

Participation  
in  
Organizational Change

*The TVA Experiment*

Aaron J. Nurick

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TO DIANE

## FOREWORD

Managers have long been concerned with the planning and conduct of organizational changes. Social and behavioral scientists began serious study and theory formulation during the 1930s, and this work has flowered during recent decades. During the 1960s, an ideological as well as theoretical impetus was provided by the human relations and sensitivity group movements and their associated research. In the 1970s, a broader base of interest emerged from public concerns about the prevailing quality of work life and from managerial recognition of the potential economic, competitive and survival value of organizations that are redesigned to cultivate optimal use of human resources. Organizational change has become a recognized arena for basic research, theoretical exploration, and professional practice.

Much of the accumulating knowledge in this field has come from case studies—that is, from intensive inquiries focused upon single organizations that are undergoing planned changes. The methods used range from historical reconstruction of events, to brief contemporary studies, to extended longitudinal studies that span a significant sequence of change events and their consequences. Only a few studies have attempted experimental designs, or coordinated any comparative studies of multiple organizations. True experiments, and studies of populations of organizations, are formidable in their scale, cost and time demands, but their potential power and efficiency suggests that they will be undertaken more frequently as funding and access to co-operating organizations allow.

The ideal case study of organizational change has not yet been done, and, in any case, many are needed to capture the generalized features associated with success and failure. Some case studies do display admirable features of conception, design and insightful interpretation. A case study, clearly, can be an effective vehicle for the researcher who desires to pursue his or her idiosyncratic ideas, often with a sharp focus upon certain limited aspects of the case, responsiveness to unanticipated opportunity, and interpretations unconstrained by established theory or prescribed concepts. An alternative use of case studies is to form a public pool of information about instances of organizational change, with the information planned to facilitate cross-case comparisons, multiple theoretical interpretations, and the application of meta-analytical procedures.

To serve these latter purposes the cases should have certain properties that are not commonly found, such as comprehensiveness

in information coverage, inclusion of measures and observational categories from diverse theoretical schemas, direct measurements and observations over an appropriate long span of time, reference to many of the outcomes of consequence to individuals, organizations and the public, inclusion in public reports of raw or partially analyzed data in forms that allow their use by others, and a sufficiently detailed account of the change actions and their consequences to invite competing and complementary interpretations of the results.

This book by Aaron Nurick is a contribution of the latter kind. It describes a serious and extended effort to improve further the quality of work life and the performance within an engineering design division of the Tennessee Valley Authority. Mr. Nurick, then associated with the University of Tennessee, joined a small team from the Institute for Social Research to observe, record and measure the actions taken by this organization and to trace their consequences. In this instance, the action program was undertaken jointly by the management and the two unions at the site. Their efforts were observed for about six years. They consented to this independent and public report in the expectation that their experiences, some rewarding and others disappointing, might be helpful to others who seek the same ends through organizational change programs.

This case report is not an isolated one. It is a part of a set, eight in number, from similar inquiries conducted in diverse organizations that have undertaken similar change programs with similar methods for research and reporting. A report summarizing and comparing these eight cases is in preparation.

Stanley E. Seashore  
Program Director, Emeritus  
Institute for Social Research  
Ann Arbor, Michigan

## ACKNOWLEDGMENTS

The TVA quality of work life experiment has been a significant part of my professional life for almost nine years. I joined the project in early 1976 as an eager graduate student seeking research experience and dissertation data in an area that I considered important and exciting. I received a plethora of both. Though some of the initial grandeur has mellowed as have I since those early days, I retain my enthusiasm for this project.

Throughout my involvement with the Quality of Work Program and the writing of this book, I have been endowed by the talents of many special people who have contributed immeasurably to this final product. First and foremost, I want to thank Stanley E. Seashore for encouraging me to write this book. He has been a source of inspiration for many years through his contributions to social science, and his grace, dignity, and eloquence as a human being. I also thank Edward E. Lawler for his continued encouragement and support. I extend my admiration and gratitude to all employees and managers at TVA who gave their time and energy to the project and to our measurement effort.

I am grateful to Barry Macy, who as Study Director was responsible for the entire measurement program at TVA. He supervised all of my work, contributed ideas, and was a considerable source of guidance all through my association with the Institute for Social Research. I will always be indebted to Michael E. Gordon, my friend and mentor at the University of Tennessee, who guided me through my dissertation and made my doctoral work a profound learning experience.

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Boston, Massachusetts  
November 1984



# CONTENTS

FOREWORD	vii
ACKNOWLEDGMENTS	ix
LIST OF TABLES AND FIGURES	xv
1 QUALITY OF WORK LIFE IN PERSPECTIVE	1
The Meaning of Quality of Work Life	2
A Framework for Examining the TVA Experiment	9
Plan of the Book	10
A Note on the Approach	11
PART I	
THE SETTING	
2 THE ORGANIZATION	15
A Brief History of TVA	15
TVA as an Organization	17
The Experimental Site	20
The Comparison Site	24
Similarities and Differences between Experimental and Comparison Organizations	27
Summary	28
3 UNION-MANAGEMENT RELATIONS	30
Labor-Management History	30
The Cooperative Conference	32
The Unions in the QWL Project	34
Summary	36
PART II	
THE TVA EXPERIMENT	
4 INITIAL ACTIVITIES AND THE CHANGE PROGRAM	39
The Decision to Participate	39

Chapter	Page
The Change Program in TPE	46
Chronology of the Change Program (1975)	54
The Observer/Facilitator	57
Summary	57
5 EXAMINING ORGANIZATIONAL STRUCTURE AND WORKFLOW	59
Background and Prelude to Period II	59
A Review of Task Force Activity (1976-1977)	66
Aftermath of Ramada II: Adapting to Unplanned Changes	70
Internal Evaluation of Programs	74
Summary	76
6 TRANSITION AND PERMANENCE	78
Background	78
Developing the Philosophy Statement	83
The Philosophy Statement	85
Summary	88
PART III OUTCOMES	
7 DESIGN OF THE ASSESSMENT	91
Overview and Objectives of the Study	91
Issues and Dilemmas in Field Research	92
The ISR Measurement Program	94
Assessment at TVA	95
Framework for Assessment	98
Variables and Methods	102
Summary	111
8 RESULTS: PERCEPTIONS, ATTITUDES, AND REACTIONS	112
Global Assessment	112
Results	113
The Impact of Participation	122
General Reactions	125
Management Reactions	131
Summary and Conclusions	136

Chapter	Page
9 PROCESS ISSUES	137
Examining Power Relationships	138
The Role of the Quality of Work Committee	142
Internal Life of the QWC	156
Case Study—The Decision to Consolidate: Anatomy of a Decision that Wasn't	160
The Impact of External Agents	170
Summary and Conclusions: The Interaction of Process Issues	180
10 LEARNING FROM TVA	183
Major Outcomes of the Experiment	183
Implications: The Paradox of Participation	187
Suggestions for Managing Participatory Change Programs	192
The Future: Whither QWL?	195
QWL and Organizational Culture	197
Summary and Conclusions	198
EPILOGUE: THE END OF COOPERATION	199
APPENDIXES	201
A Functional Description of TPE	202
B Demographic Profile: TPE	205
C Functional Description of DED	208
D Demographic Profile: DED	210
E Scales and Component Items	213
BIBLIOGRAPHY	224
INDEX	233
ABOUT THE AUTHOR	240

# LIST OF TABLES AND FIGURES

Table	Page
2.1 Growth of TPE	24
2.2 Growth of DED	27
3.1 TPE Union-Management Distribution	35
3.2 DED Union-Management Distribution	35
7.1 Survey Administration Summary	97
8.1 Paired T Tests—Personal Influence	114
8.2 Paired T Tests—Organizational Climate	116
8.3 Paired T Tests—Union Effectiveness	117
8.4 Paired T Tests—QWC Effectiveness	118
8.5 Paired T Tests—Attitudes and Rewards	120
8.6 Analysis of Covariance	124
8.7 Semistructured Interviews	126
8.8 Responses to Quality of Work Program in General	128
Figure	Page
1.1 QWL as a Change System	9
2.1 Organization of the Tennessee Valley Authority	18
2.2 Office of Power	21
2.3 Division of Transmission Planning and Engineering	22
2.4 Division of Engineering Design	26
6.1 Transition Plan	82

Figure	Page
7.1 Time-Sequenced Assessment Model	95
7.2 Global Assessment Model	102
7.3 Participation Model	108
7.4 Measurement Schedule	110
9.1 Relationships Among Social Actors Within QWL Program	140
9.2 Interaction of Process Issues	180

# 1

## QUALITY OF WORK LIFE IN PERSPECTIVE

It is abundantly clear that the quality of work life has been a major concern during the past decade. The number of scholarly and popular articles relating to the concept continues to grow, and several centers at the regional, national, and international level have been established to study quality of work life issues and develop experimental projects. Several major experiments have been conducted (e.g., Goodman 1979; Guest 1979; Beer 1979), and most major corporations have some identifiable "quality of work life" program. Some programs, such as those at the General Foods Topeka plant, General Motors' Tarrytown assembly plant, and an automotive mirror company in Bolivar, Tennessee have received extensive media attention.

This book provides an assessment of a three-year organizational change experiment that occurred in one division of the Tennessee Valley Authority. The project was one in a series of experimental sites known collectively as the Michigan Quality of Work Program launched in 1972 by the American Center of Quality of Work Life in affiliation with the Institute for Social Research, University of Michigan. The projects were designed as demonstration experiments, initially funded by the Ford Foundation and the U.S. Department of Commerce, to stimulate thought and action toward system-wide improvements in organizations based on a collaborative strategy between management and employees (Seashore 1983). The Institute for Social Research (ISR) was responsible for a program of assessment of each experiment, applying a broad array of measurement techniques to disseminate knowledge throughout the academic, business, and labor communities about organizational change and the quality of work life.

TVA provided an ideal site for a quality of work life experiment. The organization was born as a grand social experiment, part of

Franklin Roosevelt's New Deal, to develop a region devastated by the Great Depression. As the largest energy producer in the United States, TVA was highly visible during a time of increased concern about the nation's energy needs. TVA was well steeped in democratic ideals of citizen participation, a theme that echoed throughout the entire quality of work life movement. The division within TVA chosen as the experimental site was almost exclusively a white collar organization. Since much of the focus of organizational change strategies had been in traditional blue-collar work sites, the TVA project was an opportunity to explore work improvement techniques in the service sector of the work force. Moreover, TVA since its inception has been a subject of fascination for social scientists as a complex public institution, a symbol of democratic ideals that have more or less persisted over fifty years, and a history replete with ironies and paradoxes as it has carried out its vast mission (Neuse 1983). The TVA quality of work life experiment adds a significant chapter to the legacy.

#### THE MEANING OF QUALITY OF WORK LIFE

While the amount of activity under the QWL banner is increasing, it remains unclear as to what is meant by the term "quality of work life" (QWL). A recent special report in Business Week (May 11, 1981) used the term to apply to new forms of industrial relations in which cooperation between unions and management is the central theme. More often, QWL is invoked as a euphemism for worker participation, industrial democracy in the European tradition, work redesign, or a myriad of other organizational change techniques. Lawler (1982) provided an internal-external dichotomy for defining QWL. A high QWL is exemplified by either the prevalence of certain organizational conditions and practices or by the impact that such conditions have upon the well-being of individuals. The latter internal definition was preferred by Lawler, although "well-being" is open to a variety of interpretations. Nadler and Lawler (1983) traced the evolution of the term QWL, first as a variable, then as an approach to change, as specific methods, and finally as a movement with ideological underpinnings. Their working definition included two major themes: an emphasis on the impact of work on the individual and organizational effectiveness, and participation in problem solving and decision making. QWL, in their view, represents a way of thinking about these issues. It is unclear from the literature whether or not quality of work life should include productivity or if the two concepts are conceptually linked (Lawler and Ledford 1982).

During the past two decades the lexicon of organizational change has grown to include a host of ambiguous terms such as organization

development, management by objectives, and job enrichment. Academicians and practitioners alike tend to refer to the terms as if there are universally accepted definitions accompanied by precise methods for implementation. To attempt to sort out the hairline differences among the many terms is to wander aimlessly through the "semantic wilderness" identified and explored by Mills (1975, p. 128). As he suggests, we are left with a broad but nameless field of inquiry. It is the premise of this study that the "quality of work life" cannot be defined with anything other than the most general of terms, and, therefore, is quite meaningless when viewed as a unitary concept. It is better understood as an interacting set of issues and processes directed at improving life at work. The various meanings attached to the concept seem to cluster within four distinct, yet related domains. In essence, quality of work life has been viewed as:

1. a philosophy with underlying values and assumptions;
2. a set of structures and methods for organizational change;
3. a set of human processes operating as a function of planned change; and
4. a set of outcomes that can be monitored and assessed.

#### Quality of Work Life as a Philosophy

The quality of work life has been viewed as a "movement" (Guest 1979; Nadler and Lawler 1983) which grew out of the era of general questioning and changing of cultural values of the 1960s. Books such as Toffler's Future Shock (1970) posited that work in its traditional form was causing widespread worker alienation, the so-called "blue collar blues" and "white collar woes." A study conducted by the Department of Health, Education, and Welfare titled Work in America (1973) seemed to support these contentions. Senate hearings and public debate suggested a crisis of national proportions. The quality of work life theme began to be espoused at national conferences by both management and union officials. Guest (1979) credits Irving Bluestone, a vice-president for the United Auto Workers, for initiating the quality of work life movement in a 1972 speech. The subsequent agreement between GM and the UAW in 1973 leading to the Tarrytown experiment is considered to be the cornerstone of the quality of work life ideology.

During the same time period organizational change programs were becoming more eclectic and complex, and the concept of organizational change was expanded to include whole systems over a longer time frame. Underlying many change efforts was a general value system based on the premise of collaboration. Trist (1977) defined col-



laboration as emergent social processes adaptive to the increasingly turbulent environments of the new postindustrial order. Crucial to this value system was the acceptance of interdependence and a willingness to negotiate rather than coerce. In essence, "win-win" replaces "win-lose" in management-worker relations. Trist's thinking was elaborated by Appley and Winder (1977) who extended the definition of collaboration to include mutual aspirations, interactions based on justice and fairness, a consciousness of one's motives, and caring and commitment in relation to others.

This basic philosophy had been espoused much earlier by Burns and Stalker (1961) as an "organic" management system and generally paralleled the Human Relations School of Organization Theory which included McGregor's (1960) Theory Y, Argyris' (1957) fusion of individual and organization, and Likert's (1967) System 4. The philosophy was further crystallized by Herrick and Maccoby (1975), forming the basis of the Work Improvement Program. These Harvard-based QWL projects were designed to create a "spirit of mutuality" between management and workers based on the principles of security, equity, individuation, and democracy. The Bolivar project, which eventually became part of the Michigan Program, was based on this conceptual foundation (Duckles and Duckles 1977).

In actual practice, such pure ideology often results in different interpretations by managers and union officials. Seashore (1982) recently observed that QWL represents a rather "mixed bag of purposes." There are any number of implicit assumptions that can underlie experimental organizational change programs. Some proponents of QWL believe work should be improved in order to increase intrinsic rewards, i. e., to make work more enjoyable and to reduce the unhealthy effects of stress. Others are motivated by more financial interests such as increased efficiency and productivity, based on the unproven assumption that satisfied workers are more productive. In some cases QWL programs are undertaken either to promote or undermine a more far-reaching political ideology (e. g., industrial democracy or power equalization) that may have little to do with the specific problems of a given workplace. Clearly, not all of these objectives are compatible and the implicit purposes behind improving the workplace may conflict with external appearances. For example, some early QWL efforts were designed either to undermine or avoid unions rather than engage in a collaborative enterprise.

In assessing a change program, it is useful to begin by examining the philosophy implied by the actions undertaken. QWL programs often revolve around a dominant individual who personifies and articulates the underlying assumptions that otherwise remain hidden, such as Sidney Harman at Bolivar and Irving Bluestone at Tarrytown. It seems that programs that gain more widespread support have a cen-