. 60-65; J. A. Seiler, *A Systems Approach to Organizational Behavior* (Homewood, Ill: Richard D. Irwin, 1967), pp. 51-81; K. Meninger et al., *The Vital Balance* (New York: The Viking Press, 1963), especially pp. 76-124.

warmth, etc., and relating to parents and siblings. For the older child the problems become more complex, dealing with a wider array of others—teachers, playmates, peers in school, etc., and more complex objects, intellectual knowledge, more complicated toys, etc. This same problem-solving need is evident in adults in organizational life. In this setting the problems posed may consist of dealing with superiors, subordinates, or peers, and of performing specific tasks. But this basic problem-solving need, or what White has termed a need for a sense of competence or mastery, is the same.⁹

The relevance of this problem-solving view of the individual system to the individual-organization interface is suggested by the work of Herzberg and of Myers.¹⁰ For example, in their work at Texas Instruments, Myers and his colleagues found that organization members in many jobs at several levels were motivated by the challenge of and opportunity for accomplishment on their jobs. The intrinsic involvement in the work and the sense of accomplishment derived were more important motivators than such other factors as social rewards, status, physical conditions, and even economic rewards. Herzberg earlier had made a similar point by drawing the distinction between hygienic factors (physical conditions, supervisory policies, wages and fringe benefits, etc.) and motivating factors (the nature of the work itself.) Herzberg's basic point, upon which Myers and his colleagues have built, is that an individual's real motivation comes from a sense of task accomplishment. These hygienic factors are so labeled because they do not motivate but only represent actions taken to prevent dissatisfaction. Basically, the work of Herzberg and Myers suggests that individuals, in their transactions with the organizational setting, are motivated by a desire to use their problem-solving abilities.

But to apply this problem-solving view of man to organizational-development activities, we need a more comprehensive view of the characteristics of the individual system. The statement that man is motivated by a need to master the problems he confronts is too broad and general. It is subject to the same criticism that Schein leveled at other motivational and management theories. To make this view of man operational in the context of specific organizational situations, we need to elaborate on how the individual system develops. As we suggested above, this transpires as the individual strives to master the external world. The

9 R. White, "Ego and Reality in Psychoanalytic Theory," *Psych. Iss.*, Vol. III, No. 3, Monograph No. 11, 1963, pp. 24-43.

10 See, for example, F. J. Herzberg et al., *The Motivation to Work*. New York: Wiley, 1959; and Myers, *Op. cit.*

pattern of motives, values, and perceptions which develops in a particular individual personality system is the product of the interaction of the biological characteristics of the individual and the development experience the individual encounters from infancy through adult life. This means that, while all individuals strive to solve the problems confronting them, the variety of different experiences leads each individual system to develop differently. This process continues even in adult years, although, because of the need to maintain an internal balance, the growth and development is always in an internally consistent direction. In spite of the interesting work being done in the area of personality development,¹¹ it is too complex a topic to pursue in depth here. For our purposes, the essential points are two:

1. Different individual systems develop with different patterns of needs, values and perceptions.
2. Individual systems are not static, but continue to develop as they encounter new problem experiences.

The fact that each individual system will have unique characteristics is one of the reasons this interface is so complex. Yet this complexity can be handled, if we recognize that our primary interest is in the development of organizational systems, not in understanding each individual system. This does not mean that we should totally ignore individual differences, but rather that we should focus on differences among individual systems, which are meaningful in understanding the relationships between individual contributors and the organization.

While psychologists have provided a great many concepts and constructs for categorizing the variables in individual systems, we have found it useful to employ three major constructs to describe these systems:

Perceptions: the information the system takes in about its environment.

Values: the set of beliefs about what is right and wrong, important and unimportant, which are consciously held.

Motives: the underlying drives or needs which develop unconsciously as the individual experiences success and failure in mastering his environment.

11 See, for example, R. White, *Lives in Progress* (New York: Holt, Rinehart and Winston, 1966); and E. H. Erikson, *Childhood and Society* (New York: W. W. Norton, 1950).

As has been suggested, these three variables are highly interrelated. For example, what an individual perceives in a particular situation is influenced by his values and his motives. The development of motives and values in turn is influenced by the process of perception which determines what information the system takes in. These perceptual mechanisms which filter information in and out are crucial in enabling the healthy individual system to maintain its balance, while still learning from new experiences.

In accomplishing organizational-development work, one must rely heavily on all three of these constructs. But since we are chiefly concerned with issues of motivation at this interface, the most important variables to understand are often the motives themselves. Again, psychologists have provided an abundance of categories to delineate differences in motive patterns within the personality system. In fact, the list seems endless. However, one way of categorizing motives which seems particularly useful for our purposes is provided by McClelland when he identifies three important motives: need for achievement, need for affiliation, and need for power.¹²

Need for achievement is defined as the need for competitive success measured against a personal standard of excellence. Need for affiliation is defined as the need for warm, friendly, compassionate relationships with others. Need for power is defined as the need to control or influence others. As we would expect, McClelland and his colleagues have found that different individuals have different levels of these motives. Some individuals have a greater need for achievement, others a stronger need for affiliation, and still others a stronger need for power. While one motive may be dominant for particular individuals, it does not mean that the others are nonexistent. The other motives, however, are somewhat less important.

The relationship between these three motives and the need for problem-solving is not difficult to comprehend. In fact, it seems that the problem-solving need basically underlies these three motives and others which have not yet been so precisely identified and measured. As the individual system strives to master problems, certain behaviors turn out to be consistently rewarding; that is, they provide solutions to the problems the individual faces. Consequently, the next time the individual needs to solve a problem he tries the same pattern of behavior again. Over time, as some of these patterns are consistently rewarding, the individual learns to rely on them. Thus, we say that a person is highly motivated to compete

12 D. McClelland, *The Achieving Society*. New York: D. Van Nostrand, 1961.

against a standard of excellence (need for achievement), or has a higher need for warm friendly relations (need for affiliation), etc. As a result of this learning process, different individuals develop the different patterns of these motives already described.

The discussion so far has focused on a crude description of how these motives develop over time and how the person's behavior in a particular organizational situation is not only a function of the characteristics of his individual system but also is a result of the problems and challenges he perceives in the organizational setting. The nature of these challenges is affected not only by what the individual system perceives but also by the reality of the problems the organization provides. The reality of the problems, as we suggested in Chapters 1 and 2, is shaped by the expectations of others, by the nature of the task which the individual is required to perform, and by the formal organizational variables, such as supervisory style, rewards and punishments, rules, control procedures, etc., with which he is confronted. The individual system, others' expectations, the task and formal organizational variables interact to form the individual's view of what is expected of him by the organization. The interaction of these variables defines the kind of bargain the individual and the organization have made.

To state it differently, how an individual is motivated to behave in a specific organizational position is a function of both the developmental history of his individual system and the nature of the current organizational context. Each individual is motivated to behave in the current situation in accordance with the past behavior patterns which have helped him master his environment. When he meets a given organizational or job situation, his personal history causes him to perceive certain aspects of the current situation as potentially satisfying and others as less so. Thus, whether a person behaves as a high achiever, an affliator, or as one who is more power-motivated depends not only on the strength of these inherent motives, but also upon the extent to which he perceives that these or any other underlying motives will be satisfied in the particular setting.

This view of the relationship at the organization-individual interface can be diagrammed as in Fig. 5.¹³

This conceptual scheme helps us to see two opportunities for developing this interface. One lies in developing individual systems to

13 This conception is consistent with Atkinson's view. See J. W. Atkinson (ed.), *Motives in Fantasy, Action, and Society*. Princeton, N.J.: D. Van Nostrand, Inc., 1958; especially pp. 228-305.

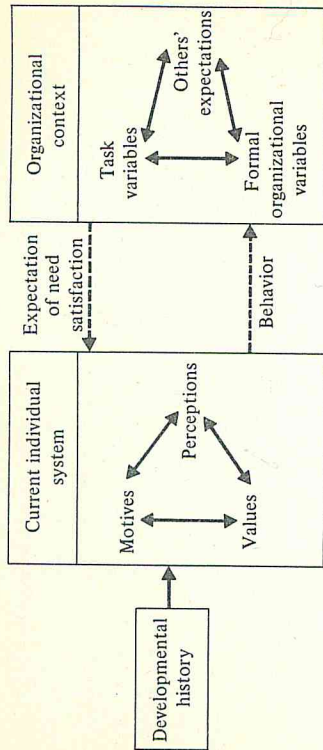


Figure 5

make them more consistent with the rewards available from task and organizational factors. This can be accomplished through influencing perceptions and values and through motivation training,¹⁴ or through the criteria used to select and promote individuals. The other opportunity is to alter the task or organizational variables so that they will afford a higher expectation of need satisfaction. But the essential fact which needs emphasis is that an individual's motivation to make a contribution to organizational goals requires that such behavior fulfill his important needs, whether these be achievement, power, affiliation, or some other. In essence, organizational development at this interface must work toward the objective of obtaining a fit between individual needs and the behavior required of the individual to accomplish organizational goals.

As we have already indicated, in seeking this objective we do not become overly concerned with differences among the needs of individual organization members. Instead, we have found it useful to identify the behaviors which are required to perform a particular set of tasks effectively and then to determine what individual characteristics are most often associated with this behavior. For example, in attempting to achieve more effective performance on the part of "integrators" in an organization, it was learned, from an analysis of the task and an examination of the personality characteristics of more and less effective performers in this job, that a relatively high need for affiliation, along with moderately high achievement, was associated with effectiveness. These jobs provided a high

¹⁴ For a detailed statement on motivation training, see D. C. McClelland, "Toward a Theory of Motive Acquisition," *Amer. Psych.*, Vol. 20, No. 5, May, 1965.

expectation of meeting these needs, and people with this need pattern found these jobs interesting and performed more effectively.¹⁵

Taking such an approach to developing this interface means placing heavy emphasis on diagnosis. We need to identify in what activity groups problems exist at this interface. What are the attributes of these jobs and what behavior leads to effective performance? What individual system characteristics are most likely to motivate individuals to perform this sort of task effectively? Are the expectations of others, the organizational relationships, rewards, and controls likely to work toward increasing the expectation of need attainment, or will they operate in the opposite direction? Such a diagnosis provides a picture of the problem issues at this interface and the direction in which change is required. From it the organizational-development consultant and/or the managers concerned can develop an action plan.

ORGANIZATION DEVELOPMENT AT THIS INTERFACE

To understand more fully how this scheme can be used to develop this organizational interface, it is helpful to provide a few examples. The three examples we have chosen all involve sales organizations. While we might have selected examples concerned with research scientists, production managers, or top corporate executives, we have decided to use these examples for three reasons. First, they occurred quite recently, and we, or our colleagues, have fairly complete data about what transpired. Second, by focusing on two of these sales situations, we can emphasize how critical it is that a careful analysis be made of the behavior required to perform the task. It is not enough to say "the task is selling, therefore. . . ." Third, two of the examples we will discuss provide an important contrast in intervention strategy. We will come back to this contrast shortly, but let us start by focusing on two examples where the intervention approach was almost classically diagnostic. That is, the consultant made a study of problems at this interface and provided his analysis and recommendations to the top managers involved.

The first of these efforts was conducted in the medical division of a major diversified company. This division engaged in the manufacture,

¹⁵ P. R. Lawrence and J. W. Lorsch, "New Management Job: The Integrator," *Harv. Bus. Rev.*, November-December, 1967.

sales, distribution, and service of highly technical (mechanical, electrical, and electronic) equipment used in hospital operating rooms. Although some smaller items of equipment in the division's product line sold for only \$5,000 to \$20,000, very large complete systems might cost from \$150,000 to \$200,000.

This project, which was undertaken by the Behavioral Science Center of Cambridge, Mass., under the direction of our colleague Dr. George Litwin, was initiated by the company's personnel staff. Their interest was to help this division's management understand the more effective sales performance by a certain district sales office. (The division's sales organization was divided into three regions, each with approximately ten district offices. A typical district had six to eight salesmen and sixteen to twenty servicemen who installed and serviced the equipment.) This study, it was hoped, would lead to the development of other sales offices into more effective units.

In initial contacts with the top managers in the division, the consultant learned that these managers had only vague ideas of the factors which led to effective sales performance. They associated top sales performance with hard work and effort. As the consultants carried out their initial conversations, they also became aware that neither they nor these managers had a clear understanding of what the selling task really involved or what the personality characteristics of effective salesmen were likely to be. Additionally, the consultants learned that there was a great deal of variation in the management styles and organizational practices among the various district offices.

Consequently, they and the division managers worked out arrangements to conduct a comparative study of four highly effective district offices and four average offices, judged by the company's usual measures of sales performance. Through interviews with salesmen and managers, the consultants intended to obtain a clearer view of the nature of the selling task and to learn about the management style of district managers. To measure the characteristics of individuals, two instruments were used. Thematic Apperception Tests (TAT) were used to measure basic motives (need for achievement, affiliation and power). The California Psychological Inventory (CPI) was utilized to measure several other behavioral characteristics (leadership, maturity, drive, and flexibility). Finally, the consultants administered a questionnaire developed by Litwin to measure the "organization climate."¹⁶ This instrument is designed to elicit

16 G. H. Litwin and R. A. Stringer, Jr., *Motivation and Organizational Climate*. Boston: Division of Research, Harvard Business School, 1968.

individuals' perceptions of the structure in which they work, along these dimensions: structure, responsibility, risk, standards, rewards and support, and friendly team spirit. Thus, the consultants had designed a study which provided data about three system variables (task, individual systems, and organizational variables) in each of the eight district offices studied.

From their interviews with salesmen and managers, the consultants developed a very clear understanding of the task of selling this complex equipment and what it involved. They learned that the selling task with a particular customer could involve many years of effort. In the first phase of the selling task, which might last from one to fifteen years, the salesman had to meet the influential doctors and administrators of the hospital(s). He had to learn about their requirements and, most important, had to develop their trust and confidence in him. This first phase was followed by a relatively short entrepreneurial selling phase (six months to three years) in which the salesman made a detailed study of the specific needs, planned and made a sales presentation and, hopefully, closed the sale. Even though the sale was closed, the salesman still had to continue working with the customer through what the consultants termed the Service/Recall phase. This phase, which might last fifteen to twenty-five years, involved overseeing the delivery and installation of equipment and also subsequent servicing of equipment. During this phase, the salesman was required to make periodic "recalls" to the customer to make certain that he was satisfied with the equipment and service and also to maintain the relationship for future orders.

Two aspects of this description of the selling task are worthy of emphasis. First, the last phase required that the salesman be able to collaborate effectively with the service personnel in his district. Second, the long-term relationships involved between salesman and customer and the long period typically required before a sale could be consummated meant that the salesman had to be satisfied with working without immediate indication of results. The real source of satisfaction during these periods had to be derived from the experience of building and maintaining relationships with customers. The significance of these two facts will become apparent as we look at the data which the consultants gathered on the organization and the individuals.

With regard to individual system characteristics, the consultants obtained results which at first seemed surprising. Studies by McClelland and others had found that successful salesmen tended to be very high on need for achievement. Consequently, this was what the consultants thought they would find in this setting. While need for achievement was the dominant motive for salesmen in both average and outstanding

districts, the salesmen in the average offices scored higher on need for achievement than did those in outstanding offices. This surprised the consultants initially. Even more surprising initially was the fact that in need for affiliation the salesmen in the outstanding districts scored higher than those in the average districts. (There was no meaningful difference between the two groups in need for power). On the CPI measures the salesmen in the outstanding districts scored higher on capacity for leadership drive through independence and flexibility.

While we indicated these data were initially unexpected, the consultants quickly began to see the pattern which was emerging. Using roughly the set of concepts we described above, they recognized that the task provided a high expectation of need satisfaction for a person with a stronger need for affiliation. As suggested above, this was the only need which would be satisfied during the long periods of relation-building. While the need for achievement was satisfied as sales were eventually closed, the opportunity to satisfy their need for affiliation motivated the salesmen in outstanding offices to work at building long-term relationships. The fact that they sought achievement through independence was obviously also important, since much of this effort had to be conducted autonomously, with minimum supervision.

There was also another reason that a higher need for affiliation was suited to this particular task. Since the salesmen had to collaborate with service personnel during the final phases of the selling task, it was important for them to gain intrinsic satisfaction from the opportunity to work closely with others. Related to this was their capacity to take a leadership role in their relations with servicemen. The importance of this factor can better be understood after we have reviewed the data collected about organizational variables.

Along all six dimensions of organization climate measured (structure, responsibility, risk, standards, rewards and support, and friendly team spirit), the members of the outstanding districts perceived that their organizations were more favorable than did members of the average districts. The largest differences in perception were in friendly team spirit, which would be conducive to creating expectations of satisfying a need for affiliation among sales personnel and between sales and service personnel, as well as with customers. Other major differences were in structure, risk, standards, and rewards and support. All of these, according to Litwin's research, are important in creating expectations of satisfaction of the need for achievement.¹⁷

17. *Ibid.*

As we might expect from these data, the interview data about management style indicated that managers in outstanding offices set higher standards, provided more coaching, and were more participative and consultative. In sum, the data about these organizational variables indicated that the outstanding offices provided a setting in which sales personnel would find a greater expectation of satisfying both their need for achievement and, most importantly, their need for affiliation.

From all of these data, we can understand the sorts of conclusions the consultants reached. Namely, that for a district to be outstanding it had to have organizational practices and management styles which created an expectation of satisfying both a need for achievement, which is associated with most sales tasks, and, especially critical in this situation, a need for affiliation. Having such organization variables was consistent with the task requirements outlined above. As the salesmen in the outstanding districts went about mastering the problems of their environment, they saw high expectations of need satisfaction along these two dimensions. Apparently, these needs were important to them and the possibility for satisfying them motivated these salesmen to work toward organizational goals.

Having collected this data and organized it within this conceptual framework, the consultants reported their findings to division management. Their action recommendations focused heavily on developing and training district managers, for if the management style of the district managers in the average offices could be altered toward setting higher standards, acting as coaches and being more participative, their salesmen would have increased expectations that their needs for achievement and affiliation would be satisfied. They might therefore be more highly motivated to behave in ways which would lead to accomplishing organizational goals. In this regard, it is important to emphasize that the data about the motive patterns of salesmen in outstanding offices was not taken as an indication that they necessarily had higher need for affiliation—only that the interaction between their needs and the organizational variables activated this need more strongly.

As a result of this diagnostic study, the division management is developing a management-training program which it is hoped will affect the styles of district managers in the desired direction. Obviously, however, there are other system variables which the consultants could have focused on (e.g., eliminating the commission-compensation scheme for salesmen, de-emphasizing short-term sales targets in management information reports, etc.). The consultants, however, chose to focus on management training, because many of these other variables were more difficult

to change. We mention them here because they are available variables which must be considered in taking action at this interface of the organization.

The second example with which we want to deal affords us an opportunity to see how some of these other organizational variables can be altered to improve the relationship between individual and organization. The problem in this instance was one in which one of the authors was directly involved. The management of this firm, a medium-sized manufacturer of women's sportswear with about thirty salesmen, felt that a number of these representatives were not performing up to par.¹⁸ After some discussion, it was agreed that a study should be undertaken to learn more about the individual task and organizational variables involved. Rather than utilize more sophisticated data-gathering techniques such as those described above, it was decided to rely completely on interviews with salesmen and management personnel. The reason for this was that the level of sophistication about behavioral-science techniques in the organization was extremely low. We were concerned that the use of psychological tests and questionnaires would alienate members of the organization and unnecessarily complicate the action-planning and implementation stages. Obviously, decisions such as this are highly subjective, but it does indicate the sort of trade-offs between diagnostic precision and complications in action phases which persons involved in organizational development must make. We will have more to say about this later.

Without dwelling on the diagnostic phase at length, let us briefly summarize the conclusions we drew from interviews with both outstanding salesmen and those performing below par (as identified by top management). First, the task of a salesman in this organization was defined as follows: to work with the retail store, to not only get the merchandise into the store but also to move it out of the store. The salesman had to work with store merchandising personnel to get an appropriate selection of merchandise into the store, to have the merchandise properly displayed, and to motivate store personnel to give his merchandise as much or more attention than competing lines. This meant that the salesman was required to work with store personnel to determine appropriate orders, arrange sales training, check inventory, etc. We might add that this view of the selling task was at odds with the traditional view in the organization that the salesman was to concentrate simply on writing orders.

¹⁸ Samantha Sportswear Case. Copyright by the President and Fellows of Harvard College, 1968.

Second, with regard to the individual characteristics of outstanding salesmen, we found that they did conceive of the task as described above. Further, they indicated that they got satisfaction from building business in the stores. They enjoyed watching the volume grow, and seeing the merchandise move out of the store. These salesmen indicated that they were willing to take certain risks in guiding the store personnel in the selection of merchandise. They did these things because they seemed to realize that they were essential to get the feedback of growing sales volume which they found rewarding. In the terms we have been using, these outstanding salesmen demonstrated a higher need for achievement than their less effective colleagues. For the less effective salesmen, the main satisfaction was in the commission check. Money for them was an end in itself. For the outstanding salesmen, however, the motivating factor was clearly a drive to accomplish and achieve a growing business in their territory.

The organizational variables to control and motivate salesmen in this situation were few. Commission accounts were settled on a periodic basis. Salesmen were called to meetings to familiarize them with the product line at the beginning of each of the four selling seasons. Beyond this, contact with management was sporadic and occurred largely when special problems arose or when a new man was started in the territory.

This diagnosis led us to the conclusion that the key to obtaining higher motivation for the salesmen was to provide a higher expectation of satisfying his need for achievement. While the outstanding salesmen seemed to have sufficiently strong need for achievement, so that they found this expectation in the intrinsic nature of the task, most of the salesmen did not. Therefore, we recommended certain modifications in the organizational practices connected with the sales force. While we advised a continuation of the exclusively commission compensation scheme, we urged management to begin formalized procedure for setting goals jointly with salesmen, for measuring performance against goals, and for evaluating such performance. This recommendation is consistent with McClelland's conclusion that need for achievement is stimulated by feedback about performance against established standards.

We also recommended that in selecting new salesmen, attention be paid to the achievement drive of the applicant as one important selection criteria. Finally, we urged the initiation of systematic coaching by sales management and formalized training to help the salesmen develop an understanding of how and why the retail store bought. This, we felt, was crucial, because while the outstanding salesmen had this understanding and

used it to accomplish their self-established goals, the less effective salesmen did not. Setting goals to motivate them would simply be frustrating unless the means to achieve the goals were also provided.

In this situation, then, we recommended changing formal organizational variables in order to create for the individual a higher expectation of need satisfaction. By doing this, and by influencing his behavior through more frequent coaching and training, we hoped to influence him to become more active in pursuing organizational goals. In essence, the psychological contract would become need satisfaction through individual effort.

These two examples present an interesting contrast, which gets to the heart of our approach to organizational development at this interface. On the surface, both situations presented similar problems: how to motivate sales representatives. Too many managers and organization-development specialists would recommend the same treatments for both: salesman training, a new incentive scheme, a better psychological test for selecting salesmen, etc. However, the diagnostic studies conducted in each of these situations clearly suggest that while the same variables might be manipulated in the two cases, the directions and objectives of altering these organizational variables would be quite different. In the medical-equipment organization, the objective would be to provide a setting which tended to arouse both affiliative and achievement motives. In the sportswear case, the goal would be to stimulate need for achievement.

Again, at this interface, then, we see clearly the reason for our emphasis on careful diagnosis as an intrinsic part of any organizational-development effort. What happens at this interface, like the others discussed in previous chapters, is a result of an interdependent system of task, individual, and organizational factors. To understand the goals of organizational development and how to achieve them, it is first mandatory to understand this system. Then the practitioner, whether he be a member of the organization or an outsider, is in a position to more clearly delineate an action plan and to implement it.

However, it would be misleading to leave the impression that once the diagnosis is made the action and implementation steps will follow easily. This is no more the case at this interface than it was at the others described above. In fact, our experience at this interface indicates that the problems of gaining acceptance of diagnostic conclusions and converting them to action may be even more difficult than at the other interfaces. For example, in the sportswear firm, a great deal of resistance to the conclusion of our diagnosis was encountered initially. The top managers

had strongly held beliefs about the power of financial incentives as motivators. Any suggestion that less concrete factors, such as goal-setting, training, etc., might improve motivation ran contrary to their own assumptions about human motivation. (To a lesser extent, the consultants in the medical equipment firm encountered similar difficulties.) After a series of meetings with these top managers, we were able to work through the meaning of the data and to obtain their involvement in most of the action steps suggested above. Nevertheless, their doubts about the validity of the data linger, and their involvement in action-planning has certainly been less enthusiastic than that we encountered in working at the group-to-group interface.

Differences in the nature of problems and data at these two interfaces seems to account for this difficulty. At the group-to-group interface, the problems are more visible. The behavior associated with unresolved intergroup disputes is observable. Top managers often can actually see it. As a result, diagnostic data at that interface has more face validity. It can be related to the experience of the managers involved. At the individual-organization interface, managers sense that people are not motivated, but they cannot see or understand the factors leading to this lack of motivation. In addition, as we suggested earlier, they often have strongly held assumptions about motivation. For these reasons, the data reported in diagnostic studies at this interface are not so quickly accepted. Yet, with patience and ingenuity, a working through of these doubts can be achieved so that managers will begin to act on the data.

EMPHASIS ON IMPLEMENTATION

There is also, however, another approach to developing this interface which we and others have used and which makes the problems of initiating action somewhat less acute. In this approach, less emphasis is placed on diagnosis and more on implementation. For example, in recent work with a marketing firm involved in selling a wide variety of consumer products to variety and chain stores, we and our colleagues used such an approach.

The management of this firm approached us with the vague feeling that they needed "human-relations" training for their sales management personnel. They proposed a one-week seminar. In our preliminary discussions, we emphasized that we would be interested in such a program only if it could be tailored to their problems. The top managers agreed, and we spent only two days interviewing them about current organiza-

tional problems. From these interviews, we ascertained that while there were several sets of problems, the major ones occurred at the individual-organization interface. How to motivate district managers and salesmen; how to communicate company goals to them; how to evaluate their performance and coach them in improving their performance, etc. While these problems varied in intensity and in kind, they were present in all four of the company's product divisions.

With this background, we planned a week-long session intended to initiate an organizational-improvement effort at this interface. More specifically, our objectives were three:

1. To get the managers (approximately fifty from the president down to and including district sales managers) to specifically identify the organizational problems with which they were concerned.
2. To provide some simple concepts and our own expertise to develop their understanding of these problems.
3. To get them to develop and begin to implement action plans.

While we intentionally did not make a systematic diagnosis of task, individual, and organizational factors, we did work on the educated guess that effective performance of their sales task would be obtained by providing an expectation of satisfaction of need for achievement. We also were prepared to alter this assumption if the managers' own diagnosis indicated that this was necessary.

Working with this assumption, the one-week program was designed to first give the managers a chance, through self-scored questionnaires and discussions, to evaluate their own organization.

The initial day of the program was spent arriving at a diagnosis of the organization. Specifically, the managers were asked to determine how the organization's culture and their own management style moved them to deal with problems at the various interfaces we have discussed. Were they seeking integrative or confronting types of solutions which worked problems until a solution was found? Were they using force and power to solve problems? Or were they smoothing and avoiding problems? Although this was admittedly a crude set of categories, it did serve as a catalyst to get the managers to examine the problems in their organization. While problems were identified at the organization-and-environment and group-to-group interfaces, the major problems, as our preliminary reading had indicated, were identified as being at the individual-organization interface. The managers realized they were not being effective in motivating

subordinate managers and salesmen and in communicating organizational goals to them.

After this problem-identification phase, two days were devoted to introducing conceptual material and to discussing cases related to issues of leadership style and the design of goal-setting and communication procedures. All of this was done in a manner consistent with our assumption that the tasks to be performed required an achievement-oriented system, for the managers' own diagnosis supported this set of assumptions.

With this brief conceptual background, we asked the management groups from each division to develop a proposal to deal with one of the problems identified. All chose to work on the organization-individual interface. For example, one division's management described a preliminary procedure for goal-setting and evaluation of performance against goals. Another division devoted attention to revising its measurement system to provide feedback to district managers and salesmen.

While all of these proposals were preliminary and very crude, they all were enthusiastically endorsed by most of the managers. They were their own creation. They had recognized the need for them and had used their limited behavioral-science tools to design them. This commitment of the managers concerned is the chief benefit from this approach. In our experience, this implementation approach does obtain commitment more quickly than the diagnostic approaches mentioned earlier. Its drawback is that it uses only crude behavioral-science tools and thus may miss some opportunities that a more sophisticated diagnosis and action plan would uncover. This sort of trade-off between the sophisticated use of behavioral-science tools and management commitment is a dilemma with which organization-development specialists are constantly faced, and we see no easy solutions to it.

SUMMARY

We can draw certain conclusions about organizational development at this interface. Our basic objective at this interface, like the others discussed in prior chapters, is to make managers aware of the nature of the system of variables influencing the relationship between individual and organization. To what extent do the individual's system, task characteristics, and organizational variables interact to produce behavior which rewards the individual and accomplishes organizational goals? How can any or *all* of

these variables be altered to motivate the individual to engage more fully in accomplishing organizational goals because he finds this behavior rewarding?

While we have pursued these questions in terms of sales organizations, the same issues present themselves for other groups of individual contributors and the same concepts are relevant. For example, if one is concerned about motivating scientists, he must understand the nature of the creative task he wants them to perform, the values and motives central to the scientists' individual systems, and the organizational variables which are intended to control and motivate the scientists. Do these organizational variables offer an expectation of reward for a person who has scientific values and who seeks to express these values through achievement in an industrial setting?

If one is concerned about the motivation of production employees, the same factors are relevant even though the specific situation is considerably different. In production assignments, a diagnosis may reveal that the task requirements are too restricted and too simple to engage any of the problem-solving motives of the individuals employed. In such an instance, serious consideration of job enlargement is indicated. Can the task be technically redesigned so that its intrinsic features engage more of the motives of the individuals involved? Questions such as these are the ones which this approach to developing this interface seeks to answer. Beyond this it enables the managers to develop action steps which create a higher expectation of reward for the individual if he performs the organizationally required behavior.

But, as the final portion of our discussion has suggested, putting so much emphasis on diagnosis at this interface does have its drawbacks. Managers often find it difficult to accept these diagnoses and to act on them. The answer may rest partially in the interpersonal skill of the organization-development specialist as he works to help managers to understand and accept the diagnosis. Alternatively, it may rest in placing more emphasis on obtaining management commitment and less on elegant diagnoses. We will explore this issue in our final chapter, but for now we can again emphasize that the complexity at this interface can be understood only by some sort of prior diagnosis and by using this as the basis for action steps. Otherwise, the organizational-development effort is very likely to flounder in a morass of generalizations and panaceas which are irrelevant in the particular setting. Furthermore, if action is taken on the basis of a careful diagnosis, it can increase the degree of fit between the goals of the organization and the needs and aspirations of individual

contributors. There has always tended to be a greater overlap of organizational and individual goals for higher management than for the rank and file. To an extent, this will inevitably persist, and total goal congruence is not to be expected at any level. But effective organizational-development effort can extend the overlap and thereby not only motivate the individual to work toward organizational goals, but also provide him with more satisfaction in his working life. Thus, while our approach seems to emphasize the managerial perspective of obtaining motivation toward organizational goals, it concurrently addresses the issue of providing more psychological rewards for the individual from his work.