Aligning HR Practices With Desired Organizational Culture: A Case Study

Geoffrey W. Peters
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Abstract
The purpose of this retrospective case study is to (a) examine an organization's culture and its human resource (HR) practices and (b) assess those HR practices in light of the cultural change needed to remain congruent with its changing business environment. The reader will gain an appreciation for the retrospective value of Cameron and Quinn's organizational diagnostic tools as a means by which to understand the values orientation of their organization. A method by which to measure the effectiveness of their HR practices, using recommendations from Dave Ulrich, in driving and sustaining those values is also provided.

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St. John Fisher College
16 April 2001
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The purpose of this retrospective case study is to (a) examine an organization's culture and its human resource (HR) practices and (b) assess those HR practices in light of the cultural change needed to remain congruent with its changing business environment. The reader will gain an appreciation for the retrospective value of Cameron and Quinn's organizational diagnostic tools as a means by which to understand the values orientation of their organization. A method by which to measure the effectiveness of their HR practices, using recommendations from Dave Ulrich, in driving and sustaining those values is also provided.
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Introduction

Purpose of the Research Study

The purpose of this retrospective case study is to (a) examine an organization’s culture and its human resource (HR) practices and (b) assess those HR practices in light of the cultural change needed to remain congruent with its changing business environment. This study demonstrates the usefulness of retrospectively using organizational diagnostic models as tools by which to conduct a review of human resource strategic activity in a rapidly changing business environment.

To conduct this study, anecdotal information is collected. Anecdotal information, in this context, refers to information capturing planned organizational change activities (Rothwell, 1992). An organizational diagnosis model refers to a metaphorical description of an organization to help categorize and interpret data about the organization (Howard, 1994).

Scope of the Research Study

The HR department and the senior management of Sigma Manufacturing (Sigma) (The name is changed to protect the identity of the company) exerted a change management effort from many fronts. Business systems, financial systems, manufacturing systems, and human resource systems underwent transformations as Sigma transitioned into its new environment. It is not within the scope of this study to attempt an analysis of all these systems changes even though each one had some influence on the overall successful cultural transition of the organization. It is also not within the scope of this study to explore the concept of organizational culture beyond defining it. The focus of this study is on the human resource (HR) roles and practices and the influence they had on the behavior, thus the performance, of the organization.
The research study limits its scope to the analysis of the Sigma high-level strategic business objectives, organizational culture, and HR practices between 1990-1995. Actual HR practices conducted between 1990-1995 are chronicled then compared to best practices in the HR development literature. The relative effectiveness of Sigma's effort to achieve the desired cultural changes necessary to reach its business objectives is determined.

Questions to Be Answered in the Research Study

1. What internal and external changes occurred between 1990-1995 that affected Sigma?

2. What were the actual HR role and HR practice strategy shifts initiated at Sigma between 1990-1995?

3. What HR policies and practice changes does the research literature recommend to Sigma for it to achieve its desired future culture? To what degree did the Sigma HR practices implemented coincide with what the research literature recommends considering the Sigma business strategy?

Research Study Assumptions

Sigma successfully transitioned from a captive to a competitive company culture between 1990-1995. The organization increased its volume by 35%, decreased its costs by 50%, and increased its customer base from one customer to 13 customers. Sigma succeeded in making this transition despite significant shifts in technology and customer-product-format preferences.

Based on Sigma's performance three assumptions are made: (a) Sigma was successful in meeting its business objectives, (b) such transition could not have been successful without successfully changing the culture of the organization, and (c) HR practices and strategies employed during this time influenced the behavior of the organization.
Research Study Hypothesis

Sigma succeeded because it successfully adjusted its organization’s culture to be aligned with its business strategy. A review of the research best-practices literature on HR roles and strategy shifts to drive organizational culture change supports the actual practices implemented by Sigma Manufacturing. The following hypotheses are posed:

1. Sigma HR roles and practices shifted to be congruent with Sigma’s desired organizational culture.

2. HR roles and practices research literature validates those HR roles and practices implemented by Sigma Manufacturing.

The Importance of the Research Problem

As business strategy changes it is important to strategically adjust human resource roles and practices to manage and align the organization’s culture to the new strategy (Buhler, 1999; Huselid, 1995; Rothwell, 2000; Schuler, 1992; Schuler & Jackson, 1987; Schuler & MacMillan, 1984). In order to validate the importance of this issue, there are five prerequisite areas of understanding:

1. It is important to understand the environmental changes affecting the organization.

2. It is important to align the organization’s culture with the demands of the environment.

3. Organizational diagnosis is important when managing culture change.

4. Human resource roles and practices are important in changing organizational culture.

5. Reflection is an important mechanism for strategic learning.
The Importance of Understanding Environmental Changes Affecting the Organization

In order for a business to remain competitive in its markets, the organization must stand vigilant to environmental changes and adjust its organizational behavior accordingly. Vaill uses the term environment to refer to "the physical and social context within which any target system is functioning, be it a person, group, or organization" (Editor in Weisbord, 1978, p. 73). As the business environment shifts, an organization's culture must adapt accordingly in order to sustain performance. Human resources and line management must also adjust their roles and strategies to shift the organization's cultural profile when its business environment demands it (Cameron & Quinn, 1999).

Weisbord (1992) states that open systems thinking is grounded in the belief that all things interact with one another in all directions. This belief is based on the philosophy that organizations operate in open systems. Lewin's philosophy that one must "manage boundaries and help people learn self-correction" (Weisbord, 1987, p. 164) stands as one of the earliest examples of open-systems thinking. It was formally introduced by biologist Ludwig von Bertalanffy and was utilized at London's Tavistock Institute of Human Relations by Emery (Weisbord, 1992, p.158).

Weisbord (1992) states that "cause and effect are not the only possible relationship between force and object" (p. 158). It is not enough to understand how the technology works or how the people tick. One needs feedback from those outside the organization. Those outside elements serve as the catalyst for change within the organization.

Weisbord (1987) explains that in order for an organization to achieve its objectives, its work systems must have the following: (a) a primary task; (b) an understanding of the social, technical, and economic assumptions surrounding it; and (c) feedback from outside to make the
necessary adjustments to enable the organization to go where it needs to go to reach its goals. Schein (1992) attributes the success of an organization’s culture by how well it operates within the environment, adapts itself to the external environment, and how well it integrates its internal processes to meet the challenges of the environment.

Schein (1992) defines culture as:

A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore to be taught to new members as the correct way to perceive, think, and feel in relation to those problems (p. 12).

The Importance of Aligning the Organization’s Culture with the Demands of the Environment

Many organizations feel that if they possess the six classic success conditions of (a) barriers to entry, (b) non-substitutable products, (c) large market share, (d) high bargaining power over buyers, (e) high bargaining power over suppliers, and (f) few competitors, then sustained success can be assured. Some companies feel they can remain internally focused and concentrate on producing products that have historically sold well in their markets. However, in today’s rapidly changing marketplace, these traditional conditions are not enough for an organization to remain competitive. "Most successful U.S. firms in the last twenty years have had none of these competitive advantages" (Cameron & Quinn, 1999, p. 3).

What differentiates companies achieving sustained success from other companies is their organizational culture. These organizations have been able to manage changes in their culture to deal with the demands of the external environment. The most common organizational change initiatives attempted in the last two decades are total quality management (TQM), downsizing, and reengineering. Most of these initiatives have failed because changes were attempted
independent of the culture of the organization. For fundamental changes in organization to be sustained, the organization's culture must be in alignment with that change, else, over time the organization will slip back into its past behavior and practices (Cameron & Quinn, 1999).

"Understanding corporate culture is critical to the organization's ability to make business strategy work" (Carleton, 1997, p. 68).

The Importance of Organizational Diagnosis in Managing Culture Change

There is a "critical need for culture change in most modern organizations" (Cameron & Quinn, 1999, p. 6). Standing watch for changes in the environment and seeing the need for a change is not sufficient. A solid organizational diagnosis methodology is required for effective changes to be made. HR must develop the capability to "diagnose the gaps in organizational and individual capabilities that inhibit the move to greater agility" (Patrick, 1999, p.19).

Organizational diagnosis gives an organization a methodology by which to adapt itself to the demands of its environment. It is a diagnostic vehicle to drive cultural change. In today's global economy, few companies can claim any of the six classic conditions of success. Cultural congruence to an organization's mission is the critical differentiator that spells success for companies having no other differentiator (Cameron & Quinn, 1999). Organizational diagnosis can detect this degree of cultural congruence.

The Importance of Human Resource Practices in Changing Organizational Culture

Schuler and Jackson (1987) assert that there is a link between organizational strategy, employee behavior, and human resource practices. The authors also contend that human resource practices have a significant impact on employee-role behavior. Certain employee-role behaviors are shown to be aligned with and contribute to the success of business strategies. Failure to
establish suitable human resource practices will ultimately create employee behavior unsuitable to sustain the desired business strategies.

Human resource practices have a significant effect on the behavior and ultimately on the culture of an organization. If employee behavior is not aligned with the business strategy, then organizational objectives may not be achieved. HR practices drive employee behaviors and therefore enhance or hinder certain business strategies (Schuler & Jackson, 1987).

The Importance of Reflection as a Mechanism for Strategic Learning

The fast pace of business today inhibits most efforts to reflect on the effectiveness and ineffectiveness of past strategies and actions. Methodologies and models designed to diagnose organizations and their culture are usually focused on analysis for future action. A present condition is determined, a future state is imagined, and a performance or competency gap is defined. Yet there lies much value in the strategies and actions of the past. Using those same methodologies and models to reflect on passed efforts one can shed light on what the organization has done well and on what it needs to improve. The act of reflection therefore is an important exercise to improve strategic thinking and position an organization to improve future strategic efforts. Reflection enables one to gain insight on one's environment and the impact that the environment has on the organization and the people comprising it (Daudeline, 1996).

Daudeline (1996) states that one can develop insights from past events and apply them to future actions. "Just as the process during sleep, this spontaneous process of reflection allows one to momentarily suspend the intense flow of new information to the brain. This enhances the processing of existing information, thereby better preparing the person to handle the demands of the rapidly changing environment" (p. 39).
Chapter 1
Introduction

This retrospective case study focuses on the HR practices implemented by Sigma Manufacturing (Sigma) and its effectiveness in aligning those HR practices with Sigma’s rapidly shifting internal and external environment. The organizations’ employees find themselves faced with having to change much of their basic assumptions of who they are as an organization and what is expected of them. This study attempts to show that HR practices indeed influence employee behavior and serve to influence changes in the culture of the organization.

Chapter 1 intends to provide the reader with a description of the shifts in HR practices at Sigma Manufacturing between 1990-1995. To establish the proper perspective, a comparison of the former owner’s (King Publishing) HR practices as of 1990 is made to the Sigma HR practices developed between 1990-1995.

King Publishing Background

King Publishing Company (King) is a century-old, privately owned publishing company. The name has been changed to protect its identity. King holds a commanding position as the leader in their respective publishing markets. All of its publications are authored using in-house or outsourced professionals then delivered to their book manufacturing facility for composition, pre-press, press, binding, and distribution to subscribing professional-service firms.

King’s book manufacturing operations provide book-manufacturing services only to King itself. In that sense the book manufacturer only has one customer. The book manufacturing operations has grown with the success of King. King’s book manufacturing, information technology, and distribution workforce exceeds 800 employees.
Sigma Corporation Background

Sigma Corporation (name changed), a division of a multi-national corporation, has recently purchased the King Publishing Company. Sigma Corporation’s purchase of King is in line with its strategy to acquire North American publishing companies to improve its position in what it perceives as a growing market. By purchasing King, Sigma can establish itself strongly in the U.S. market for their target publications.

Sigma Corporation’s primary interests lie in King’s intellectual property, not their book manufacturing operations. However, the increased revenue gained by creating a vertically integrated book-manufacturing capability as a shared service for all of Sigma’s is worth pursuing.

Sigma Corporation has no expertise in book manufacturing and is unable to assess the capabilities of the newly acquired book manufacturing facility. Sigma sends an executive into the organization to conduct an initial assessment. Following a brief period of reorganization the decision is made to recruit and select a book-manufacturing professional to lead the manufacturing operations, now called Sigma Manufacturing (Sigma).

New Leadership Drives a New Identity

Sigma installs Ron Preston (not his real name) at the helm, a seasoned executive with extensive book manufacturing expertise. His job is to evaluate the manufacturing facility, make it profitable as a shared manufacturing resource, or sell it.

In scanning the King (now Sigma) manufacturing environment Ron sees an organization steeped in a long history of paternalism and firm benevolence. The prior owner prides himself knowing that his manufacturing organization produces world-class-quality books. No expense is spared to maintain that level of workmanship. Sewn bindings with acid-free paper and carefully
crafted covers that can stand the test of time are the observable artifacts of those deep-seeded assumptions of how to compete in its markets. Accordingly, the employees who produce those books take great pride in their work and are loyal to King’s owner because of it. Ron knows these basic assumptions will be difficult to change (Schein, 1992).

Ron sees the organization through a different lens. His initial assessment indicates an organization that knows little about the commercial printing business with which they are about to compete. He sees an organization captive by the former regime’s practices of filtering information and paternalistic-style leadership. Here is an organization unaccustomed to operating cost-effectively, and feels entitled to salary and benefits levels that Ron perceives as well above competitive market levels for the one-color printing environment.

After briefly working with the existing management team Ron realizes that a fresh team of senior management hardened by the realities of a competitive marketplace would be required. The incumbent management team, confident and imbedded in the private owner/one customer model, resist any urgings from Ron to operate differently from their long-standing operational philosophy of high quality without regard to cost. Ron concludes there is not enough time to convert this group. His directive from Sigma is to grow it or sell it ... fast. Ron quickly installs seven new senior managers to lead the functional areas of composition, pre-press, manufacturing, distribution, finance, human resources, and customer service (this is a new department, formerly not needed).

Establishing a New Organizational Operating Philosophy

Ron has a clear vision, a set of values, and an operating philosophy that he has honed over his years of working with book manufacturing organizations. These values and philosophies are grounded in four main areas: (a) know your craft, (b) know your business, (c) know your
people and develop mutual trust, and (d) share information. The following sections provide King’s philosophy profile as well as Ron’s philosophy and his intentions moving forward.

Know Your Craft

King Manufacturing

King Manufacturing is organized into five operational sections: (a) composition, (b) pre-press, (c) press, (d) binding, and (e) distribution. Employees are assigned to specific jobs within one of these sections. Over the years, workers tend to settle into a particular job and remain in that position long term. Each worker knows their specific craft, yet is not fully knowledgeable of the work-in-process before or after them.

Sigma Manufacturing

Ron strongly believes in having a work force that fully understands the work-in-process. Having this process understanding enables workers to make better decisions in the work they do. Ron also feels that this is the first step in setting the stage for a mobile-flexible workforce capable of reacting more efficiently to the demands of the business.

Know Your Business

King Manufacturing

Under private ownership, King’s manufacturing operations is vertically integrated with the publishing end of the business. In this model, the book manufacturing facility operates in isolation from the rest of the commercial printing industry. Employees of the book manufacturing facility identify with the publisher and have little knowledge of what it takes to compete in the commercial printing market.
Sigma Manufacturing

Ron recognizes the need to shift the identity of the book manufacturing organization from that of a publisher to that of a commercial printer. In order for this organization to succeed in the marketplace, employees need to develop a full understanding of that marketplace, the competitors, and Sigma Manufacturing's strengths and weaknesses.

Know Your People and Develop Mutual Trust

King Manufacturing

King prides itself in developing strong loyalty within its ranks. The owner provides them with a world-class manufacturing facility, equipment, and resources to produce the finest quality books. He pays premium wages and benefits including family-friendly policies such as significant paid time off for personal and health reasons. For this the owner receives loyalty and cooperation from the workforce.

Sigma Manufacturing

Ron recognizes this deeply engrained loyalty to the past owner. He discovers, however, that the loyalty is based on dependency. The workforce now feels threatened by the new management team. Ron knows he needs to build trust and loyalty in the workforce, not to an owner or president, but with each other. Ron believes strongly that trust is a function of skills and character (Covey, 1990). Ron sees the organization's character is strong and understands it is the breadth of their skills that need to be developed. He must take them from a dependent state to an interdependent state.
Information Sharing

King Manufacturing

For over 20 years, King’s owner closely manages the publishing and manufacturing organization. Little cost-of-operations information is disseminated to the manufacturing line management or the workforce. The manufacturing operations produce similar book runs for King every year and the organization is lulled into a sense of security because of it. Any communication that occurs is internally focused and is usually transmitted via memo on the bulletin board. Few face-to-face meetings are held.

Sigma Manufacturing

Ron believes in full information sharing to all employees about the commercial printing business and the realities associated with it. He believes that with full information sharing all employees will ultimately commit to a business strategy to compete in their markets. But full information sharing would be a new concept for this workforce. Presenting information about the cost of doing business, the competitive arena, and Sigma Manufacturing’s vulnerability in it is met with skepticism and denial.

Shifting Sigma’s HR Roles and Practices

With that operating philosophy in mind, the local HR team, Sigma corporate HR, Ron Preston, President, the newly installed senior managers, the established line management, and in time, most employees, all play a part in reestablishing new HR roles and practices that uniquely suit the business challenges at hand. What follows is a summary comparison between the King HR roles and practices as of 1990 and the Sigma HR roles and practices that develop during the 1990-1995 timeframe. Each sub-section represents a HR practice and within it is a before and after comparison between King and Sigma’s HR practices.
HR Department Reorganization

Before

As a satellite operation of the publisher, the King manufacturing operation is closely controlled by the publisher's administration engine. The HR department at the manufacturing facility operates with a high dependence on the HR group located at the publisher. All King Publishing policies, procedures, benefits, payroll and compensation plans originate from the publisher and are applied unilaterally to the book manufacturing operations. All such systems emulate the publishing environment.

The HR Department at the manufacturing facility is tasked with primarily an administrative and employee-support role. Maintaining publisher policy and tending to the administrative needs of employees is the steady rigor of this group. There is little floor interaction of HR with production employees.

After

In recruiting and selecting Bill Wallman, the new HR Manager, Ron Preston takes his first significant action toward the reorganization of the HR Department. Quickly following the selection of Jeff, Ron succeeds in cutting the HR ties to the publisher, thus establishing his own stand-alone HR department. It was clear to Ron and Bill that to effectively provide HR services to the book manufacturing operations HR would need to be independent and autonomous from any publisher, yet leverage all possible efficiencies from Sigma corporate HR.

Bill Wallman and his HR staff (which now includes a safety and environmental manager) are now free to assess their situation and collectively decide their strategy going forward. To Bill and the rest of the HR staff, it is clear that whatever operational changes in HR take place, they
must be aligned with Ron’s operating philosophy of (a) know your craft, (b) know your business, (c) know and develop mutual trust with you people, and (d) share information.

Together, the HR team conducts a departmental analysis of tasks and functions. They form a cell concept whereby each HR practitioner has primary responsibility in a function while performing generalist duties with a whole department of employees. As each HR team member increases their knowledge in their functional area, they teach the others thus empowering them to administer that knowledge effectively in their respective area of manufacturing.

Through this functional role reorganization, the HR team effectively aligns itself with Ron’s operating philosophies by (a) increasing their knowledge of the HR craft, (b) developing a partnership with their respective departments thus gaining a better understanding of the business and (c) developing a full appreciation of the employee’s work, and (d) sharing HR-practices-related information deeper into the organization while simultaneously staying in touch with employee concerns.

**Communication and Employee Relations Systems**

Before

Communication at King is strictly top-down. King’s owner appears once a year at the manufacturing facility to pass out Christmas bonus checks and turkeys. All other communication is via memo. Supervisors issue operating orders and expect compliance from workers. Employee relations issues and appeals must proceed through a forced step chain of command.

After

Ron’s philosophy of full information sharing takes time to evolve. It eventually touches everyone in some way and forces a shift in paradigm for many. The HR team and the senior managers partner with Ron in the communication strategy development and implementation.
The strategy revolves around the intention to send and receive as much information as possible by as many modes as possible. This open-matrix philosophy replaces the forced step-process. In time it formalizes itself into five main communication modes: (a) quarterly large group meetings, (b) monthly shift meetings, (c) weekly business, people, and equipment news; (d) monthly newsletters with corporate and business information, and (e) an open door policy inviting any employee to see anyone in management with whom they feel comfortable without first seeing their supervisor.

Of the five modes of communication listed above, Ron and the HR team exert significant effort crafting strategy around the first two communication modes. These are face-to-face formats with large and small groups. Ron leads all large group face-to-face communications though HR and other key management assist in crafting the content of each session. These face-to-face formats encourage a full two-way exchange resulting in employee business strategy understanding, as well as management understanding of employee needs and concerns.

**External Recruitment & Selection**

**Before**

The HR department maintains an ongoing applicant pool of candidates. When openings occur, HR reviews all applicants for minimum qualifications and pass on qualified candidates to the hiring supervisor. It is the hiring supervisor’s sole decision as to who is selected. HR monitors for any violations of employment law legislation.

**After**

Line management and HR share the responsibility of recruitment and selection. Essential requirements of the position are jointly reviewed and interview questions are drafted for use. Representatives from various departments are involved in the interview process. A candidate-
selection consensus is achieved which enhances new employee success, as it is likely that they will work in multiple departments.

Internal Mobility Systems

Before

A formal job posting system exists whereby employees bid on open positions within the manufacturing facility. HR reviews candidates then supervision selects the most senior qualified employee. For promotional opportunities into management, the selection is based solely on management discretion. HR notifies unsuccessful candidates.

After

The job posting system for production positions remains the same, but significant changes are made to the process for upward mobility. A succession program is created that provides formal and informal supervisory preparation for selected high-potential production employees. All employees desiring the opportunity to interview for the opportunity are permitted to present themselves. HR does not screen for minimum qualifications. Once candidates are chosen, unsuccessful candidates are counseled and knowledge, skill, or ability gaps are identified and improvement plans established.

Human Resource Information Systems (HRIS)

Before

King Manufacturing depends on the publisher’s records and payroll systems. The design of these systems suits the publishing environment but not a manufacturing environment. The publisher controls reporting with ad hoc reports being possible via written request.
After

Once establishing itself as a stand-alone department, Sigma HR is free to purchase its own HRIS system. Payroll and HR data processing is housed at the manufacturing site and ad hoc reporting is fully within the capabilities of the HR and Payroll departments. With the data fully viewable in formats suited specifically to a manufacturing setting, many improvements are formulated. HR and payroll now produce reports adding significant value to line management. A self-serve HRIS environment is not achieved although some senior managers have access to the system.

Benefits Programs and Compensation Systems

Before

The publisher’s HR department strictly controls all provisions of the benefits and compensation process. Benefits and compensation are linked closely to the culture enjoyed by a publishing company having a near-monopoly position in its niche market. The benefits and compensation packages thus contain generous paid-time-off allowances, heavily subsidized medical, generous overtime provisions, and other perks rarely found in commercial printing compensation packages. Because the manufacturing employees receive little information about compensation and benefits realities of the commercial printing industry, they feel an entitlement to the level of benefits and compensation provided by King.

After

It is clear that all benefits and compensation need full review and benchmarking against the commercial printing markets. Many benefits such as pension, 401K, and long-term disability have already been set by corporate HR. Wages and benefits such as overtime and paid-time-off are areas within the control of Sigma Manufacturing.
Paid-time-off benefits. During benefits communications, Bill presents current paid-time-off benefits compared to the competition, in this case, the general manufacturing industry (not the publishing industry). But instead of unilaterally reducing the paid-time-off benefit, Bill informs the group they have the opportunity to leave the benefit maximum where it is, and reduce their absences voluntarily to fall in line with the national average for manufacturing. In this way those few who really need the paid time can have it available.

A year passes and absence rates do not change. Ron authorizes the unilateral reduction of paid-time-off to national manufacturing averages. The work force is not happy, but they accept the decision because they know they had a choice.

Compensation system redesign. Bill also begins an eighteen-month process of re-evaluating all wage rates in the facility. Widespread communications regarding the intention is immediately conducted. Ron and the HR team all support a team-based approach to gathering the needed information. Teams, consisting of representative incumbents from each position and HR as facilitators, conduct their own position analysis. HR designs custom wage surveys based on the position analysis summaries and surveys only those companies that produce similar type products. All results of the surveys are made available to any employee wishing to review them.

In the end it is found that wages are indeed significantly above the market, and the decision is made to freeze wage increases for more than 50% of the employees until they are 5% above commercial printing market levels. Many employees are vocal about their dissatisfaction. Some employees attempt to provide alternative sources of wage data, yet those sources also ultimately align with original results. Employees generally accept the decision. There is no increase in employee turnover. No unionization attempts materialize.
Yet Ron and the senior management team believe in sharing performance gains, therefore they institute an employee-led gainsharing program in order to accelerate productivity, cost, and quality performance. Ron acquires an organizational-development consultant to drive the launch of this gainsharing program. The program serves the organization well in its continuous improvement gains.

Because the gainsharing initiative is a manufacturing-center-driven initiative, it is out of the scope of this HR practices study and is not considered in the analysis beyond its impact on team development and recognition systems.

**Team and Management Development**

*Before*

Available records available indicate no measurable effort, prior to 1990, to develop the management team or teams. On-the-job training is the primary mode of assimilating someone to his or her respective job duties. Informal mentoring is assumed as most succession planning efforts rely on internal candidate pools chosen by management.

*After*

Sigma corporate provides significant support in this HR practice area. Following an assessment period that measures the perceived needs of all levels of management, corporate training and development initiates a series of management development programs to suit each level of management. Each program is based on 360-degree feedback. All managers attend one or more of these programs.

HR and line-management partner in a long-term effort to provide development opportunities for employees aspiring to leadership roles within Sigma Manufacturing. Numerous teams are formed such as (a) impact teams, (b) development teams, (c) high performance teams,
(d) fix it teams, and (e) gainsharing teams. The organizational-development consultant provides facilitator and problem solving methods training to production employees to foster a deeper leadership bench strength in Sigma Manufacturing.

Performance Management Systems

Before

The King manufacturing management dutifully produces annual performance appraisals for their employees. General comments are written, then presented to employees without any opportunity for their input. Ratings are on a 7-point scale. Overall, 80% of all employees receive between a 3.5 and a 4.5 rating. Receiving a “3” rating means employees are performing poorly. It is understood that receiving a 7 in any performance category is impossible.

After

After scanning the performance review records, the HR team realizes greater attention to supervisory training in goal setting, performance documentation, and two-way performance discussions are needed. With this development it is hoped that greater differentiation in performance ratings is achieved. The HR representatives spend significant time and energy working with supervisors coaching them in good performance management practices.

Ron sponsors his own Model Employee program. He believes in the concept that everyone makes mistakes and should be able to overcome them. In this program an employee with significant performance issues can pay back and eventually erase the old performance through improved performance such as cost savings, productivity improvement, and behavior improvements.
Medical, Safety, Environmental, and Health (EH&S) Programs

Before

King provides employees with state-of-the-art equipment and facilities. It extends to the medical and EH&S systems as well. Shift supervisors and department managers have minimal involvement in the day-to-day administration of these programs. The responsibility lies predominantly with the medical department for all short and long-term disability and workers' compensation administration. There is no specific strategy for EH&S compliance activity, though minimum compliance is achieved.

After

Bill and Ron consolidate all medical and EH&S functions under HR. This enlarged HR team establishes a plan to consolidate all EH&S practices into a single reference for supervisors. The strategy is designed to define the nature of the partnerships with supervision, employees, outside medial professionals, internal medical resources, outside regulatory agencies, and others on the HR team to improve EH&S performance.

Providing supervision with maximum EH&S information and securing their involvement in workers' compensation related return-to-work efforts improves the quality of safety related programs and employee lost time statistics. Employee teams compose Job Safety Analysis (JSAs). The JSAs serve as the cornerstone of all skills training and establishes employee sponsored safety requirements.

Environmental compliance is improved through the development of partnerships with various parts of the facility. The EH&S manager establishes waste handling, storage and disposal, labeling, and training processes that are carried out accurately by these teams.
Organizational Development – Department Reorganizations

Before

King’s organization is a functional-hierarchy structure. As the organization grows it changes or adds functionality to the facility. Employee input into the implemented changes is not solicited, rather top management orchestrates all such actions.

After

In addition to the HR department reorganization, the senior management team faces other departmental reorganization challenges in response to business and technological developments. A Customer Service organization is formed and later re-organized to better serve increasing customer demands. The Distribution group moves into a mobile-flexible-skills structure to handle variable workloads. The Press and Pre-Press departments work together to reconfigure themselves into a seven-by-twenty-four (7 x 24) operation to cope with increased work volume. The Composition department establishes a transition plan to move from a legacy system to a desktop production system to sustain state-of-the-art composition capabilities.

All these departmental reorganizations are a reaction to some external force being exerted from outside the Sigma organization. In each case, employees have the opportunity to provide input into the changes being made. Though the final decision lies with the department manager, a significant effort is made to gain input from affected employees prior to finalizing reorganization plans.

Recognition System and Fun

Before

King provides a wide array of traditional family-friendly celebrations such as picnics and holiday parties. Recognition is provided in an annual Christmas bonus issued by the owner. All
forms of recognition and fun are issued at the sole discretion of the owner and are not based on any measurable performance achievement. A committee of employees coordinates the holiday events themselves. In time, employees view all such events as their entitlement.

After

Much of the traditional King-era celebrations remains during the Sigma era and continues to be coordinated by the employee committee. Ron and the senior management team add additional means of celebration designed to increase the level of pride and caring in the organization.

A veteran’s dinner is established honoring those who have served their country. Retirement parties are now hosted by Ron himself, honoring the retiring employee. Ron also forms his Kazoo Band that unexpectedly descends on departments to help them celebrate small wins achieved. These additional celebrations are intended to deliver real-time, face-to-face, and personal thanks to deserving employees.

The Gainsharing program establishes a formal performance recognition system at Sigma Manufacturing. Unlike the predictable annual bonus provided by King’s owner, this recognition is based on tangible, measurable gains in performance. Ron personally issues all gainsharing checks. Employees receive them with the specific understanding how they have earned it.

Case Study Conclusion

Sigma Manufacturing engages in significant HR practice changes in response to the vision of its CEO and changes in its internal and external environment. The overarching message from the CEO to know your craft and business, know and trust your people, and share information serve to guide all those who participate in the formation of new HR practices and the reformulation of existing HR practice implementation between 1990-1995. The remaining
chapters of this study focus on the HR practices being implemented at Sigma to determine how effectively they support and align with the desired culture as perceived by its senior management.
Chapter 2

Introduction

The purpose of this retrospective case study is to examine the human resources (HR) practices implemented at Sigma Manufacturing (Sigma) between 1990-1995 and determine their effectiveness in supporting and aligning with the desired organizational culture of Sigma as perceived by its senior management team. A literature search of related research is conducted. Recommendations from the literature will serve as the standard by which the Sigma HR practices alignment effectiveness is judged.

Purpose

The purpose of Chapter 2 is to provide a summary of the research on HR practices and how they are applied to influence employee behavior, organizational culture, and ultimately, organizational performance. Chapter 2 is organized into five main parts: (a) a brief history of organizations, organizational strategy; and HR; (b) a discussion of the linkages found between organizational and HR strategy; (c) a discussion of the variations found in HR practice strategy development; (d) a discussion of the necessary HR competencies needed to implement chosen HR practices; and (e) a discussion of organizational diagnosis models with a discussion of their criticality in HR practice strategy development.

History of Organizational Structures and Strategy and HR Structure

The structure of organizations has evolved from a one owner-one product concept to multi-national divisional structures involving a myriad of endeavors. The HR function has also evolved to provide its organizations with increasingly complex and strategically valuable services. This section will briefly explore this evolution as well as briefly describe the evolution of business strategy during the same period.
The Organizational Structures During the 20th Century

Organizations have evolved significantly over the past 100 years. Early agency-type structures typically are autocratic environments where the owner dictates the actions of workers. As organizations become more complex, with the onset of mass production methods, their structures become more functional in nature with division of labor and specialization of skills. As organizations expand in their markets, the need to create multiple organizations through divisionalization occurs, thus enabling businesses to pursue distinctly different business strategies within each division. The organizational evolution to date takes the form of a matrix or mixed structure where scarce resources are shared across division boundaries thus creating efficient synergies not possible under divisional structures (Miles & Snow 1984).

HR Roles During the 20th Century

As organizations evolve so do their HR functions and roles. During the agency-organization phase, HR either does not exist or it plays an informal employee-welfare-related role. With the development of the functional organization, HR has a clear mandate to acquire, train, and maintain employment resources. At this time the roles served revolve around basic recruitment, training, performance management, and wage administration activities. As organization evolve into divisionalized structures, the HR function expands to include performance-based awards, manpower planning and development, job rotation, and planned interdivisional transfers. In the transition to matrix structures, HR continues to expand its roles to include career planning, assessment centers, organization development, job enrichment, team building, and lateral skills allocation responsibilities (Miles & Snow 1984).
Business Strategy Configurations

Businesses engage in competitive strategies in order to succeed in their marketplaces. Miles and Snow (1984) characterize the range of business strategies into Defender, Prospector, and Analyzer strategy types. Defenders are characterized by “limited product-lines with single, capital intensive technology, and a functional structure typified by skills in production efficiency, process engineering, and cost control” (p. 37). Prospectors are characterized by “diverse product lines with multiple technologies, a product or geographically divisionalized structure; and skills in product research and development, market research, and development engineering” (p. 38). Analyzers are characterized by a limited basic product line; cost efficient technology for stable products, and product technologies for new products, a mixed (frequently matrix) structure, and skills in production efficiency, process engineering, and marketing.

Schuler and Jackson (1987) provide a variation to the Miles & Snow business strategy concept by characterizing business strategy into three categories: (a) innovative strategy, (b) quality-enhancement strategy, and (c) cost-reduction strategy. The innovative strategy is characterized by the production of products or services unique in the marketplace. The quality-enhancement strategy is characterized using the Xerox Corporation’s saying, “being right the first time every time” (Schuler & Jackson, p. 210). The cost-reduction strategy is characterized by “tight control, overhead minimization, and economies of scale . . . . with decreased output costs per person” (Schuler & Jackson, p. 210).

Linking HR to Organizational Strategy

This section addresses the importance of linking HR strategy to business strategy. It summarizes what researchers contend are important variables when formulating HR strategy to support a particular business strategy. The research shows that variables as organization structure
complexity and employee behavior are critical considerations when determining HR practice strategy.

**HR Strategy Criticality to Business Performance**

There is substantial research to support the premise that design of appropriate HR strategies is critical to any business realizing its business strategy (Delery & Doty, 1996; Denison, 1984; Devanna, Fombrum, & Tichy, 1981; Miles & Snow, 1984; Schuler & Jackson, 1987; Tichy, 1982, Wright & Snell, 1998a). Parker states that “strategic HR is about getting the strategy of the business implemented effectively” (as cited in Schuler, 1992, p. 18). Yet whenever HR does manage to link itself to the strategy of its organization it “usually is driven by the organization’s efforts to formulate and implement a particular strategy (Schuler, p. 21).

**HR Strategies Must Be Aligned With Business Strategies**

HR strategy must be closely aligned with the strategy of the business to ensure the business succeeds (Buhler, 1999; Huselid, 1995; Rothwell, 2000; Schuler, 1992; Schuler & Jackson, 1987; Schuler & MacMillan, 1984; Ulrich, 1997). Tichy (1982) asserts “the key to managing strategic change and making an organization effective is to align an organization’s components--its mission and strategy, its structure, and its human resources--within the three technical, political, and cultural systems and to align each of these systems with the others” (p.66). In order for the business to meet its long-term goals, the business needs HR’s participation early in its business planning process (Miles & Snow, 1984).

Devanna, Fombrum, and Tichy (1981) contend that the HR function can align itself with the business at three levels: (a) strategic level, (b) managerial level, and (c) operational level. At the strategic level HR develops policies and strategies for long-term development of employees. At the managerial level, HR concentrates on effective and efficient HR systems to appraise,
reward, and develop employees. At the operational level HR is concerned with effective and efficient implementation of HR policies and practices.

**Linking HR Strategy to Organizational Strategy and Complexity**

Miles and Snow (1984) describe three basic forms of business strategy: (a) Defenders, (b) Prospectors, and (c) Analyzers. Each form depicts the organization's strategic orientation. Using the example of the Canadian Pacific Corporation, Miles and Snow describe how HR changes the fit of their HR strategy to the three different organizational strategy forms. The HR management systems described are (a) basic strategy, (b) recruitment/selection/placement, (c) staff planning and training/development, and (d) performance appraisals and compensation.

Miles and Snow (1984) assert that HR needs "to enhance substantially their capability to diagnose, design, and help implement management systems that complement different business strategies" (p. 50). Miles and Snow show the evolution of the HR function as an organization evolves through the four stages of agency, functional, divisional, and mixed forms. For each progressively complex organizational phase, HR systems tend to become more complex as well. The system components are (a) role of HRM systems, (b) HR strategy, and (c) HR service emphasis. Each operates within each of the four organizational functional forms. The roles, strategy, and service emphases of HR tend to become more complex and broader in scope as an organization evolves through the functional forms. See Figure 1 for this HR system evolution summary.
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<tr>
<th>Role of HRM Systems</th>
<th>Agency</th>
<th>Functional</th>
<th>Divisional</th>
<th>Mixed Forms</th>
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<td></td>
<td>Informal process</td>
<td>Acquisition/ training/ maintenance</td>
<td>Development / consulting</td>
<td>Planning / allocation</td>
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<tr>
<th>HR Strategy</th>
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<th>Acquiring HR</th>
<th>Allocating resources</th>
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<th>HR Service</th>
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<th>Functional Form</th>
<th>Recruitment and selection</th>
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<td>Training</td>
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<td>Wage and salary administration</td>
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<th>Divisional Form</th>
<th>Performance-based rewards</th>
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<td>Manpower planning and development</td>
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<td>Job rotation</td>
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<td>Planned interdivisional transfers</td>
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<th>Matrix Form</th>
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<td>Assessment centers</td>
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<td>Organization development</td>
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<td>Job enrichment</td>
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<td>Team building</td>
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<td></td>
<td>Lateral skills allocation</td>
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**Figure 1.** Evolution of HR Management Systems. Adapted from “Designing strategic HR systems. By R.E. Miles, & C.C.Snow, Summer, 1984, Organizational Dynamics, p. 44.

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Aligning Employee-Role Behavior to Business Strategy Through HR Strategy Design

Schuler and Jackson (1987) provide a review of common business competitive strategies, employee-role behaviors necessary for each strategy, and a summary description of the types of HR practices a business would likely employ to support those strategies. Research supports that a leader's behavior must serve as a clear guide to and example of its business strategy. Schuler and Jackson extend the assumption that all employees' behavior has a significant impact on the success of the chosen business strategy as well.

Schuler and Jackson (1987) organize their argument into three segments: (a) competitive strategies, (b) needed role-behaviors, and (c) HR management practices. Competitive strategies consist of innovation, quality enhancement, and cost-reduction strategies. For each of these business strategies the authors describe the needed employee-roles that are instrumental in the implementation of the three business strategies. HR practices are categorized into planning, staffing, appraising, compensating, and training and development. Each practice, depending on how it is designed, will encourage certain behaviors and discourage other behaviors. The authors present their hypotheses that each business strategy can be linked to certain HR practices having certain design characteristics.

Schuler and Jackson (1987) use case studies to illustrate how HR practices support chosen business strategies. Organizations with an innovative strategy implement programs like employee stock options (ESOPs), 401(d), gainsharing, and spot-bonus programs to spark innovation. Organizations with an enhancement strategy implement job security messaging, egalitarian practices, and formal training. Lastly, organizations with a cost-reduction strategy implement work-process refinements, wage concessions, and work-force reduction HR strategies.
Table 1 summarizes Schuler and Jackson's (1987) hypotheses regarding archetypal configurations of business strategy and HR management philosophies and practices. For each business strategy, a corresponding HR archetype is listed. The authors qualify this model by admitting that organizations undoubtedly possess more complex business strategies than what their model suggests. In mixed matrix organizations, there may be multiple competitive strategies simultaneously being implemented and rapidly evolving or changing depending on environmental changes in the markets.

HR policy and practices must provide the same complex mix of HRM practices in such a mixed matrix organization. HR must also be prepared to make rapid adjustments in policy and practice to respond to shifts in business strategy. Considering the influence that HR policy and practices have on employee behavior, employees themselves are challenged over time to change their behaviors to meet the changing strategies of their business (Schuler and Jackson, 1987).
Table 1

<table>
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<tr>
<th>Schuler and Jackson Hypothesis of Competitive Strategy-HRM Archetypes</th>
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<tr>
<td><strong>Innovation Strategy</strong></td>
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<td>General Philosophy</td>
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<td>Nature of Job</td>
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<td>Performance Management</td>
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<td>Compensation Philosophy</td>
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<td>Compensation Rates</td>
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<td>Career Development</td>
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<td>Participation</td>
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HR Practices: Which Ones To Use and When?

Research-to-date attempting to find a relationship between HR practices and organization strategy and performance is mixed at best. It is not clear what policies and practices are considered to be the most effective in helping businesses to realize their business strategies. The strategic HR management (SHRM) field is being criticized for failing to produce any substantial theoretical foundation. This is due in part because of the disagreement among SHRM researchers regarding what HR practices should be used to support business (Delery & Doty, 1996; Wright & Sherman, 1999).

The research-to-date focuses on three major strategic SHRM philosophies:

1. HR practices are argued to have universal benefit to organizational performance regardless of the organization's chosen business strategy

2. HR practice design is contingent on the specific business strategy chosen.

3. The orthogonal view that HR practices must be a combination of universal and contingency views.

A summary of each of these three positions is summarized in the following sections.

Choosing the Right HR Practices

HR-practice-choice strategy is influenced by the employee behavior desired (Schuler & Jackson, 1987) and/or the specific business strategy desired (Miles & Snow, 1984). It is important to choose the appropriate practices as the chosen HR practices influence the skills and behaviors of employees which in turn affect organizational performance (Wright & McMahon, 1992).
Best Practices Approach vs. the Contingency Approach

Before the research arguing the universalistic vs. best fit approach to HR practices is presented, Wright and Snell (1998a) offer a rule of thumb regarding the level of abstraction of HR strategy. There are four levels of abstraction of a HR best practice: (a) guiding principles, (b) policy/practice, (c) product, and (d) practice/process. The higher the level of abstraction the more likely the strategy will have a universal affect on the business without regard to business strategy. The lower the level of abstraction, or more specific the strategy, the more likely “fit” with the business strategy is important (Wright & Snell, 1998a).

Best Practices or Universalistic Approach

There are researchers who contend that some HR practices always are more effective than others and should be adopted by any organization (Delery & Doty, 1996). The following researchers present a wide range of opinion.

Pfeffer (1994) presents 16 management practices he calls high performance work practices that when implemented will universally benefit organizational performance without regard to business strategy. They are (a) employment security, (b) selectivity in recruiting, (c) high wages or incentive pay, (d) employee ownership, (e) information sharing, (f) participation and empowerment, (g) teams and job redesign, (h) training and skills development, (I) cross-utilization and cross-training, (j) symbolic egalitarianism, (k) wage compression, (l) promotion from within, (m) long-term perspective, (n) measurement of practices, and (o) overarching philosophy.

Delery & Doty (1996), in preparation for their analysis, compiled the works of Osterman, Sonnenfeld, and Peiperl, Ker & Slocum, and Miles and Snow to determine a common set of strategic HR practices. Delery and Doty (1996) define strategic HR practices as those practices
that "are either theoretically or empirically related to overall organizational performance" (p. 805). The following seven HR practices are common among their extant literature search: (a) internal career opportunities, (b) formal training systems, (d) appraisal measures, (e) profit sharing, (f) employment security (g) voice mechanisms, and (h) job definition (Delery & Doty, 1996).

Delery and Doty (1996) conducted an analysis of the loan officer position in a bank system. Ideal business strategy characteristics are defined within the categories described in Miles and Snow’s (1984) strategic typology of Defender, Analyzer and Prospector. Also, applications of the seven HR employment practices are defined for three business environment types of market, mixed, and internal configurations.

Delery and Doty (1996) conclude from their study that stronger support for the universalistic approach exists. Three HR practices are found to have universalistic value: (a) profit sharing, (b) results-oriented appraisals, and (c) employment security.

Other researchers have also concluded that some HR practices have universalistic value. Schuler (1992) argues that "participatory processes may help cement the link between business strategy and HR practices. Similarly, Denison (1984) concludes that participation has a broadly positive effect on any organization regardless of business strategy.

Contingency Approach: The Basic Theory

The contingency approach assumes that some HR practices are better suited to drive or support certain business strategies than other HR practices. Researchers go further by saying that specific HR practices can be applied differently to uniquely match a particular business strategy.

The following researchers present their findings in support of the contingency approach.
Schuler's work with HR practices, as adapted in Schuler and Jackson (1987), describes 12 employee-role behaviors that will vary depending on the particular business strategy being pursued. Schuler and Jackson contend that HR policy and practices can be designed in a way that influence employee behavior in those 12 areas to become aligned with and drive the business strategy. Schuler and Jackson present five HR-practice categories of planning, staffing, appraising, compensating, training and development, detailing each with specific practices and each with a practice-application continuum. Their studies of various firms having different business strategies leads Schuler and Jackson to conclude that each of the five HR practices should be differentially applied depending on the business strategy.

Cabrera (1999) states that HR practices need to be designed in a way that reinforce the desired behaviors that support the target cultural norms needed to achieve business objectives. Cabrera presents an expert assessment system using Gomez-Mejeia's (as cited in Cabrera, 1999) six HR categories (work flows, staffing, employee separations, performance appraisals, training and development, and compensation) to assist practitioners in matching the identified business strategy with the actual HR practices.

This expert system provides an "assessment of actual HR practices to the ideal set of HR practices which should promote the cultural norms that best support the organization's business strategy" (Cabrera, 1999, p. 56). The expert assessment and selection system tool exposes those HR practices that support or hamper the organizations' strategic goals.

Cabrera (1999) also points out that HR needs to recruit individuals into the organization who possess the values that are congruent with the desired organizational norms. By recruiting such individuals, the desired behaviors will not have to be enforced rather they will occur as a natural manifestation of the individuals' existing values. Using expert assessment and selection
Aligning HR Practices

systems will provide HR with a tool that matches not only the person to the job but also the person to the organization's values and norms.

Deler & Doty (1996) refine Miles and Snow's theory of strategy, structure, and process to interpret it as a contingency theory. Using innovation as a single variable being applied to each of the business strategies of Prospectors (most innovative), Analyzers (moderately innovative) and Defenders (rarely innovative), Delery and Doty conclude Miles and Snow's theory to be a contingency-based approach.

Deler and Doty's (1996) research leads them to conclude that three HR practices are contingent on business strategy: (a) performance appraisals, (b) participation, and (c) internal career opportunities. Application variations of these three practices are correlated with each of the business strategies of Prospector, and Defender. Prospector organizations should consider results-oriented appraisal systems and low employee participation. Defender organizations should consider less results-oriented appraisal systems and permit higher levels of participation in decision-making and voice.

Contingency Approach: Fit Vs. Flexibility

Fit is defined as "the degree to which the needs, demands, goals, objectives and/or structure of one component are consistent with the needs demands, goals, objectives and/or structure of another component" (Nadler & Tushman, 1997, p.40). Schuler and Jackson (1987) assert that HR practices must vertically fit, that is, the practices must be congruent with and support the business strategy. Baird and Meshoulam (1988) assert that HR strategy and practices must fit the organization both internally and externally. External fit refers to HR practices being congruent with the particular stage of the business. Internal fit refers to the degree to which HR practices compliment and support each other.
Researchers also emphasize the importance of flexibility in HR strategy as it relates to business strategy. Sanchez (as cited in Wright & Snell, 1998b) defines flexibility as “a firm’s ability to respond to various demands from dynamic competitive environments” (p. 757). From the perspective of HR practices, flexibility refers to the ability of HR to change its practices rapidly to match the rate of change in business strategy (Wright & Snell, 1998b).

From the fit perspective, Baird and Meshoulam (1988) contend it is necessary for HR to sequentially build its practices and systems in the following areas: (a) manager awareness, (b) management of the personnel function, (c) portfolio of programs, (d) information technology, (e) personnel skills, and (f) awareness of internal and external environment. Each of these HR components should sequentially evolve/develop as the business evolves through the following steps: (a) initiation, (b) functional growth, (c) controlled growth, (d) functional integration, and (e) strategic integration. In this way both external and internal fit HR to the business is achievable. See Figure 2, The Strategic HR Matrix, for summary of specific component characteristics per business stage.
<table>
<thead>
<tr>
<th>Components</th>
<th>Stage I Initiation</th>
<th>Stage II Functional Growth</th>
<th>Stage III Controlled Growth</th>
<th>Stage IV Functional Integration</th>
<th>Stage V Strategic Integration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager Awareness</td>
<td>Aware of function’s administrative role</td>
<td>Aware of function’s broad role but not committed</td>
<td>Aware; often frustrated at fragmentation</td>
<td>Cooperative and involved</td>
<td>Integrated</td>
</tr>
<tr>
<td>Mgt. of the Personnel Function</td>
<td>Loose, informal; often none</td>
<td>Personnel manager; program orientation; manage conflicts among sub-functions</td>
<td>Personnel executive; business orientation; control, measurements, goals</td>
<td>Function orientation; dept. goals; planning, long-range direction; line/staff relations; collaborative</td>
<td>Company orientation; consistent and integrated with business and strategic direction</td>
</tr>
<tr>
<td>Portfolio of Programs</td>
<td>Basic salary and benefits administration; basic record keeping; non-exempt hiring</td>
<td>Many new programs added responding to business needs in comp., benefits, training, etc.; revisiting basic programs</td>
<td>Mgt. control programs; budgets, ROI, portfolio re-evaluated in measurable and analytical terms; advanced compensation</td>
<td>Interdisciplinary programs; focus on dept. goals and direction; productivity; change management; succession planning</td>
<td>Cultural and environmental scanning; long-range planning; emphasis on effectiveness &amp; efficiency in direct response to business needs</td>
</tr>
<tr>
<td>Information Technology</td>
<td>Manual employee profile; record keeping</td>
<td>Automated salary and basic profile; Advanced record keeping</td>
<td>Automate personnel work; mainly profiles, EEO, tracking; basic metrics</td>
<td>Utilize computer for projection; planning, analysis, and evaluation analysis; long-range issues and “what if” questions linked to the personnel and the organizational data base</td>
<td>Planning tools, research and analysis; long-range issues and “what if” questions linked to the personnel and the organizational data base</td>
</tr>
<tr>
<td>Personnel Skills</td>
<td>Administrative routine and housekeeping</td>
<td>Functional specialists</td>
<td>Increased professionalism in function and managerial skills</td>
<td>Integrating activities; skills in systems, planning, and analysis</td>
<td>High level of involvement in the organization; skills dealing with macro issues</td>
</tr>
<tr>
<td>Awareness of Internal and External Environment</td>
<td>Not aware</td>
<td>Aware of environment &amp; corporate culture but do not incorporate them in functions; activities</td>
<td>Aware of risks and opportunities in environment; addresses some in programs</td>
<td>Aware of / react and incorporate environmental changes identified</td>
<td>Systematically search for impact the environment has on organization; take an active role in making &amp; shaping decisions</td>
</tr>
</tbody>
</table>

Figure 2. The Strategic HR Matrix. From “Managing Two Fits of Strategic HR Management”, by L. Baird, and I. Meshoulam, 1988, Academy of Management Review, 13(1), p.124. Reprinted with permission from the publisher.
**HR focus: Fit or flexibility?** Milliman (as cited in Wright and Snell, 1998b) proposes an orthogonal view where fit and flexibility are at two ends of a continuum. In some instances maximizing fit may be counter productive to the business strategy at hand. Others see fit and flexibility as independent and necessary elements that need to be balanced; that each must be considered simultaneously in order to achieve momentary fits in an ever-changing environment (Miles & Snow, 1984). Wright and Snell (1998b) point out that HRM practices must consider internal and external fit while remaining flexible with changing conditions over time. How well and how quickly HR can achieve an internal and external fit is the measure of its flexibility.

Wright and Snell (1998), in their Fit/Flexibility Model of Strategic HRM (see Appendix A), show that HR practices employed serve a strategic purpose of achieving appropriate fit or achieving appropriate flexibility. Therefore HR strategy takes on a two-pronged approach to effectively enhance firm performance. Depending on the external opportunities and threats and internal strengths and weaknesses, an organization makes the strategic decision to change employee behavior through a combination of strategy-focused and flexibility-focused HR practices. The key is choosing the specific HR strategies that fit with the predictable/stable aspects of the business while employing generic HR practices that have the flexibility to rapidly change along with the shifts in business environment.

**Impediments to HR practice flexibility.** Astley and Van de Ven (as cited in Wright & Snell, 1998b; Oliver, 1997) state that HR practices can be flexible to meet changing business requirements depending on the HR practices' structural inertia, HR practices' social legitimacy, and the imbedded political forces of the organization.

Some HR practices have a certain structural inertia. The long-term development cycle of such practices (like gainsharing programs) are not conducive to rapid introduction therefore
cannot by nature be flexibly or rapidly initiated. Other practices become so structurally intertwined with other practices that they are extremely difficult to change or remove. Similarly, HR practices installed, by nature of the practice itself, can reduce a workforce’s behavioral flexibility. An example is the practice of defining position descriptions in extremely narrow and specific terms thus making rapid changes in employee position assignments difficult (Schuler & Jackson, 1987; Wright & Snell, 1998b). “To the extent that the HRM practices are flexible, in terms of both resource and coordination flexibility, the firm's overall flexibility is increased” (Wright & Snell, 1998b, p.764).

This thought further demonstrates the value of HR strategy of creating as flexible an organization as possible to enable it to pursue whatever business strategies are desired. The clear mandate for HRM is to cycle quickly through the phases of (a) discovering the strategic problem, (b) deciding on and implementing a HRM plan, (c) measuring the impact it has on the workforce, and (d) measuring the effect on the firm’s performance. It is a challenge to achieve this in any time frame, yet the additional challenge is to achieve this full cycle of discovery to proven performance improvement quickly before the business environment changes, requiring another change in HRM strategy (Wright & Snell, 1998b).
HR Capabilities Needed to Be Strategic Partners

This section explores the broad array of capabilities needed by HR practitioners as they attempt to earn the right to be considered a strategic partner within their organization. In order to succeed, HR professionals must be able to operate at multiple levels of the organization and be able to handle both process and people-related issues. Utilizing the work of Ulrich (1999), four HR roles are covered and the HR practice capabilities are summarized for each role.

HR Must Operate at Multiple Levels Within the Organization

HR must establish a strategic link, a managerial link, and an operational link with its organization to effectively support the business strategy. HR predominantly operates at the operational level within the organizations they serve. They fail to operate at the strategic level because management does not perceive them as having the ability to consult with them at the business level, therefore not competent enough to be of any strategic value. The disciplines of finance, marketing and production have succeeded in achieving full partnership with their organizations because they have clearly shown how they add value (Devanna, Fombrum, & Tichy, 1981).

Organizations understand the value that HR should bring to the table, but HR has yet to establish an across-the-board credibility throughout the field. In order to be effective HR must concern itself with more than just the operational level. It must delve into the managerial and strategic levels to add value in ever increasingly complex organizational environments (Devanna, et al., 1981; Towers Perrin, 1991).

HR must (a) address managerial and strategic issues within each of their sub-functions of selection, rewards, etc., (b) form a partnership with business strategic planning, and (c) establish
integration across the different HR functions so they are in coordination with each other.

(Devanna, et al., 1981)

What Does It Take for HR to Be a Business Partner?

HR has a critical role to play in building a competitive organization. HR must master both operational and strategic work that involves both process and people considerations. (Ulrich, 1999). This effort manifests itself into four major HR roles: “(a) management of strategic resources, (b) management of firm infrastructure, (c) management of employee contribution, and (d) management of transformation and change” (Ulrich, p. 25).

Being a business partner also requires understanding and performing the deliverables, metaphors, and actions required of the HR function. Deliverables are guaranteed outcomes in four areas: (a) strategy execution, (b) administrative efficiency, (c) employee commitment, and (d) transformation and change. Metaphors are the images that characterize the role of HR which are: (a) strategic partner, (b) administrative expert, (c) employee champion, and (d) change agent. As business partners HR plays a role in each. Actions are the personal activities and organizational systems undertaken by line and HR to fulfill these roles (Ulrich, 1999).

Four Major HR Roles

Within each HR role, certain capability deliverables and actions are required. Each role is briefly discussed describing the critical capabilities and practices needed for a HR professional to accomplish each role.

Administrative expert. The HR capabilities/activities essential to being an Administrative Expert are: (a) reengineer HR work through use of technology, process reengineering teams, and quality improvements; (b) build HR services that align with business needs, (c) efficiently deliver HR services and/or contract out services, (d) construct HR roles to add value/provide
technical expertise for each HR functional area, (e) create a shared services HR delivery mechanism, and (d) measure HR results in terms of efficiency (cost) and effectiveness (quality) (Ulrich, 1999).

**Employee champion.** The HR capability/activity essential to being an employee champion is the ability to help employees to reduce demands and increase resources. Critical factors involved in reducing demands on employees are (a) helping them to set priorities, (b) focus their activities, and (c) assist in reengineering their work. Critical factors involved in increasing resources for employees are (a) giving employees more control, (b) gaining their commitment, (c) providing challenging work, (d) providing an environment of collaboration and teamwork, (e) fostering an atmosphere of fun in the work setting, (f) establishing compensation programs where gains are shared, (g) establishing effective communication systems, (h) providing due process for employees, (i) utilizing technology to share information and make work easier, and (j) improving employee competence through training and development (Ulrich, 1999).

**Change agent.** The HR capabilities/activities essential to being a change agent is the ability to ensure the organization has a capacity for change. In order to become a change agent HR must “align internal culture to desired market identity, understand the process for creating a shared mindset, have a model of change that is used throughout the business, and keep the pressure on the business for responding to change, even in the midst of creating new strategies” (Ulrich, 1999, p. 187).

The HR practice outcomes associated with being a change agent are (a) establishing a sponsor and champion that strives to make everyone a leader, (b) seeing the need for something new and works toward making the need for change real to everyone, (c) articulating the future and working toward making the vision real to everyone, (d) securing key people to participate
and working to overcome resistance to change by gaining everyone's commitment, (c) changing management systems and rethinking all management practices, (f) putting monitoring measures in place and creating new monitoring measures that touch everyone, and (g) building action plans and that help people to learn by doing (Ulrich, 1999).

**Strategic partner.** The HR capabilities/activities essential to being a strategic partner are (a) developing shared meaning and purpose, (b) developing effective staffing and development practices; (c) developing performance management and rewards practices; (d) developing organizational design, policies, and communication practices; (e) developing work process improvement, change processes, and leverage learning for change; (f) selecting the right leadership; (g) aligning HR plans to business plans/integration with HR and line management; and (h) implementing customized benchmarking activity to meet organizational issues (Ulrich, 1999).

"As strategic partners, HR professionals should be able to identify HR practices that make the strategy happen. The process of identifying these HR priorities is called organizational diagnosis" (Ulrich, 1999, p. 27).

**Determining HR-Practice Priorities Through Organizational Diagnosis**

Organization Diagnosis utilizes a number of methodologies including data gathering, assessment, analysis, and organizational models for use in designing change strategy. These terms are defined to gain an understanding of the methodologies. A rationale is also given to show a basis for its use in organizations today.

**Organizational Diagnosis Defined**

According to Nadler and Tushman (1989), "diagnosis typically involves the collection, integration, and analysis of data about the organization and its environment. It involves
assessment of the organization usually based on some underlying model of organizational effectiveness" (p. 197). Rothwell, Sullivan, and McLean (1995) defines assessment "as the collection and evaluation of information to identify strengths and weaknesses in a client organization" (p. 140).

Burke (as cited in Howard, 1994) asserts that "diagnosis consists of data gathering followed by analysis [of that data]" (p. 54). By and large, organization development (OD) consultants collect data using interviews, questionnaires, observations, and/or examination of records (Rothwell, et al., 1995). Burke (as cited in Howard, 1994) states that once data has been collected it is statistically compiled and checked for alignment with organizational plans and policies. The second step is to categorize the results into a chosen organizational model.

Organization models according to Burke (as cited in Howard, 1994) serve the purpose of categorizing data about and enhance our understanding of an organization. Models also aid in the interpretation of data and provide a “common shorthand language” (Burke, p. 55) about which the organization can be discussed.

**Basis for Organization Diagnosis**

Organizational diagnosis gives an organization a methodology by which to adapt itself to the demands of its environment. It is a diagnostic vehicle to drive cultural change. In today’s global economy, few companies can claim any of the six classic success conditions of (a) high barriers to entry, (b) non-substitutable products, (c) large market share, (d) low bargaining power by vendors, and (e) low bargaining power by suppliers, or (f) low rivalry among competitors. Cultural congruence to an organization’s mission is the critical differentiator that spells success for companies having no other differentiator (Cameron & Quinn, 1999). Organizational diagnosis can detect this degree of cultural congruence.
Schein (1992), asserts that in order to properly diagnose culture one must have a mechanism by which to discover and understand the basic assumptions people have about solving its problems of external adaptation and internal integration. Concerning the matter of adaptation, Howard (1994) argues that because all organizations tend to gravitate toward states of stagnation or equilibrium, it is imperative that they undergo ongoing diagnosis to detect it and continually work toward being adaptive.

From the above-stated rationale for organizational diagnosis, one could easily see it as an analytic tool to dissect the inner workings of an organization in order to make needed adjustments. However, it is important to remain attentive to the ultimate reason why one engages in organizational diagnosis. Lewin, (as cited in Weisbord, 1987), believes that diagnosis is a process "to achieve commitment for action" (p. 72). Organizational analysis using diagnostic models will achieve change only when employees commit to embracing those necessary changes.

Models of Organizational Diagnosis

Two forms of organizational diagnostic models are reviewed: (a) contingency-based models and (b) a normative-based model. Six models used by organizational development practitioners are presented to establish a framework of understanding of what constitutes organizational diagnosis.

Contingency and Normative-Based Models of Organizational Diagnosis

In Burke (1992), contingency theories do not specify directions for change prior to diagnosis. "What needs to be changed emanates from the diagnosis" (Burke, p. 111).

Alternatively, normative theories assume there is "one best way and direction for change" (Burke, p. 115).
Five contingency models are described: (a) Weisbord’s Six-Box Model, (b) Nadler-Tushman’s Congruence Model, (c) Tichy’s TPC Framework, (d) Hornstein-Tichy’s Emergent Pragmatic Model, and (e) Cameron and Quinn’s Competing Values Framework. One normative theory, Blake and Mouton’s Grid Organization Development Model, is described.

**Weisbord’s six-box model.** Weisbord utilizes the open-systems notion of input/output with an organization represented by six boxes: (a) purpose, (b) structure, (c) rewards, (d) helpful mechanisms, (e) relationships, and (f) leadership. Within each box one diagnoses both the formal and informal systems to determine the gaps between the systems. Weisbord contends the greater the gap between informal and formal systems within each box, the more likely the organization will not function effectively as it attempts to adjust itself to the outside environment (Burke, 1994; Weisbord, 1987).

The environment is difficult to control from inside the organization’s system, yet it demands a response. Who is inside and outside the circle is often difficult to discern, but must be determined before diagnosis can begin. Each of the six boxes must react to the whitewater generated by the outside force. From diagnosis one deduces if there is poor relations with any one of the boxes with the external environment. Conversely inadequate coping with internal problems could stress one or more of the outside forces (Weisbord, 1987).

**Nadler-Tushman congruence model.** Nadler and Tushman (1997) construct an open-systems model consisting of inputs, outputs, and a transformation process. Inputs consist of the environment, resources, and organizational history. These elements are what are given to the organization. The organization must operate from within those confines and set their vision and strategy accordingly. Outputs consist basically of the organization’s performance against goals as well as the organization’s effectiveness with regard to individual/inter-group relationships and
Aligning HR Practices 65

coping with change. Nadler and Tushman describe the organization itself as the transformation
process. “It has four key components: the work, the people who perform the work, the formal
arrangements that provide the structure and direction to their work, and the informal
arrangements sometimes referred to as culture” (Nadler and Tushman, 1997, p. 32).

Nadler and Tushman (1997) focus specifically on the degree of fit between the various
combination pairs of inputs-to-transformation-process components. They hypothesize the greater
the degree of fit or congruence between the pairs, the more effectively the organization will
achieve the vision and strategic objectives it sets out to accomplish. The diagnosis strategy
consists of identifying the system, determining the key variables, then diagnosing the degree of
fit.

Tichy’s TPC model. Organizational change is dominated by three distinct traditions each
operating from certain assumptions. The first tradition is the technical view, which is based on
the scientific method. The second view is the political process which is based on the assumption
that change occurs via a negotiation between dominant groups. The third tradition is a cultural
view that believes in shared symbols or what Tichy (as cited in Howard, 1994) calls “cognitive
schemes” (p. 66).

Tichy (1982) asserts that in order for an organization to effectively change, all three
traditions must be aligned, otherwise the organization will become dysfunctional. Tichy provides
a metaphor of three inter-twined strands of rope that represent the technical, political, and
cultural elements of an organization. Tichy states that “strategic management is the process of
keeping the rope together in the face of changing demands brought on by the technical, political,
and cultural changes in the environment” (Tichy, p. 64).
Tichy places the technical, political, and cultural system elements into a matrix with six organizational components: (a) mission and strategy, (b) tasks, (c) prescribed networks, (d) people, (e) processes, and (f) emergent networks. Tichy conducts an “analysis of alignment” (Burke, 1993, p. 108) within each cell in the TPC matrix to determine how much change is needed to create alignment. Organizational effectiveness is a function of the matrix-cell components themselves and how they align/interrelate in the system (Burke, 1993).

Hornstein & Tichy’s emergent pragmatic model. Hornstein and Tichy assume that “executives have preconceived notions about organizational behavior and how human systems operate” (Burke, 1993, p. 110). OD consultants arriving with a predetermined diagnostic model will inevitably conflict with management’s preconceived notions. The Emergent Pragmatic Model involves the use of 28 organizational labels. The consultant and the management use these labels to explore their assumptions about their organization. This collaborative approach generates a diagnostic model often well suited to the organization’s specific situation and achieves congruence between the emergent model and the client’s experience. With the model established, the consultant and the management team devise their change strategy, implementation techniques, and assessment process to assure success.

Blake and Mouton’s grid organization development. Blake & Mouton espouse the Normative Theory where there is "one best way and direction for change" (as cited in Burke, 1993, p. 115). To determine that one best way, Blake and Mouton conducted a cross-cultural study to determine what managers feel are the greatest barriers to business effectiveness. The survey results indicated clearly that communication and planning are the two most critical elements necessary for business success.
Blake and Mouton (as cited in Burke, 1993) then developed a process by which managers could achieve the perfect balance between concern for production (planning) and concern for people (communication). The “9,9” coordinate on the Leadership Grid (Burke, 1993) indicates the target zone of managerial effectiveness and the key to organizational success. The process entails managerial development in six phases to analyze personal management styles, develop communication skills, and discover barriers to good planning. The first 5 stages deal with helping the management team transition to management practices defined by the 9,9 coordinate of the Leadership Grid. The 6th phase is the only phase that diagnoses the internal system to determine what "drag factors" (Burke, p. 120) exist that would pose barriers to either the planning or communication effort.

Cameron and Quinn’s competing values framework. Cameron and Quinn (1999) contend that in order for organizations to have enduring performance success, its organizational culture must be able to make appropriate changes to meet changes in its environment. To assist management in identifying the key cultural dimensions within their organization and understand where they should focus their cultural change efforts, Cameron and Quinn utilize their Competing Values Framework (CVF) tool.

The CFV “is useful for identifying the major approaches to organizational design, stages of lifecycle development, organizational quality, theories of effectiveness, leadership roles and roles of HR managers, and management skills” (Cameron & Quinn, 1999, p. 28). The modeling process consists of a survey eliciting the organization’s senior managers’ perceptions along six elements of the organization: (a) dominant characteristics, (b) organizational leadership, (c) management of employees, (d) organization glue, (e) strategic emphases, and (f) criteria of success. Senior managers are surveyed twice, using the Cameron and Quinn’s (1999)
Organizational Culture Assessment Instrument (OCAI). Once, to gage their perception of the organization’s current culture. A second, time to define the desired future culture needed to support their business strategy.

The model indicates four cultural types: (a) Clan, (b) Adhocracy, (c) Market, and (d) Hierarchy. When the data from the survey is plotted (see Figure 3) an image of the organization’s present and desired dominant organizational culture style is graphically displayed. Management can determine what cultural aspects need to be strengthened and which need to be de-emphasized. Suggested HR and business practices are provided as strategies for the desired cultural changes. For a definition of the four cultures used in the model see Figure 7, Chapter 3.

![Figure 3](image.png)

**Figure 3.** Cameron & Quinn’s Competing Values Framework (CVF). The figure displays an organization’s current and desired organizational culture. A solid line denotes the organization’s current culture and a dotted line denotes the organization’s desired future culture.
The framework plotting results indicate the relative strength of two major dimensions. Cameron and Quinn (1999) explain that "the first dimension differentiates effectiveness criteria that emphasize flexibility, discretion, and dynamism from criteria that emphasize stability, order and control" (p.30). The second dimension differentiates effectiveness criteria that emphasize an internal orientation, integration, and unity from criteria that emphasize an external orientation, differentiation, and rivalry." (p.31). These four dimensions as defined create two pairs of opposite and competing values that form four quadrants with each quadrant representing unique organizational effectiveness indicators and are identified using the four organizational culture profile types of: (A) Clan culture, (b) Adhocracy culture, (c) Market culture, and (d) Hierarchy culture. The resulting score plotting of the OCAI questionnaire illustrates the value preferences of the respondents. A strong preference for one organizational-effectiveness indicator implies a correspondingly weak preference for its opposing value-based organizational preference (Cameron & Quinn, 1999)(see Figure 4).
<table>
<thead>
<tr>
<th>The Clan Culture</th>
<th>The Adhocracy Culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>An organization that focuses on internal maintenance with flexibility, concern for people, and sensitivity to customers.</td>
<td>An organization that focuses on external positioning with a high degree of flexibility and individuality.</td>
</tr>
</tbody>
</table>

Cameron and Quinn’s (1999) “research indicates that matches between the dominant culture of the organization and its leadership styles, management roles, HR management, quality management, and effectiveness criteria contribute to higher levels of performance than do mismatches” (p. 54). Mismatches create opportunities for change toward greater alignment.

Organizational Culture As a Key Ingredient to Organizational Success

An organization’s culture can be an asset or a detriment to its performance (Cabrera, 1999). As organizations face the need for rapid change, having the appropriate cultural fit to match that change is key to future performance success (Pickett, 1998). Kotter and Heskett (as cited in Corporate Leadership Council, 1997) report that those companies with managed cultures experience on average 682% revenue increases, 901% stock price increases, and 756% increase in net income. Those companies without managed cultures experienced on average 166% revenue increases, 74% stock price increases, and 1% increase in net income.

Conclusion

Chapter 2 provides the reader with a selection of research conducted in the areas relevant to this retrospective case study. With an understanding of the evolution of business and HR structure and strategy one can see the increasing complexity of linking HR’s practices to the business strategy. What is clear from the research is that HR practices need to be designed in a way that reinforces the desired behaviors that support the target cultural norms needed to achieve strategic business objectives. (Cabrera, 1999; Schuler & Jackson, 1987). Organizational diagnosis is a key tool for HR practitioners to ascertain performance gaps caused by internal or external changes in the business environment.
Chapter 3

Introduction

The purpose of this retrospective case study is to determine the effectiveness of HR practices implemented by the Sigma Company (Sigma) and the effectiveness of Sigma HR and senior management in aligning those HR practices with Sigma’s rapidly shifting business strategy. This study attempts to show that HR practices indeed influenced employee behavior and served to influence changes in the culture of the organization.

Chapter 3 presents the methodology employed to conduct the study of Sigma Manufacturing’s (Sigma) human resource (HR) roles and practices alignment with the desired future culture of Sigma. In order to define the desired future culture of Sigma and assess the HR practices’ alignment with Sigma’s desired future culture, the following methods of data collection were used: (a) Delphi procedure, (b) Sigma extant data review, (c) HR practices benchmarking, and (d) interviews.

Chapter 3 presents the study methodology in two parts: (a) Part I presents the Sigma case-study analysis using the WOTS-UP methodology, and (b) Part II presents a sequence of Sigma-employee surveys that gathered the necessary information to determine baseline and desired organizational culture profiles as well as baseline and actual HR practices.

Part II details (a) the Sigma organizational cultural profiles of 1990 and 1990-1995 through the Competing Values Framework (CVF) (Cameron & Quinn, 1999), (b) Sigma HR’s role profile as of 1990, (c) Sigma’s HR practices implemented from 1990-1995, (d) a summary of recommended HR practice outcomes (Ulrich, 1999) needed in order to support the four organizational-culture profiles as defined by Cameron and Quinn (1999), and (e) a comparison of the Sigma HR practices implemented between 1990–1995 to the Ulrich HR practice recommendations.
Study Participants

Study participants included the following former Sigma employees: (a) President, CEO, (b) Vice President, Manufacturing, (c) Controller, d) Director, Information Technology, (e) Composition and Marketing Manager, (f) Customer Service Manager, (g) Distribution Manager, (h) Human Resource Representative, (i) Occupational Health Nurse, and (j) Safety and Environmental Manager. These former employees from Sigma were selected using non-probability purposive-judgement sampling. A non-probability purposive-judgement sample is a group of individuals selected because they conform to some criterion (Cooper & Schindler, 1998). A letter introducing the study and confirming their participation is shown in Appendix B.

Part I - Sigma Case Study Analysis

The case study presented in Chapter 1 is briefly summarized using the WOTS-UP analysis (Rothwell, 1989). In this way, a clear and concise view of Sigma's situation-at-hand can be understood and serves as the framework to view the subsequent data generation and analysis.

Sigma Internal/External Changes Between 1990 and 1995

To properly frame the conditions and imminent challenges of Sigma Manufacturing, a WOTS-UP analysis is presented based on the information presented in Chapter 1. A WOTS-UP analysis is an acronym that stands for Weaknesses, Opportunities, Threats, and Strengths. This analysis is useful when determining (a) a firm's current competitive weaknesses; (b) a firm's current strengths or advantages in their marketplace (c) environmental changes that could threaten a firm's ability to compete in their chosen marketplace, and (d) opportunities that these environmental changes may present to enhance a firm's competitiveness in their current or new marketplaces (Rothwell & Kazanas, 1994).
The following is a description of the strengths, weaknesses, threats and opportunities of Sigma Manufacturing. See also Figure 21 for a WOTS-UP diagram summarizing the Sigma Manufacturing situation.

**Sigma Strengths**

The Sigma Manufacturing workforce was a very stable work force with well-honed, but very narrow, book-production manufacturing skills. The facility was a state of the art facility with the manufacturing capacity to handle significantly greater volume.

**Sigma Weaknesses**

Because of the special value the King publisher added to the content of the books, the book manufacturing organization enjoyed the success associated with that value. The manufacturing workforce had a false sense of security because of it.

The Sigma Manufacturing workforce produced high quality books, but that capability applied only to a one-customer model with predictable and consistent expectations. The influx of new internal customers from within the Sigma Corporation compounded the workforces' inability to control costs, which already was being hampered by high labor rates.

**Sigma Threats**

The Sigma Corporation was clear regarding their expectations of their new manufacturing acquisition. The publishers internal to Sigma were not required to use the internal manufacturing resources if certain quality, cost, and service requirements were not met. This was threatening to this workforce who had been protected from such accountability under the King era.
The product mix was also changing. High quality, long shelf life hardbound books were being replaced by time sensitive, on-demand-type products. This shift in the definition of quality represented a paradigm shift for the workforce.

Changing technology in the publishing markets was creating document formats more economical and efficient than large hardbound book-sets, or for that matter the printed word. Short-run on-demand formats with six-month shelf lives, CD-ROM, and on-line delivery formats were quickly creating over-capacity in the book printing industry. Non-competitive facilities were closing.

Sigma Opportunities

It would seem Sigma was ill equipped to compete in the open market, which was under increasing pressure due to an over-capacity in the industry. Yet Sigma Manufacturing still held on to some competitive advantage in that they were vertically integrated within a corporation owning many publishers. Sigma Manufacturing did not have to earn the right to compete initially. New work did initially come their way. However, Sigma Manufacturing needed to demonstrate continuing incremental cost savings in order to continue receiving work from the publishers.

Sigma Manufacturing’s association with the Sigma publishers gave them a competitive advantage. Sigma Manufacturing did not need to be the lowest bidder. Since margins remained in the corporation when keeping work inside, a bid as much as 10% above other commercial printers still resulted in savings for Sigma Corporation.
Figure 5. WOTS-UP analysis of Sigma Manufacturing 1990. Sigma’s strengths, weaknesses, threats, and opportunities are listed.

Part II - Data Collection Methodology

Data collection techniques included an examination of extant data, surveys, telephone and face-to-face interviews, and e-mail correspondence. Data collection was performed in six phases: (a) Step 1: Sigma company-baseline-culture profile using the CFV; (b) Step 2: Define Sigma’s desired culture; (c) Step 3: Establish 1990 baseline HR roles; (d) Step 4: Determine HR practices that supported / drove the CFV organizational cultures, (e) Step 5: Summarize the Sigma HR practices implemented from 1990-1995, and (f) Step 6: Compare Sigma HR practices to the HR practice recommendations of Ulrich (1999).

Step 1: Sigma Company-Baseline-Culture Profile Using the CFV

The purpose of Step 1 is two-fold: (a) to summarize the Sigma organization situation as of 1990 via company documents and researcher’s business journals review and (b) to define Sigma’s culture as of 1990 by surveying the former Sigma CEO using Cameron & Quinn’s
Organizational Culture Assessment Instrument (OCAI) (1999) (Appendix C). “A survey is a system for collecting information to describe, compare, or explain knowledge, attitudes and behavior” (Fink, 1995, p. 1).

The Sigma CEO’s OCAI survey responses were then scored and plotted onto the Competing Values Framework (CVF) (Cameron and Quinn, 1999) See Figure 4 for scoring and plotting instructions.
Figure 6. OCAI baseline culture survey, scoring, and plotting process.
Step 2 - Define Sigma’s Desired Culture

In Step 2, Sigma’s desired culture was defined by surveying all senior-management participants using the OCAI (see Appendix D). Survey responses were solicited from the senior managers using the Delphi procedure to narrow the opinion differences of the participants regarding Sigma’s desired culture. A summary of responses representing three survey rounds was produced (See Appendix E).

The Delphi procedure is a structured approach to collecting information from independent experts (Rothwell & Kazanas, 1994). Each participant, ideally, should not know the identity of the other participants. If that is not possible, participants are instructed to not exchange responses or discuss the topic with each other (Butler, 2001).

The information gathering was conducted in three phases:

1. A round-one survey with background information about the topic-of-focus was constructed then distributed to the experts for completion and commentary.

2. Round-one survey responses were compiled and distributed to the experts for review. The experts considered the round-one responses and commentary summary, then completed a duplicate round-two survey and returned it to the surveyor with additional commentary.

3. Round-two survey responses and commentary were compiled and distributed to the experts for a final review. Again, the experts considered the round-two responses and commentary summary then completed a duplicate round-three survey.

The Sigma senior management OCAI survey responses were then scored and plotted onto the Competing Values Framework (CVF) (Cameron and Quinn, 1999). This survey data, when plotted onto the CVF, generates a graphical view of the Sigma’s desired cultural profile. Scoring and plotting instructions are described in Figure 7.
OCAI Scoring and Plotting Instructions:

1. Transfer "Round 3" response scores from the Delphi Procedure Responses Summary to the Scoring Sheet.
2. Calculate the response average for each survey question.
3. Calculate the average Culture Score by adding the response averages in each culture section, and then divide that sum by 6.
4. Plot the culture scores along their respective axis on the Competing Values Framework (CFV) grid. The resulting dotted-line graphic represents the predominating culture profile of Sigma as of 1990.
5. With both the 1990 baseline and desired culture profiles plotted on the same CFV, a clear view of the needed culture change can be seen.

Figure 7. Cameron & Quinn’s CVF of Sigma’s current and desired organizational culture. A solid line denotes current culture and a dotted line denotes desired future culture.
Step 3 – Establish 1990 Sigma Baseline HR Roles

The Human Resource Role-Assessment Survey by Ulrich and Conner (Ulrich, 1999) was administered to the Sigma CEO and a HR representative. The survey scores were compiled, then plotted onto the CVF (Cameron and Quinn, 1999).

Scoring and plotting instructions with examples are described in Figure 8. The graphic representation on the CFV illustrates the organizational cultures supported by the role-behavior of the HR department as of 1990.
Scoring & Plotting Description

1. The two respondents complete the survey as instructed, rating the ABC Human Resources department as they perceived it to be in 1990.

2. Participant responses are transferred to the Scoring Sheet. For each question the average of P1 and P2 is calculated. The scoring sheet groups the survey questions that correspond with each of the four organizational cultures as defined by Cameron and Quinn (1999).

3. The total scores for each of the cultures is added, then each sum is converted to a percent of the total score of all the cultures combined.

4. The ABC HR department role-assessment now can be depicted as a percent of each of the four cultures. When plotted on the Competing Values Framework (CVF) grid (Cameron & Quinn, 1999), one can see what cultures are influenced to what degree by the ABC HR practices as if 1990.

Figure 8. HR Role Assessment Survey scoring and plotting instructions.
Step 4 – HR Practices That Support/Drive the CFV Organizational Cultures

A review was conducted of Dave Ulrich’s book entitled, Human Resource Champions: The Next Agenda for Adding Value and Delivering Results (1999). From the text, a HR practice outcome recommendation summary was generated then the summary was linked to and sorted by Cameron and Quinn’s (1999) four organizational culture profile types of: (a) Clan culture, (b) Adhocracy culture, (c) Market culture, and (d) Hierarchy culture. For a definition of these four cultures see Figure 9. A total of 29 effective HR practice recommendations were listed, sorted by the culture profile to which they best apply, and were used in the analysis to determine the effectiveness of the Sigma HR practices discussed in Phase V (see Figure 10).
<table>
<thead>
<tr>
<th>Culture</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clan Culture</td>
<td>A very friendly place to work where people share a lot of themselves. It is like an extended family. The leaders, or the heads of the organization, are considered to be mentors and perhaps even parent figures. The organization is held together by loyalty or tradition. Commitment is high. The organization emphasizes the long-term benefit of human resources development and attaches great importance to cohesion and morale. Success is defined in terms of sensitivity to customers and concern for people. The organization places a premium on teamwork, participation, and consensus.</td>
</tr>
<tr>
<td>Adhocracy Culture</td>
<td>A dynamic, entrepreneurial, and creative place to work. People stick their necks out and take risks. The leaders are considered innovators and risk takers. The glue that holds the organization together is commitment to experimentation and innovation. The emphasis is on being on the leading edge. The organization's long-term emphasis is on growth and acquiring new resources. Success means gaining new and unique products or services. Being a product or service leader is important. The organization encourages individual initiative and freedom.</td>
</tr>
<tr>
<td>Market Culture</td>
<td>A results-oriented organization whose major concern is with getting the job done. People are competitive and goal oriented. Leaders are hard drivers, producers, and competitors. They are tough and demanding. The glue that holds the organization together is an emphasis on winning. Reputation and success are common concerns. The long-term focus is on competitive actions and achievement of measurable goals and targets. Success is determined in terms of market share and penetration. Competitive pricing and market leadership are important. The organizational style is hard-driving competitiveness.</td>
</tr>
<tr>
<td>Hierarchy Culture</td>
<td>A very formalized and structured place to work. Procedures govern what people do. The leaders pride themselves on being good coordinators and organizers who are efficiency-minded. Maintaining a smooth running organization is most critical. Formal rules and policies hold the organization together. The long-term concern is on stability and performance with efficient, smooth operations. Success is defined in terms of dependable delivery, smooth scheduling, and low cost. The management of employees is concerned with secure employment and predictability.</td>
</tr>
</tbody>
</table>

Figure 9. Cameron and Quinn’s Organizational Culture Profiles. From Diagnosing and Changing Organizational Culture: Based on the Competing Values Framework (p.58), by K.S. Cameron and R.E. Quinn, 1999, Reading, MA: Addison-Wesley.
**Clan Culture**
- Employees have a vision and direction that focused their activities and commits them to working hard.
- Employees are given challenging work that provides opportunities to learn new skills.
- Employees work in teams to accomplish goals.
- The work environment provides opportunity for celebration, fun, excitement, and openness.
- Employees share gains for work accomplished.
- Employees enjoy open, candid, and frequent information-sharing with management.
- Each individual is treated with dignity and differences are openly respected and shared.

**Adhocracy Culture**
- The practice has a sponsor & champion and s/he makes strides to make everyone a leader.
- Sees the need for something new and works toward making the need for change real to everyone.
- Articulates the future and works toward making the vision real to everyone.
- Gets key people to participate and works to overcome resistance to change by gaining everyone's commitment.
- Changes management systems and rethinks all management practices.
- Puts monitoring measures in place and creates new monitoring measures that touch everyone.
- Builds action plans and that help people to learn by doing.

**Market Culture**
- Develops shared meaning & purpose.
- Develops effective staffing and development practices.
- Develops performance management and rewards practices.
- Develops organizational design, policies, or communication practices.
- Develops work process improvement; change processes; leveraging earning for change.
- Selects the right leadership.
- Aligns HR Plans to Business Plans: Integration with HR and Line Management.
- Implements customized benchmarking activity to meet organizational issues.

**Hierarchy Culture**
- Reengineers HR work through use of technology, process reengineering teams, or quality improvements.
- Builds HR services to align with business needs.
- Efficiently delivers HR services / contracts out services.
- Constructs HR roles to add value / Provides technical expertise for each HR functional area.
- Created a shared services HR delivery mechanism.
- Measures IIR in terms of efficiency (cost) and effectiveness (quality).
- Employees control key decision-making processes about how work is done.

Step 5 - Sigma HR Practices Implementation From 1990-1995

Step 5 summarizes the Sigma HR practices implemented from 1990–1995 using available extant data and interviews with a study-participant subset. This participant subset consists of employees having had functional responsibility for one or more of the implemented Sigma HR practices. Extant data consists of business journal notes and company documents. A composite summary of the Sigma HR practices implemented is provided (see Figure 11).
**Recruitment & Selection** - Senior management team installed by CEO; 171 people hired in 1992 - HR/line partnership / team interviewing, temp-to-hire

**Safety, Environment & Health Systems** - Safety & housekeeping checklist, safety awareness discussion, safety meeting guidelines, ISA's, accident & post accident investigation process, RTW program, emergency evacuation procedures, fire extinguisher procedures, hazard communication program, hazardous material handling & spill procedure, hearing conservation, respiratory protection, bloodborne pathogen, LO/TO program, material handling, truck loading, confined space, emergency response, PPE, MSDS and worker's compensation loss control

**Benefits Program** - Transition from publisher to partial stand-alone service in Sigma Manufacturing; benchmarking; alignment of benefits with manufacturing marketplace; Administered such to all employees using corporate and local HR resources. Aligned paid time not worked to market averages & practices; sick and personal days; Attendance Program designed to monitor and enforce minimum behavior expectations

**General Policy Revisions** - All policies reviewed and reconfigured to align with Sigma Manufacturing objectives and philosophies; major revision to employee handbook

**Performance Management System** - Based on mutually agreed goals and objectives; Employee Action Plans; coached toward greater differentiation in evaluations; Model Employee Program; supervisory coaching, dispute resolution

**Medical Program** - Expansion to include physical profiles, aggressive/supportive RTW program, comprehensive policy revisions and disability case management while maintaining high-touch service levels

**Compensation Systems** - Align wages and salaries to book manufacturing market levels; factor-comparison process - team-based task analysis, factor comparison, market analysis, PIA - coordinated wage survey, outside consultants, skill inventory, pay-scale adjustments/red-circling, WJQ process with exempt and non-exempt group

**Human Resource Information System (HRIS)** - Independent from publisher: payroll, employee records, benefits enrollment, automated uploads to corporate; information and reporting improvements; records efficiency gains

**Communications: Communication Network (ComNet)** - Quarterly communication from CEO on direction of the business and influencing the workforce away from entitlement to competitive mentality. Sigma Ink & Communication Alert Newsletters - issues, people, recognition, and equipment news

**Management & Leadership Development** - Assessment and implementation: Practical & Organizational Leadership, Columbia Executive Development

**Team Development** - Development Team, Impact Teams; Gainsharing process, facilitator training; high performance team training

**Internal Mobility Systems** - Enhanced job posting system; Succession Planning Program (team based selection process; formal training, shadowing, mentoring and lead person/developmental assignments; coaching and action plans for those not selected).

**Departmental Reorganizations** - Distribution – mobile flexible job descriptions; Press & Pre-Press 12 hour schedule formulation; Composition – PAG 360 to Xyvision skill set/job function transfer; Pre-press - employee transfers to CREO; Customer Service –reorganization. HR Dept – shift to stand-alone department

**Employee Relations Systems and Sensing System** - Two-way communication between CEO/HR and employee committee on business direction/employee thoughts & concerns (permitted anonymous concerns to be communicated); elimination of forced-step employee appeal process

**Fun & Celebrations** - kazoo band, retirement parties; Thanksgiving dinners, Christmas parties/choir, summer picnics, genesis fair, bowling, skeet, etc.

**Recognition Systems** - suggestion program, I Got Caught Program, service awards, gainsharing formula, recognition team, spot awards

**Figure 11.** Summary of Sigma HR practices implemented during 1990-1995.
Step 6 – Comparing SIGMA HR Practices to Ulrich’s HR Practice Recommendations

Step 6 is designed to achieve three outcomes: (a) validate the HR practices listed as a true representation of the HR practices implemented at Sigma during the 1990 – 1995 period; (b) ascertain the leadership to and support of the HR practices implemented, and (c) determine to what degree the Sigma HR practices coincide with recommended HR practice recommendations of Ulrich. Surveys were designed and constructed to achieve these outcomes.

Survey Construction Methodology and Process

There are two surveys in Step 6. First, the Sigma HR Practice Leadership/Support Survey asked respondents to evaluate the level of leadership and support for each practice (See Figure 12, Part A and Appendix F). By completing the survey and making editorial where necessary, the respondents validated their portion of the survey. Second, the Sigma/Ulrich HR Practice Comparison Survey combined the Sigma HR practices with the Ulrich HR practice outcome recommendations to establish a comparison grid (See Figure 12, Part B and Appendix G). In the Sigma/Ulrich HR Practice Comparison Survey, participants chose which of the Ulrich HR practice outcomes recommendations were achieved by their respective Sigma HR practices implemented.
Sigma HR Practice Leadership/Support Survey

Sigma/Ulrich HR Practice Comparison Survey

Figure 12. HR practices surveys. Step 1: Survey A lists 17 Sigma HR practices. Respondents selected which employee groups led or supported each practice. Step 2: In Survey B the 17 Sigma practice titles were placed along the X-axis and the Ulrich (1999) HR practice recommendations listed along the Y-axis. For each Sigma HR practice column, respondents selected which Ulrich HR practice recommendations were achieved.

Survey Data Compilation Methodology

Sigma’s CEO and HR personnel provided survey responses to indicate their perception of the level of support provided to the HR practices implemented. The same respondents also compared their respective HR practices implemented to Ulrich’s (1997) HR practice outcome recommendations. The frequency of Sigma HR practices that matched Ulrich’s recommendations were then grouped by Cameron and Quinn’s (1999) cultures and plotted onto the Competing Values Framework (CVF).
HR Roles and Practice Leadership/Support Survey Data Compilation Methodology

The survey data gathered in the Sigma HR Practice Leadership/Support Survey provides an accurate view of the HR practices implemented, identifies the HR practice champion(s), and those employee groups who supported each HR practice effort. This leadership and support data is needed to create an accurate measure of the HR practices that had an impact on Sigma's organizational culture.

Corporate Leadership Council (1999) and American Productivity and Quality Center (1999) research indicates that HR practices implemented have a greater chance of success if the top management are involved in providing vision and support for strategic initiatives. Extra weight, therefore, was given for Sigma CEO leadership and support occurrences.

For each Sigma HR-practice category, the Local HR, Corporate HR, Senior Management, and Line Management, and Employee groups received 1 point each if selected by a respondent. The CEO received 2 points when selected, and 3 points if selected as the HR-practice champion. The average total points for each of the 16 Sigma HR practice categories was calculated to create the Sigma HR Practice Impact Multiplier. See Figure 13 for scoring examples.

| Sigma HR Practice Leadership/Support Survey Sigma Manufacturing 1990-1995 |
|-----------------------------|---------------------|--------|--------|---------|-------------------|
| Instructions:               | Local HR            | Corp. HR | CEO    | Sr. Mgt. | Line Mgt. | Employees | Multiplier Score |
| For each HR practice, place an “x” in the box under the category of employee who provided support for that HR practice. Then circle the “X” that represents the “champion or leader of the effort” | X                   | X       | X       |         |         | 5         |                |
| 1 Recruitment & Selection - 171 people hired in 1992 - supervisors doing their own interviewing - HR/line partnership - team interviewing, temp-to-hire | X                   |         |         |         |         | 4         |                |
| 2 Performance Management System - Based on mutually agreed goals and objectives; Employee Action Plans; coached toward greater differentiation in evaluations; Model Employee Program; supervisory coaching, dispute resolution | X                   | X       |         |         |         | 4         |                |

Figure 13. Sigma HR Practice Leadership/Support Survey scoring example. Practice #2 championed by HR (1point), supported by the CEO (2 points), Line Management (1 point) for a total Sigma HR Practice Impact Multiplier Score of 4 points.
**Sigma /Ulrich HR Practice Comparison Survey Compilation Methodology**

The SIGMA/Ulrich HR Practice Comparison Survey solicited from respondents the frequency that Ulrich's HR practice outcome recommendations were achieved by Sigma between 1990 – 1995. Ulrich's HR practice outcome recommendations were clustered into four sections. The culture sectioning was not apparent to the survey participants.

Each of the four sections of HR practices support one of the four organizational cultures as defined by Cameron & Quinn (1999). The more frequently the respondents matched the Sigma HR practices to Ulrich's HR-practice-outcome-recommendation sections, the more support/encouragement was indicated for the related culture.

**Sigma HR Practice Weighted Influence Score Calculation Process**

The intent of this calculation is to generate, for each of the four organizational cultures, a weighted Sigma HR Practice Influence Score. First, participant survey responses were compiled into one survey. Then, for each culture, a weighted Sigma HR Practice Influence Subtotal Score was calculated. Lastly for each culture, all influence subtotal scores were added to generate a Culture Total Score. See Figure 14 for a description of the scoring instructions and Figure 15 for description of the plotting instructions.
## Sigma/Ulrich HR Practice Comparison Survey Scoring Sheet

### SCORING INSTRUCTIONS:

1. Enter HR Practice Impact Multiplier
2. Enter the sum of the respondents' frequency of responses for each culture subtotal.
3. For each culture, multiply the sum of the frequencies by the HR Practice Impact Multiplier for each culture.
4. Calculate the Total Weighted Sigma Practice Influence Score for each culture by adding the weighted Sigma Average HR Practice Influence Score Subtotal to % of Grand Total.

### HR Practice Impact Multiplier

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<tbody>
<tr>
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</tr>
<tr>
<td>Practice 2</td>
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</tr>
<tr>
<td>Practice 3</td>
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### Weighted Sigma Practice Influence Score

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### Sigma/Ulrich Coordinate

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<td>Practice 2</td>
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</tr>
<tr>
<td>Practice 3</td>
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</tbody>
</table>

### Aligning HR Practices

Figure 14. Sigma/Ulrich HR Practice Comparison Survey scoring instructions.
Sigma HR Practice Culture Influence

Plotting Instructions:
1. From the Sigma/Ulrich HR Practice Comparison Survey Scoring Sheet, plot the final influence percentage calculation for each culture along the corresponding axis of the Competing Values Framework (CVF).

Chapter 3 Methodology Outcome

When the senior management desired future culture is overlaid onto the Sigma HR Practices Implemented 1990-1995 CVF grid, the relative alignment can be viewed.

Figure 15. Sigma HR Practice Comparison Survey scoring sheet plotting instructions and combined desired culture and actual HR practice influence overlay display.
Data Findings Presentation Methodology

In order to show the level of congruence between Sigma’s desired culture and the HR practices implemented between 1990-1995, Chapter 4 uses Chapter 3 methodology to present survey data in the following order: (a) the baseline (1990) Sigma HR roles as perceived by a HR representative and the CEO, (b) the baseline (1990) organizational culture as perceived by Sigma’s CEO, (c) senior manager’s desired Sigma organizational culture by 1995, (d) the actual HR practices implemented at Sigma from 1990 – 1995, and (e) a Competing Values Framework (CVF) display of Sigma’s desired organizational culture and the actual HR practices implemented from 1990-1995 visually depicting their congruence.
Chapter 4

Introduction

The purpose of this retrospective case study is to determine to what degree the shifts in the Sigma HR practices are congruent with the desired culture as defined by Sigma’s senior management. Chapter 4 presents findings in four stages: (a) the baseline (1990) Sigma HR roles as perceived by a HR representative and the CEO, (b) the baseline (1990) organizational culture as perceived by Sigma’s CEO, (c) senior manager’s desired Sigma organizational culture by 1995, (d) the actual HR practices implemented at Sigma from 1990-1995, and (e) a Competing Values Framework (CVF) display of Sigma’s desired organizational culture and the actual HR practices implemented from 1990-1995 visually depicting their congruence.

Sigma’s Baseline Organizational Culture (1990)

Sigma’s CEO, in completing Cameron and Quinn’s (1999) Organizational Culture Assessment Instrument (OCAI) (Appendix C), perceives the 1990 organizational culture to be almost entirely skewed in the direction of the Hierarchy-type culture. Survey data indicates a score of 93 points for the Hierarchy culture with values of 3 points each for the other three cultures. See Figure 16 for survey data results and graphical depiction of Sigma’s baseline organizational culture as of 1990.
### Organizational Culture Assessment Instrument

#### Scoring Sheet

**Sigma Manufacturing Baseline Culture**

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<tr>
<td><strong>Average Score</strong></td>
<td><strong>93</strong></td>
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---

**Figure 16.** Sigma baseline (1990) organizational culture. CEO survey data is plotted on to the Competing Values Framework (CFV).

**Sigma Baseline (1990) HR Roles**

Baseline HR roles data is provided by one HR representative and the CEO using Ulrich and Conner's Human Resource Role-Assessment Survey (Ulrich, 1997)(Appendix H). For each
survey question, the average of the two respondents is calculated and plotted onto the CFV. The data results indicate that the Sigma baseline (1990) HR role profile is somewhat balanced with an emphasis on the Hierarchy (32 points) and Clan (29 points) cultures. The Adhocracy and Market cultures score 19 and 21 points respectively. See Figure 17 for data results and CFV plotting.

![Sigma HR Role Assessment Survey - Baseline 1990](image)

**Figure 17.** Sigma baseline (1990) HR role assessment. For each culture, the respondents’ question responses are averaged, totaled by culture-section, then plotted onto the Competing Values Framework (CFV).

**Sigma’s Desired Organizational Culture**

Sigma’s CEO and six senior managers’ survey responses from Cameron and Quinn’s (1999) Organizational Culture Assessment Instrument (OCAI) are presented. See Appendix D for the OCAI survey form and Appendix E for OCAI survey response detail. For each culture, average-response scores are calculated and plotted onto the CFV. Averaged results indicate Sigma’s senior managers desire a predominantly Clan-like culture (46 points). The other three
cultures’ scores tightly range from 17 to 20 points. See Figure 18 for survey response summary, average culture scores, and CFV plotting.

Figure 18. Sigma’s desired organizational culture. Sigma senior managers’ survey responses are grouped by culture, averaged, then plotted on the CFV along with the Sigma baseline (1990) culture plotting.

Sigma HR Practices Implemented from 1990-1995

Sigma HR practices between 1990-1995 are summarized into 16 major HR practice categories (see Appendix I). The level of leadership and support provided to these Sigma HR practices is determined by surveying knowledgeable Sigma HR personnel and the Sigma CEO (See Chapter 3 for a process explanation).

The HR representative and the CEO responses to the Sigma/Ulrich Practice Comparison Survey is summarized. See Chapter 3 for Sigma/Ulrich HR practice comparison survey
instructions. From this comparison, the Sigma HR practice influence on each of the four cultures is calculated. See Figure 19 for Sigma/Ulrich HR Practice Scoring Sheet.

![Sigma/Ulrich HR Practice Comparison Survey Scoring Sheet](image)

Figure 19. Sigma/Ulrich HR Practice Comparison Scoring Sheet. Sigma’s HR practices from 1990-1995 are compared to Ulrich’s HR practice outcome recommendations. Sigma’s HR practices influence on each of the four organizational cultures is calculated.
Results indicate Sigma’s HR practices implemented from 1990-1995 predominantly influence the Clan culture with a score of 38 points. The second-most influenced culture is the Adhocracy culture with 28 points. The Market culture and the Hierarchy cultures scored 20 and 14 points respectively. See Figure 20 for scoring detail and CFV plotting display.

Sigma 1990-1995 HR Practice/Sigma Desired Organizational Comparison

The data collected thus far provides enough information to determine to what degree the Sigma HR practices implemented from 1990-1995 align with the senior management’s vision of what Sigma’s organizational culture needed to be by 1995. Figure 21 shows a comparison.
between Sigma’s desired culture CFV profile and Sigma’s resultant effort to shift its HR practices to become aligned with the desired culture. The percent culture congruencies of the implemented HR practices to Sigmas’s desired culture are as follows: (a) Clan culture--83% congruence; (b) Adhocracy culture--61% congruence; (c) Market culture--100% congruence; (d) Hierarchy culture--82% congruence (See Figure 21).

<table>
<thead>
<tr>
<th>Culture Type</th>
<th>Sigma's Desired Culture Profile</th>
<th>Sigma HR Practices Implemented 1990-1995</th>
<th>Percent Congruence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clan Culture</td>
<td>46</td>
<td>38</td>
<td>83%</td>
</tr>
<tr>
<td>Adhocracy Culture</td>
<td>17</td>
<td>28</td>
<td>61%</td>
</tr>
<tr>
<td>Market Culture</td>
<td>20</td>
<td>20</td>
<td>100%</td>
</tr>
<tr>
<td>Hierarchy Culture</td>
<td>17</td>
<td>14</td>
<td>82%</td>
</tr>
</tbody>
</table>

Figure 21. Sigma desired organizational culture/Sigma Hr practices implemented 1990-1995.

The percent congruence between the desired culture profile and the HR Practices is calculated. The CVF graphic visually depicts the level of congruence.
Chapter 5

Introduction

The purpose of this retrospective case study is to determine if the Sigma HR practices implemented between 1990-1995 served to influence Sigma toward the desired organizational culture as perceived by its senior management group. In Chapter 5 the following are reviewed: (a) Sigma HR Practice’s coincidence with literature recommendations is explored, (b) implications of the study for HRD practitioners are discussed (c) the value of using diagnostic tools as a reflection mechanism is explored, (d) study limitations are presented (e), and recommendations for future research are suggested.

Sigma HR Practice Coincidence With Literature Recommendations

The literature is divided on whether HR practices should be designed to fit a particular business strategy or if HR practices have universal value regardless of strategy. The three philosophies are (a) the universalistic or best practice approach, (b) the contingency approach, and (c) a combination or the fit/flexibility approach. A comparison of all three approaches to the Sigma HR practices implemented between 1990-1995 is presented.

The Universalistic Approach

As described in Chapter 2, Pfeffer (1994) Delery and Doty (1996), and Denison (1984) contend that certain HR practices have a universal benefit to organizations regardless of business strategy, or in the context of this discussion, the cultural profile of the organization. If certain HR practices have universal application, then some of the HR practices implemented at Sigma between 1990-1995, in the opinion of those surveyed, should be universally effective across all four of the cultures in Cameron and Quinn’s Competing Values Framework (CFV).
The Sigma HR practices are compared to the research literature findings. Figure 22 indicates there are two HR practices that, both the research literature and Sigma survey respondents agree, have universal value: (a) Teams and Job Redesign and (b) Results Oriented Appraisals. It should be noted, however, that six other HR practices are viewed by the Sigma survey respondents as being effective in three out of the four cultures. Therefore, this study provides evidence to support that some HR practices have universal usefulness across all cultures or broad usefulness in multiple cultures.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Selectivity in Recruiting</td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High Wages, Incentive Pay</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Ownership</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information Sharing</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participation &amp; Empowerment</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teams and Job Redesign</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training and Skills Development</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cross-Utilization and Cross Training</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Symbolic Egalitarianism</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wage Compression</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotion From Within</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long Term Perspective</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Measurement of Practices</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overarching Philosophy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Results Oriented Appraisals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 22. Universalistic approach comparison to Sigma's HR practice alignment with the CFV cultures. Sigma survey respondents agree Teams and Job Redesign and Results Oriented Appraisal categories are universally applicable in all four cultures.

**Contingency Approach**

Ulrich (1997) is not specifically identified in the research literature as a contingency approach proponent, yet he clearly believes HR should practice contingent thinking and should question “why do HR practices work?” (p.239). His work is being included in this section.
because his HR practice outcome recommendations vary by HR role, therefore by CVF culture. The findings of contingency proponents Schuler and Jackson (1987) and Baird and Meshoulam (1988) are also presented. All are compared to Sigma’s HR practices implemented between 1990-1995.

Ulrich’s (1997) HR Practice Outcome Recommendations

Cameron and Quinn’s Organizational Culture Assessment Instrument (OCAI) and their Competing Values Framework (CFV) organizational diagnostic model have been chosen as the framework for this study. Of all the research noted in Chapter 2, Ulrich’s (1997) HR practice outcome recommendations are matched to each of Cameron and Quinn’s cultures in the CVF. Therefore Ulrich’s HR practice outcome recommendations summary is used as the standard by which the Sigma HR practices implemented between 1990-1995 are compared. See Figure 8, Chapter 4 for a listing of Ulrich’s HR practice outcome recommendations for each of Cameron and Quinn’s four cultures.

As plotted on the CFV (see Figure 23), the HR practices implemented by Sigma align with an average 86% congruence to the desired cultural profile as perceived by Sigma’s senior management. Therefore it can be stated that the Sigma HR practices implemented between 1990-1995 coincide with Ulrich’s (1997) recommendations.
Figure 23. Profiles of Sigma’s desired organizational culture and Sigma HR practices implemented from 1990-1995. The percent congruence between the desired culture profile and the HR Practices is calculated. The CVF graphic visually depicts the level of congruence.

Other Contingent Research Recommendations

No clear connections to Cameron and Quinn’s four cultures can be made from other researchers’ contingency approach recommendations. However, a brief discussion can be conducted regarding the relative agreement between the contingency approach research and the Sigma HR practices implemented between 1990-1995 considering Sigma’s basic business strategy.

From the WOTS-UP analysis discussed in Chapter 4, Sigma faces the challenge of reducing costs, meeting a widening array of customer expectations, and maintaining delivery commitments. If successful, Sigma has the opportunity to engage in significant growth supplied by its publishers. Schuler and Jackson (1987) recommend different HR practices depending on which business strategy is chosen. Figure 24 illustrates the different HR practices recommended by Schuler and Jackson. The Sigma HR practices that coincide with the Schuler and Jackson
recommendations are indicated with rectangles. Schuler and Jackson predict that many organizations have complex and dynamic strategies, therefore it is not surprising to see the Sigma HR practices coinciding with multiple business strategies.
<table>
<thead>
<tr>
<th>Innovation Strategy</th>
<th>Quality-Enhancement Strategy</th>
<th>Cost-Reduction Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Philosophy</td>
<td>Cooperative, risk taking interdependence focused on long term</td>
<td>Goal-driven, highly reliable behavior; mobile flexible skills</td>
</tr>
<tr>
<td>Nature of Job</td>
<td>Close coordination among individuals and groups</td>
<td>Fixed / explicit job descriptions</td>
</tr>
<tr>
<td>Performance Management</td>
<td>Longer-term / group-based achievements</td>
<td>Short-term results oriented</td>
</tr>
<tr>
<td>Compensation Philosophy</td>
<td>Emphasize internal equity</td>
<td>Egalitarianism with security emphasis</td>
</tr>
<tr>
<td>Compensation Rates</td>
<td>Low pay, yet have package flexibility and equity ownership</td>
<td>Results oriented</td>
</tr>
<tr>
<td>Career Development</td>
<td>Broad paths to foster broad skill range</td>
<td>Extensive and continuous T&amp;D</td>
</tr>
<tr>
<td>Participation</td>
<td>No specific emphasis on participation</td>
<td>High decision-making participation relative to job</td>
</tr>
</tbody>
</table>

Figure 24. Schuler and Jackson hypothesis of competitive strategy-HRM archetypes. Taken from “Linking competitive strategies with HR management practices,” by Schuler, R.S. and Jackson, S.E., 1987, *The Academy of Management Executive*, 1(3). Rectangle overlays indicate Sigma HR practices’ coincidence with the Schuler and Jackson strategy-HRM archetype.
Baird and Meshoulam (1988) contend that HR practices must fit both internally and externally to the business. Baird and Meshoulam explain that the components of the HR strategy should be properly fit to the organization’s particular phase of development. Though the case study does not focus on defining Sigma’s specific organizational phase, the extant data indicates Sigma to be in the Functional Integration phase. Based on the HR practices implemented between 1990-1995, all HR strategy components generally coincide under the Functional Integration phase (see Figure 25).

<table>
<thead>
<tr>
<th>Components</th>
<th>Stage I Initiation</th>
<th>Stage II Functional Growth</th>
<th>Stage III Controlled Growth</th>
<th>Stage IV Functional Integration</th>
<th>Stage V Strategic Integration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>Aware of function's administrative role</td>
<td>Aware of function's broad role but not committed</td>
<td>Aware; often frustrated at fragmentation</td>
<td>Cooperative and involved</td>
<td>Integrated</td>
</tr>
<tr>
<td>Awareness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mgr. of Personnel</td>
<td>Loose, informal; often none</td>
<td>Personnel manager; program orientation; manage conflicts among subfunctions</td>
<td>Personnel executive; business orientation; control, measurements, goals</td>
<td>Function orientation; dep. goals; planning, long-range direction; line/staff relations; collaborative</td>
<td>Company orientation; consistent and integrated with business and strategic direction</td>
</tr>
<tr>
<td>Function</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portfolio of Programs</td>
<td>Basic salary and benefits administration; basic recordkeeping; non-exempt hiring</td>
<td>Many new programs added responding to business needs in comp., benefits, training, etc.; revisiting basic programs.</td>
<td>Mgt control programs; budgets, ROI, portfolio re-evaluated in measurable and analytical terms; advanced compensation</td>
<td>Interdiscipline programs; focus on dept., goals and change direction; productivity change; success management; succession planning</td>
<td>Cultural and environmental scanning; long-range planning; emphasis on effectiveness and efficiency in direct response to business needs</td>
</tr>
<tr>
<td>Information Technology</td>
<td>Manual employee profile; recordkeeping</td>
<td>Automated salary and basic profile; Advanced recordkeeping</td>
<td>Automated personnel work; mainly profiles, EEO, tracking; basic metrics</td>
<td>Utilize computer for projection; planning, analysis, and evaluation</td>
<td>Planning tools, research and analysis; long-range issues and &quot;what if&quot; questions linked to the personnel and the organizational data base</td>
</tr>
<tr>
<td>Personnel Skills</td>
<td>Administrative routine and housekeeping</td>
<td>Functional specialists</td>
<td>Increased professionalism in function and managerial skills</td>
<td>Integrating activities; skills in systems, planning, and analysis</td>
<td>High level of involvement in the organization; skills dealing with macro issues</td>
</tr>
<tr>
<td>Awareness of Environmental and External Environment</td>
<td>Not aware</td>
<td>Aware of environment &amp; corporate culture but do not incorporate them in functions; activities</td>
<td>Aware of risks and opportunities in environment; addresses these in programs</td>
<td>Aware of, react and incorporate into planning process; environmental changes identified</td>
<td>Systematically search for impact the environment has on organization; take an active role in making &amp; shaping decisions</td>
</tr>
</tbody>
</table>

Implications of the Study for HRD Practitioners

The retrospective case study of Sigma Manufacturing confirms that the HR practices did shift appropriately to support the desired organizational culture as perceived by the senior managers. However, the value in this study to HRD practitioners lies in answering the following questions:

1. What HR practices contributed to the successful shift to the desired culture? Why?
2. What other factors or influences discussed in the case study contributed to the organizational culture change?

What HR Practices Contributed to the Successful Shift to the Desired Culture? Why?

Figure 26, taken from Figure 18 in Chapter 4, presents a summary of the HR Practice Influence Scores by culture. For each culture, the HR practices are listed in descending Influence Score order. One can clearly see which HR practices influenced which cultures. The HR practices that contribute to this shift are (a) Team Development, (b) Fun and Celebrations, (c) Recognition Systems, (d) Employee Relations Systems, (e) Mgt./Leadership Development, (f) Department Reorganizations, (g) Internal Mobility, (h) Communications, and (i) Recruitment and Selection.

Figure 26 shows a significant pattern. Survey data results indicate that the top eight HR practices that influence the Clan and Adhocracy cultures also represent 87.5% of the HR practices having no influence on the Hierarchy culture. The top eight HR practices influencing the Clan and Ahocracy cultures, when implemented, do not have the outcome characteristics required to support the Hierarchy culture according to the perceptions of the survey participants.
Figure 26. Sigma HR practice Influence Score summary by culture. For each culture, the Sigma HR practices are ranked in order of their Culture Influence Score.
HRM vs. HRD Practices: When To Use Them

Sigma’s HR role assessment for 1990 results in a predominantly hierarchy-type profile. Though not specifically measured in the study, it is generally known by the Sigma HR team that the predominant HR practices employed at the end of the King Manufacturing (original owner) era generally align with the bottom eight HR practices listed in Figure 27. These practices are skewed in the general direction of traditional HR management (HRM) activities (Mathis & Jackson, 1991).

Between 1990-1995, Sigma continued to improve and utilize the traditional HRM activities, but added a number of HRD related activities as well. Utilizing McLagan’s model, The Human Resource Wheel (McLagen, 19XX, p.) (see Appendix K), the top eight influential HR practices employed at Sigma, as seen in Figure 27, are skewed in the general direction of HRD-type HR practices. One could conclude that HRD practices tend to support the Clan and Adhocracy Cultures and HRM practices tend to support Hierarchy and Market cultures.

<table>
<thead>
<tr>
<th>Sigma HR Practice Influence Score Summary By Culture</th>
<th>CEO L/S</th>
<th>Clan Culture</th>
<th>Adhocracy Culture</th>
<th>Market Culture</th>
<th>Hierarchy Culture</th>
<th>Total Influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team Development</td>
<td>X</td>
<td>49</td>
<td>49</td>
<td>35</td>
<td>21</td>
<td>154</td>
</tr>
<tr>
<td>Fun &amp; Celebrations</td>
<td>X</td>
<td>46</td>
<td>16</td>
<td>8</td>
<td>0</td>
<td>72</td>
</tr>
<tr>
<td>Recognition Systems</td>
<td>X</td>
<td>42</td>
<td>24</td>
<td>0</td>
<td>0</td>
<td>72</td>
</tr>
<tr>
<td>Employee Relations Systems</td>
<td>X</td>
<td>30</td>
<td>24</td>
<td>10</td>
<td>0</td>
<td>72</td>
</tr>
<tr>
<td>Mgt. / Leadership Development</td>
<td>X</td>
<td>30</td>
<td>35</td>
<td>0</td>
<td>0</td>
<td>66</td>
</tr>
<tr>
<td>Department Reorganizations</td>
<td>X</td>
<td>25</td>
<td>15</td>
<td>20</td>
<td>0</td>
<td>60</td>
</tr>
<tr>
<td>Internal Mobility</td>
<td>X</td>
<td>24</td>
<td>18</td>
<td>24</td>
<td>0</td>
<td>68</td>
</tr>
<tr>
<td>Communications</td>
<td>X</td>
<td>24</td>
<td>18</td>
<td>18</td>
<td>0</td>
<td>56</td>
</tr>
<tr>
<td>Recruitment &amp; Selection</td>
<td>X</td>
<td>18</td>
<td>0</td>
<td>12</td>
<td>18</td>
<td>48</td>
</tr>
<tr>
<td>Performance Management</td>
<td>15</td>
<td>15</td>
<td>16</td>
<td>18</td>
<td>0</td>
<td>66</td>
</tr>
<tr>
<td>Medical Program</td>
<td>12</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>0</td>
<td>42</td>
</tr>
<tr>
<td>S, E &amp; H Systems</td>
<td>12</td>
<td>9</td>
<td>0</td>
<td>12</td>
<td>0</td>
<td>33</td>
</tr>
<tr>
<td>General Policy Revisions</td>
<td>12</td>
<td>6</td>
<td>0</td>
<td>12</td>
<td>0</td>
<td>30</td>
</tr>
<tr>
<td>Benefit Program</td>
<td>4</td>
<td>4</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>28</td>
</tr>
<tr>
<td>Compensation Systems</td>
<td>X</td>
<td>0</td>
<td>12</td>
<td>12</td>
<td>9</td>
<td>33</td>
</tr>
<tr>
<td>HRIS</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>8</td>
<td>8</td>
</tr>
</tbody>
</table>

Figure 27. Sigma HR practice Influence Score summary by culture with CEO leadership/support (L/S). HR practices are sorted by Total Influence Score. The CEO L/S column indicates what HR practices the CEO chose to lead or support.
HR Practices Values Orientation

In the Sigma case study, the HR practices having the most influence on the Clan and Ahocracy cultures tend to be related to HRD-type practices. Cameron and Quinn's Competing Values Framework (CVF), as illustrated in Figure 28, indicates the Clan and Adhocracy cultures as having a flexibility and discretion values orientation. Therefore, Sigma Manufacturing's most influential HR practices implemented have a flexibility and values orientation.

For HRD practitioners seeking to shift their own organizational cultures, the Sigma case study may serve as a guide as to which HR practices to implement. For Sigma, it was the HRD-type practices that tended to generate the Clan and Adhocracy-related outcomes as recommended by Ulrich (1997). Conversely, one might conclude HRM-type practices may tend to drive an organization toward the Hierarchy and Market cultures thus establishing a stability and control values orientation.
The Clan Culture
An organization that focuses on internal maintenance with flexibility, concern for people, and sensitivity to customers.

The Adhocracy Culture
An organization that focuses on external positioning with a high degree of flexibility and individuality.

HRD-Type Practices
Flexibility and Discretion

The Clan

The Adhocracy

Stability and Control

HRM-Type Practices

The Hierarchy Culture
An organization that focuses on internal maintenance with a need for stability and control.

The Market Culture
An organization that focuses on external positioning with a need for stability and control.

Other Factors Contributing to Sigma’s Successful Organizational Culture Change

This discussion would not be complete without mentioning three factors that contributed significantly to the successful implementation of Sigma’s HR practices. They are (a) undoing structural and political inertia, (b) overarching principles and (c) top management support.

Undoing Political and Structural Inertia

The first significant action that paved the way for culture change within Sigma was the CEO’s unilateral action to remove the entrenched power structure from the organization. The shared assumptions the workforce had regarding high quality without regard for cost was not going to be undone easily (Schein, 1992). By changing the organization’s dominant group, the CEO removed much of the structural and political inertia for those shared assumptions (Oliver, 1997; Schein, 1992).

The second significant event that paved the way for culture change was the separation of the HR function from the publisher. As a stand-alone operation, the organization was free to reform its HR practices strategy.

Overarching Set of Principles

Pfeffer (1994), as noted in Figure 22, asserts that having an overarching philosophy is a practice that has universalistic value regardless of business strategy. Sigma CEO’s philosophy of (a) know your business, (b) know your craft, (c) know your people and develop their trust, and (d) share information is a set of principles that guided the HR-related strategic activity implemented between 1990-1995. These principles helped all HR practices being formed to have “internal fit” (Baird and Meshoulam, 1988).
Top Management Support

The Sigma case study results give further testimony to the value of having top management support for key initiatives. Sigma CEO’s instincts to support the HRD-type practices resulted in the organization’s shift toward a flexibility and discretion values orientation. HRD practitioners can use the Sigma study results to suggest which HR practices their top management should support and why.

Retrospective Value of Organizational Diagnostic Tools

Organizations regularly engage in reflective practices. The quality movement is one such example where employees gather to engage in root cause analysis in order to resolve issues hampering organizational performance. The process of stopping long enough from hectic day-to-day activity is a necessary ingredient to think clearly about what future action is needed. Daudelin (1996) defines reflection and learning as “the process of stepping back from an experience to ponder, carefully and persistently, its meaning to the self through the development of inferences; learning is the creation of meaning from past or current events that serves as a guide for future behavior” (p. 4).

Daudelin (1996) conducted research on the effectiveness of reflection. The forms of reflection she considered are (a) solitary reflection, (b) small group reflection with a helper or facilitator, and (c) peer group reflection. In the solitary and facilitated small group sessions the reflection focused on intrapersonal learning or learning about themselves. In the peer-reflection group, the reflections focused on interpersonal learning and contextual learning such as gaining a contextual understanding about the culture of one’s organization.

According to Daudelin (1996), some form of structured questioning or assessment tool is necessary to capture the learning. In the study conducted with the Sigma senior management, the
Organizational Culture Assessment Instrument (OCAI) served the group well in focusing their reflection and summarizing their thoughts regarding Sigma’s baseline and desired culture.

However, in the process of completing the OCAI survey using the Delphi procedure, in some way, placed the managers in an individual-reflection mode, thus causing them to take a somewhat intrapersonal focus on the culture situation at hand. Though the groups’ commentary summary was made available to each other, an effective peer-group reflection process was not achieved. One Sigma manager commented: “We could come to an understanding around all these statements if we could just be together to talk about it.” See Appendix I for a graphical view of the variance between the Sigma senior managers’ OCAI survey responses.

Nichol (Editor in Bohm, 1996) emphasizes, “dialogue is a process of direct face-to-face encounter, not to be confused with endless theorizing and speculation” (p.xi).

Bohm [(as cited in Senge, 1990, p. 243)] identifies three basic conditions that are necessary for dialogue:

1. all participants must ‘suspend’ their assumptions, literally to hold them ‘as if suspended before us’;
2. all participants must regard one another as colleagues;
3. there must be a ‘facilitator’ who holds the context of the dialogue.

Cameron and Quinn (1999) encourage management teams to complete the OCAI survey alone initially and then to engage in healthy dialogue or, in the context of this discussion, reflection, to reach consensus around the desired cultural profile of their organization. Through this process of reflection, Daudelin (1996) finds that groups achieve “a sense of fellowship, . . .
a sense of trust and friendship . . . [and] an opportunity to slow down and reflect quietly and spontaneously on what had already been learned” (p.12).

Daudelin (1996) confirms the value of having some form of structured questioning or assessment tool as a formal part of any reflection exercise. The OCAI survey serves the Sigma group well to help them focus their reflection and summarize the group conclusions or learning. However, having a structure by which to engage in dialogue is not enough. Nichol (Editor in Bohm, 1996) recommends that in order to prevent the dialogue from digressing into a discussion, a skilled facilitator, also noted above by Senge, is recommended to encourage the group to suspend their assumptions and remain open to the points of view of the others.

An exploration begs to continue in the direction of how organizations can create the best environment for reflective learning to occur. Siebert (1999) supplements the work of Daudelin (1996) by discussing the concept of cultivating an environment for reflection-in-action. Yet this is beyond the scope of this study. Readers should refer to the above-mentioned references for additional information.

The reflective value of using an organizational diagnostic tool clearly was useful to the Sigma senior management team. Such diagnostic tools can aid HRD practitioners in their effort to establish a framework by which to facilitate a reflection and dialogue process. Yet, it is critical for the HRD practitioner to understand the importance of maintaining the discipline of dialogue in order to prevent defensive positioning of participants (Senge, 1990).

Study Limitations

The study contains limitations in survey design, participant selection, and data gathering. Each limitation area is discussed with recommendations for improvement.
Survey Design Limitations

Sigma HR Practice Leadership/Support Survey

Research supports the opinion that CEO support and/or leadership are critical to successful change initiatives. Yet the methodology of determining the Influence Multiplier is not grounded in any research-based findings. Therefore the weights chosen may exaggerate the data results that indicate HR practice influence on the four CVF cultures.

Participant Selection and Data Gathering Limitations

The participant selection and data gathering components of the study are scrutinized. Limitations are found in the following areas: (a) baseline culture assessment, (b) the Delphi procedure, and (c) Sigma/Ulrich HR Practice Comparison Scoring Sheet data gathering. Each is discussed with recognized improvement recommendations suggested.

Baseline Culture Assessment

Information for the baseline organizational culture was captured by surveying solely the Sigma CEO. This creates a bias that could have been overcome by selecting more 1990–era managers for this assessment.

The Delphi Procedure

Though three rounds of surveys were conducted in this process, only one round of commentary was gathered from the participants. During round one, the surveyor failed to issue directions to the participants to make comments regarding the reasons for their responses. This may have contributed to the wide response variance following round three of the Delphi survey. See Appendix I for Sigma senior managers’ plot-variance display.
The Delphi procedure, even if implemented effectively, may not be the correct procedure for practitioners conducting organizational diagnosis and HR practice strategy setting. Cameron and Quinn (1999) recommend face-to-face dialogue and discussion in order to achieve solid consensus on the baseline and future desired organizational culture. Without this consensus, senior management may not send and re-enforce a consistent message to the organization thus ineffectively influencing the overall cultural-change objective.

Sigma/Ulrich HR Practice Comparison Scoring Sheet Data Gathering

The Sigma HR personnel and CEO are the respondents chosen for this data gathering phase because of their availability and direct functional responsibility for one or more of the listed HR practices implemented. It is because of this functional responsibility that their responses could be biased. An exaggerated match frequency with the Ulrich HR Practice outcome recommendations may have resulted with corresponding erroneous indications that the HR practices implemented at Sigma have universalistic value (see Figure 22). A more accurate opinion of the HR practice outcomes may be achieved by surveying the employees targeted by the various HR practices implemented.

Recommendations for Future Research

The combination of Ulrich's HR roles/related practice outcome recommendations and Cameron and Quinn's Competing Values Framework offer an effective organizational diagnostic framework to determine (a) what HR roles and (b) what HR practice outcomes should be emphasized depending on the business' strategy and related desired culture. Yet it leaves the HR practitioner or line manager with a less than effective professional-development roadmap to achieve those HR practice outcomes.
The HR roles and practice recommendations made by Ulrich and Cameron and Quinn can be made more robust and meaningful to the many practitioners attempting to be change agents, employee champions, strategic partners, and administrative experts. Additional study should be conducted to merge the requirements of Ulrich’s four HR roles with the roles and competencies associated with Workplace Learning and Performance (WLP) as described by Rothwell and Sredl (2000). In this way an organizational diagnosis model and its related HR roles can be linked to a rich source of competencies enabling practitioners to fully implement and achieve those recommended HR practice outcomes.

Conclusion

Sigma Manufacturing succeeded in its business objectives to become a shared book-manufacturing resource for Sigma Corporation because, in part, it successfully adjusted its organization’s culture to be aligned with its business strategy. It succeeded in aligning its organization’s culture to the desired organizational culture because of appropriate HR practices implementation. A review of the research literature on HR roles and strategy recommendations to change organizational culture support and validate the effectiveness of the HR practices/policies implemented by the Sigma Manufacturing. Therefore, the following hypotheses are true:

1. Sigma human resource roles and practices shifted to be congruent with Sigma’s desired organizational culture

2. HR roles and practices research literature validates those roles and practices implemented by Sigma Manufacturing.
References


Appendix A

A Flexibility Model of Strategic HRM
Appendix A

A Flexibility Model of Strategic HRM

Appendix B

Survey Participant Letter
Dear Mr. :

Thank you for agreeing to participate in this review of the Sigma human resource roles and strategies during the 1990-1995 period. I am conducting this study as a Master of Science degree candidate enrolled in the Graduate Human Resource Development Program at St. John Fisher College in Rochester, New York.

The study is being conducted as part of my final master's project. Upon completion a report of the findings will be offered to you if you so desire. This study is being conducted in three phases. In phase one and two, participants will be surveyed to assemble and reach agreement on a Sigma culture profile. Phase three will document shifts in human resource roles and strategy during the above-mentioned time period and compare them to best practices as defined in human resource development literature.

To conduct phase one and two, surveys will be issued to selected Sigma employees to ascertain baseline and desired Sigma culture characteristics during the above-mentioned time period. “A survey is a system for collecting information to describe, compare, or explain knowledge, attitudes and behavior” (Fink, 1995, p.1). Selected participants will be asked to reach consensus on the desired Sigma culture using the Delphi Procedure. The Delphi Procedure is a structured approach to collect information from independent experts (Rothwell, 1992).

In phase three I will assemble a chronological sequence of human resource roles and strategies implemented during 1991 - 1995 using available extant data. This will be reviewed and validated by selected Sigma employee participants. I will then review the best practices in human resource development literature to evaluate the effectiveness of the Sigma human resources role shifts and strategies in moving Sigma to the desired culture.

This study will provide other management and human resource professionals with a method by which to adjust their organizational culture in response to shifts in the business environment. It will also provide insight on how human resource roles and strategies must shift to remain effective partners in that change.

Enclosed please find a brief questionnaire representing [phase two][phase one] of the data collection. Upon completion, return the documents to me in the enclosed self-addressed envelope (if you have received this material by US mail), or by e-mail (if you have received this message online).
Your identity will be kept confidential unless otherwise specified by you in writing. All information collected in this study will be grouped ensuring individual response anonymity. Your participation in this study authorizes your consent. This study has been reviewed and approved by St. John Fisher College’s Institutional Review Board for the Protection of Human Subjects. If you have any questions or concerns about this study, please contact my academic advisor and the director/chair of the Graduate Human Resource Development Masters degree program at St. John Fisher College: Dr. Marilynn Butler by telephone at 716-385-8157 or by e-mail at mbutter@sjfc.edu.

Thank you in advance for agreeing to be part of this important study.

Sincerely,

Geoffrey W. Peters
Master of Science in Human Resource Development Candidate
St. John Fisher College
3690 East Avenue
Rochester, New York
Appendix C

Organizational Culture Assessment Instrument (OCAI)
INSTRUCTIONS:

Organizational Culture Assessment Instrument (OCAI): Part 1

"The purpose of the Organizational Culture Assessment Instrument (OCAI) is to assess six key dimensions Sigma’s organizational culture... In completing this instrument, you will be providing a picture of how Sigma operated in 1990 and the values that characterized it. No right or wrong answers exist for these questions just as there is no right or wrong culture. Every organization will most likely produce a different set of responses...

Please rate the organization as was known during the year of 1990. The OCAI consists of six questions. Each question has four alternatives. Divide 100 points among these four alternatives depending on the extent to which each alternative is similar to Sigma. Give a higher number of points to the alternative that is most similar to Sigma in 1990. For example, in question 1, if you think alternative A is very similar to Sigma, alternative B and C are somewhat similar, and alternative D is hardly similar at all, you might give 55 points to A, 20 points to B and C, and 5 points to D. Just be sure your total points equals 100 for each question " (Cameron and Quinn, 1999, p. 19).
### 1. Dominant Characteristics 1990

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>The organization is a very personal place. It is like an extended family. People seem to share a lot of themselves.</td>
<td>10</td>
</tr>
<tr>
<td>B</td>
<td>The organization is a very dynamic and entrepreneurial place. People are willing to stick their neck out and take risks.</td>
<td>5</td>
</tr>
<tr>
<td>C</td>
<td>The organization is very results oriented. A major concern is with getting the job done. People are very competitive and achievement oriented.</td>
<td>5</td>
</tr>
<tr>
<td>D</td>
<td>The organization is a very controlled and structured place. Formal procedures generally govern what people do.</td>
<td>80</td>
</tr>
</tbody>
</table>

**Total** 100

### 2. Organizational Leadership 1990

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>The leadership in the organization is generally considered to exemplify mentoring, facilitating, or nurturing.</td>
<td>5</td>
</tr>
<tr>
<td>B</td>
<td>The leadership is generally considered to exemplify entrepreneurship, innovating, or risk taking.</td>
<td>5</td>
</tr>
<tr>
<td>C</td>
<td>The leadership in the organization is generally considered to exemplify a no-nonsense, aggressive, result-oriented focus.</td>
<td>10</td>
</tr>
<tr>
<td>D</td>
<td>The leadership in the organization is generally considered to exemplify coordinating, organizing, or smooth-running efficiency.</td>
<td>80</td>
</tr>
</tbody>
</table>

**Total** 100

### 3. Management of Employees 1990

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>The management style in the organization is characterized by teamwork, consensus, and participation.</td>
<td>0</td>
</tr>
<tr>
<td>B</td>
<td>The management style in the organization is characterized by individual risk-taking, innovation, freedom, and uniqueness.</td>
<td>0</td>
</tr>
<tr>
<td>C</td>
<td>The management style in the organization is characterized by hard-driving competitiveness, high demands, and achievement.</td>
<td>0</td>
</tr>
<tr>
<td>D</td>
<td>The management style in the organization is characterized by security of employment, conformity, predictability, and stability in relationships.</td>
<td>100</td>
</tr>
</tbody>
</table>

**Total** 100
### 4. Organization Glue

<table>
<thead>
<tr>
<th></th>
<th>1990</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>The glue that holds the organization together is loyalty and mutual trust. Commitment to this organization runs high.</td>
</tr>
<tr>
<td>B</td>
<td>The glue that holds the organization together is commitment to innovation and development. There is an emphasis on being on the cutting edge.</td>
</tr>
<tr>
<td>C</td>
<td>The glue that holds the organization together is the emphasis on achievement and goal accomplishment. Aggressiveness and winning are common themes.</td>
</tr>
<tr>
<td>D</td>
<td>The glue that holds the organization together is formal rules and policies. Maintaining a smooth-running organization is important.</td>
</tr>
</tbody>
</table>

**Total 100**

### 5. Strategic Emphasis

<table>
<thead>
<tr>
<th></th>
<th>1990</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>The organization emphasizes human development. High trust, openness, and participation persist.</td>
</tr>
<tr>
<td>B</td>
<td>The organization emphasizes acquiring new resources and creating new challenges. Trying new things and prospecting for opportunities are valued.</td>
</tr>
<tr>
<td>C</td>
<td>The organization emphasizes competitive actions and achievement. Hitting stretch targets and winning in the marketplace are dominant.</td>
</tr>
<tr>
<td>D</td>
<td>The organization emphasizes permanence and stability. Efficiency, control and smooth operations are important.</td>
</tr>
</tbody>
</table>

**Total 100**

### 6. Criteria of Success

<table>
<thead>
<tr>
<th></th>
<th>1990</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>The organization defines success on the basis of the development of human resources, teamwork, employee commitment, and concern for people.</td>
</tr>
<tr>
<td>B</td>
<td>The organization defines success on the basis of having the most unique or newest products. It is a product leader and innovator.</td>
</tr>
<tr>
<td>C</td>
<td>The organization defines success on the basis of winning in the marketplace and outpacing the competition. Competitive market leadership is key.</td>
</tr>
<tr>
<td>D</td>
<td>The organization defines success on the basis of efficiency. <strong>Dependable delivery</strong>, smooth scheduling, and low-cost production are critical.</td>
</tr>
</tbody>
</table>
Appendix D

Organizational Culture Assessment Instrument (OCAI)--Sigma Desired Culture
Survey Purpose:
The purpose of the Organizational Culture Assessment Instrument (OCAI) is to assess six key dimensions of an organization’s culture. In completing this instrument, you will be providing a picture of what the management team wished the Sigma Manufacturing culture to be by 1995 and the values that should characterize it. No right or wrong answers exist for these questions just as there is no right or wrong culture. Every organization will most likely produce a different set of responses (Cameron and Quinn, 1999).

Survey Completion Instructions:
Sigma’s CEO rated the Sigma Manufacturing culture as he saw it in 1990. This will stand as our baseline culture profile. Please rate the Sigma Manufacturing culture as the senior management team desired it to be by the end of 1995.

The OCAI consists of six questions. Each question has four alternatives. Divide 100 points among these four alternatives depending on the extent to which each alternative is similar to Sigma Manufacturing. Give a higher number of points to the alternative that is most similar to where the senior management team was attempting to move the Sigma culture by 1995.

For Example:

<table>
<thead>
<tr>
<th>1. Dominant Characteristics</th>
<th>Joe’s Baseline</th>
<th>Your rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>A The organization is a very personal place. It is like an extended family. People seem to share a lot of themselves.</td>
<td>10</td>
<td>30</td>
</tr>
<tr>
<td>B The organization is a very dynamic and entrepreneurial place. People are willing to stick their neck out and take risks.</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>C The organization is very results oriented. A major concern is with getting the job done. People are very competitive and achievement oriented.</td>
<td>5</td>
<td>30</td>
</tr>
<tr>
<td>D The organization is a very controlled and structured place. Formal procedures generally govern what people do.</td>
<td>80</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Survey Submissions Instructions:
Save the document, then “forward” the original e-mail with this attachment to gpeters2@rochester.rr.com.

Please complete and return by February 15, 2001

Thank you for your participation in this survey. If you have any questions please do not hesitate to call me at (716) 654-2973 or e-mail at the above-mentioned address.
## Organizational Culture Assessment Instrument (OCAI): Phase 2

### 1. Dominant Characteristics

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>1990</th>
<th>1995</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>The organization is a very personal place. It is like an extended family. People seem to share a lot of themselves.</td>
<td>10</td>
<td>100</td>
</tr>
<tr>
<td>B</td>
<td>The organization is a very dynamic and entrepreneurial place. People are willing to stick their neck out and take risks.</td>
<td>5</td>
<td>55</td>
</tr>
<tr>
<td>C</td>
<td>The organization is very results oriented. A major concern is with getting the job done. People are very competitive and achievement oriented.</td>
<td>5</td>
<td>55</td>
</tr>
<tr>
<td>D</td>
<td>The organization is a very controlled and structured place. Formal procedures generally govern what people do.</td>
<td>80</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

### 2. Organizational Leadership

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>1990</th>
<th>1995</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>The leadership in the organization is generally considered to exemplify mentoring, facilitating, or nurturing.</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>The leadership is generally considered to exemplify entrepreneurship, innovating, or risk taking.</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>The leadership in the organization is generally considered to exemplify a no-nonsense, aggressive, result-oriented focus.</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>The leadership in the organization is generally considered to exemplify coordinating, organizing, or smooth-running efficiency.</td>
<td>80</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

### 3. Management of Employees

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>1990</th>
<th>1995</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>The management style in the organization is characterized by teamwork, consensus, and participation.</td>
<td>0</td>
<td></td>
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<td></td>
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<td>0</td>
<td></td>
</tr>
<tr>
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<td>The management style in the organization is characterized by security of employment, conformity, predictability, and stability in relationships.</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>
### 4. Organization Glue

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<thead>
<tr>
<th></th>
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<td>C</td>
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<td>0</td>
</tr>
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<td>D</td>
<td>The glue that holds the organization together is formal rules and policies. Maintaining a smooth-running organization is important.</td>
<td>100</td>
</tr>
</tbody>
</table>

Total 100

### 5. Strategic Emphasis

<table>
<thead>
<tr>
<th></th>
<th>1990</th>
<th>1995</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>The organization emphasizes human development. High trust, openness, and participation persist.</td>
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<td>B</td>
<td>The organization emphasizes acquiring new resources and creating new challenges. Trying new things and prospecting for opportunities are valued.</td>
<td>5</td>
</tr>
<tr>
<td>C</td>
<td>The organization emphasizes competitive actions and achievement. Hitting stretch targets and winning in the marketplace are dominant.</td>
<td>0</td>
</tr>
<tr>
<td>D</td>
<td>The organization emphasizes permanence and stability. Efficiency, control and smooth operations are important.</td>
<td>95</td>
</tr>
</tbody>
</table>

Total 100

### 6. Criteria of Success

<table>
<thead>
<tr>
<th></th>
<th>1990</th>
<th>1995</th>
</tr>
</thead>
<tbody>
<tr>
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<td>The organization defines success on the basis of the development of human resources, teamwork, employee commitment, and concern for people.</td>
<td>0</td>
</tr>
<tr>
<td>B</td>
<td>The organization defines success on the basis of having the most unique or newest products. It is a product leader and innovator.</td>
<td>0</td>
</tr>
<tr>
<td>C</td>
<td>The organization defines success on the basis of winning in the marketplace and outpacing the competition. Competitive market leadership is key.</td>
<td>0</td>
</tr>
<tr>
<td>D</td>
<td>The organization defines success on the basis of efficiency. Dependable delivery, smooth scheduling, and low-cost production are critical.</td>
<td>100</td>
</tr>
</tbody>
</table>
Appendix E

Organizational Culture Assessment Instrument (OCAI)--Delphi Procedure Response Summary
Organizational Culture Assessment Instrument - Compiled Responses

Survey Purpose:

The purpose of the Organizational Culture Assessment Instrument (OCAI) is to assess six key dimensions of an organization’s culture. In completing this instrument, you will be providing a picture of what the management team wished the Sigma Manufacturing culture to be by 1995 and the values that should characterize it. No right or wrong answers exist for these questions just as there is no right or wrong culture. Every organization will most likely produce a different set of responses (Cameron and Quinn, 1999).

Survey Completion Instructions:

Sigma’s CEO rated the Sigma Manufacturing culture as he saw it in 1990. This will stand as our baseline culture profile. Please rate the Sigma Manufacturing culture as the senior management team desired it to be by the end of 1995.

The OCAI consists of six questions. Each question has four alternatives. Divide 100 points among these four alternatives depending on the extent to which each alternative is similar to Sigma Manufacturing. Give a higher number of points to the alternative that is most similar to where the senior management team was attempting to move the Sigma culture by 1995.

For Example:

<table>
<thead>
<tr>
<th>1. Dominant Characteristics</th>
<th>CEO's Baseline</th>
<th>Your rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>A The organization is a very personal place. It is like an extended family. People seem to share a lot of themselves.</td>
<td>10 60 60</td>
<td>30 60</td>
</tr>
<tr>
<td>B The organization is a very dynamic and entrepreneurial place. People are willing to stick their neck out and take risks.</td>
<td>5 20 25</td>
<td>20</td>
</tr>
<tr>
<td>C The organization is very results oriented. A major concern is with getting the job done. People are very competitive and achievement oriented.</td>
<td>5 30 5</td>
<td>30 5 0</td>
</tr>
<tr>
<td>D The organization is a very controlled and structured place. Formal procedures generally govern what people do.</td>
<td>80 15 15</td>
<td>40</td>
</tr>
</tbody>
</table>

Total 100 100

Survey Submissions Instructions:

Save the document, then “forward” the original e-mail with this attachment to gpeters2@rochester.rr.com.

Please complete and return by March 30, 2001. If not submitted by deadline, it will be assumed you wish to make no changes to your responses and have no further comment.

Thank you for your participation in this survey. If you have any questions please do not hesitate to call me at (716) 654-2973 or e-mail at the above-mentioned address.
Organizational Culture Assessment Instrument - Compiled Responses

1. Dominant Characteristics

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A The organization is a very personal place. It is like an extended family. People seem to share a lot of themselves.</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>50</td>
<td>30</td>
</tr>
<tr>
<td>B The organization is a very dynamic and entrepreneurial place. People are willing to stick their neck out and take risks.</td>
<td>5</td>
<td>30</td>
<td>20</td>
<td>20</td>
<td>5</td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td>C The organization is very results oriented. A major concern is with getting the job done. People are very competitive and achievement oriented.</td>
<td>5</td>
<td>30</td>
<td>50</td>
<td>10</td>
<td>40</td>
<td>15</td>
<td>30</td>
</tr>
<tr>
<td>D The organization is a very controlled and structured place. Formal procedures generally govern what people do.</td>
<td>80</td>
<td>25</td>
<td>10</td>
<td>0</td>
<td>45</td>
<td>5</td>
<td>25</td>
</tr>
</tbody>
</table>

Total 100 100 100 100 100 100 100

2. Organizational Leadership

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A The leadership in the organization is generally considered to exemplify mentoring, facilitating, or nurturing.</td>
<td>5</td>
<td>25</td>
<td>40</td>
<td>80</td>
<td>40</td>
<td>60</td>
<td>20</td>
</tr>
<tr>
<td>B The leadership is generally considered to exemplify entrepreneurship, innovating, or risk taking.</td>
<td>5</td>
<td>25</td>
<td>15</td>
<td>20</td>
<td>0</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>C The leadership in the organization is generally considered to exemplify a no-nonsense, aggressive, result-oriented focus.</td>
<td>10</td>
<td>25</td>
<td>20</td>
<td>0</td>
<td>0</td>
<td>45</td>
<td>10</td>
</tr>
<tr>
<td>D The leadership in the organization is generally considered to exemplify coordinating, organizing, or smooth-running efficiency.</td>
<td>80</td>
<td>25</td>
<td>25</td>
<td>10</td>
<td>45</td>
<td>10</td>
<td>25</td>
</tr>
</tbody>
</table>

Total 100 100 100 100 100 100 100

3. Management of Employees

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A The management style in the organization is characterized by teamwork, consensus, and participation.</td>
<td>0</td>
<td>30</td>
<td>70</td>
<td>70</td>
<td>80</td>
<td>60</td>
<td>20</td>
</tr>
<tr>
<td>B The management style in the organization is characterized by individual risk-taking, innovation, freedom, and uniqueness.</td>
<td>0</td>
<td>25</td>
<td>20</td>
<td>30</td>
<td>0</td>
<td>10</td>
<td>25</td>
</tr>
<tr>
<td>C The management style in the organization is characterized by hard-driving competitiveness, high demands, and achievement.</td>
<td>0</td>
<td>30</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>25</td>
<td>30</td>
</tr>
<tr>
<td>D The management style in the organization is characterized by security of employment, conformity, predictability, and stability in relationships.</td>
<td>100</td>
<td>15</td>
<td>5</td>
<td>0</td>
<td>20</td>
<td>5</td>
<td>25</td>
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</tbody>
</table>

Total 100 100 100 100 100 100 100
### 4. Organization Glue

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>The glue that holds the organization together is loyalty and mutual trust. Commitment to this organization runs high.</td>
<td>0</td>
<td>30</td>
<td>70</td>
<td>80</td>
<td>40</td>
<td>75</td>
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<tr>
<td></td>
<td></td>
<td>30</td>
<td>75</td>
<td>80</td>
<td>40</td>
<td>75</td>
<td>20</td>
<td>60</td>
</tr>
<tr>
<td>B</td>
<td>The glue that holds the organization together is commitment to innovation and development. There is an emphasis on being on the cutting edge.</td>
<td>0</td>
<td>10</td>
<td>5</td>
<td>20</td>
<td>0</td>
<td>15</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10</td>
<td>5</td>
<td>20</td>
<td>0</td>
<td>15</td>
<td>25</td>
<td>5</td>
</tr>
<tr>
<td>C</td>
<td>The glue that holds the organization together is the emphasis on achievement and goal accomplishment. Aggressiveness and winning are common themes.</td>
<td>0</td>
<td>40</td>
<td>15</td>
<td>0</td>
<td>50</td>
<td>10</td>
<td>30</td>
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<tr>
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<td>15</td>
<td>0</td>
<td>50</td>
<td>10</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>D</td>
<td>The glue that holds the organization together is formal rules and policies. Maintaining a smooth-running organization is important.</td>
<td>100</td>
<td>20</td>
<td>10</td>
<td>0</td>
<td>10</td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20</td>
<td>10</td>
<td>0</td>
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<td>25</td>
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</tr>
</tbody>
</table>

**Total**

<table>
<thead>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>The organization emphasizes human development. High trust, openness, and participation persist.</td>
<td>0</td>
<td>30</td>
<td>40</td>
<td>80</td>
<td>50</td>
<td>70</td>
<td>20</td>
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<td>80</td>
<td>50</td>
<td>70</td>
<td>20</td>
<td>60</td>
</tr>
<tr>
<td>B</td>
<td>The organization emphasizes acquiring new resources and creating new challenges. Trying new things and prospecting for opportunities are valued.</td>
<td>5</td>
<td>30</td>
<td>20</td>
<td>20</td>
<td>15</td>
<td>15</td>
<td>25</td>
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<td>20</td>
<td>15</td>
<td>15</td>
<td>25</td>
<td>5</td>
</tr>
<tr>
<td>C</td>
<td>The organization emphasizes competitive actions and achievement. Hitting stretch targets and winning in the marketplace are dominant.</td>
<td>0</td>
<td>30</td>
<td>30</td>
<td>0</td>
<td>10</td>
<td>10</td>
<td>30</td>
</tr>
<tr>
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<td>0</td>
<td>10</td>
<td>10</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>D</td>
<td>The organization emphasizes permanence and stability. Efficiency, control and smooth operations are important.</td>
<td>95</td>
<td>10</td>
<td>10</td>
<td>0</td>
<td>25</td>
<td>5</td>
<td>25</td>
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**Total**

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>The organization defines success on the basis of the development of human resources, teamwork, employee commitment, and concern for people.</td>
<td>0</td>
<td>15</td>
<td>30</td>
<td>80</td>
<td>50</td>
<td>40</td>
<td>25</td>
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<tr>
<td></td>
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<td>15</td>
<td>30</td>
<td>80</td>
<td>50</td>
<td>40</td>
<td>25</td>
<td>60</td>
</tr>
<tr>
<td>B</td>
<td>The organization defines success on the basis of having the most unique or newest products. It is a product leader and innovator.</td>
<td>0</td>
<td>5</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td></td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>25</td>
<td>5</td>
</tr>
<tr>
<td>C</td>
<td>The organization defines success on the basis of winning in the marketplace and outpacing the competition. Competitive market leadership is key.</td>
<td>0</td>
<td>50</td>
<td>20</td>
<td>20</td>
<td>0</td>
<td>10</td>
<td>25</td>
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<td></td>
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<td>20</td>
<td>0</td>
<td>10</td>
<td>25</td>
<td>5</td>
</tr>
<tr>
<td>D</td>
<td>The organization defines success on the basis of efficiency. Dependable delivery, smooth scheduling, and low-cost production are critical.</td>
<td>100</td>
<td>30</td>
<td>40</td>
<td>0</td>
<td>50</td>
<td>50</td>
<td>25</td>
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<td></td>
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<td>0</td>
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<td>50</td>
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<td>30</td>
</tr>
</tbody>
</table>
Appendix F

Sigma HR Practice Leadership/Support Survey
### Human Resource Practices Survey

#### Sigma Manufacturing

**Human Resource Practices**

**1990-1995**

**Instructions:**

For each HR practice, place an "X" in the box under the category(s) of employee who provided support for that HR practice. Then circle (or somehow indicate) the "X" (or X's) that represents the "champion(s) or leader(s) of the effort".

| 1   | Recruitment & Selection | Senior management team installed; 171 people hired in 1992 - HR/Line partnership / team interviewing, temp-to-hire | CEO |
| 2   | Safety, Environment & Health Systems | Safety & housekeeping checklist, safety awareness discussion, safety meeting guidelines, JSA’s, accident & post accident investigation process, RTW program, emergency evacuation procedures, fire extinguisher procedures, hazard communication program, hazardous material handling & spill procedure, hearing conservation, respiratory protection, bloodborne pathogen, LOTO program, material handling, truck loading, confined space, emergency response, PPE, MSDS and Worker’s Compensation Loss Control. | CEO |
| 3   | Benefits Program | Transition from publisher to partial stand-alone service in ABC Manufacturing; benchmarking; alignment of benefits with manufacturing marketplace; Administered such to all employees using corporate and local HR resources. Aligned paid time not worked to market averages & practices; sick and personal days; Attendance Program designed to monitor and enforce minimum behavior expectations. | CEO |
| 4   | General Policy Revisions | All policies reviewed and reconfigured to align with ABC Mfg objectives and philosophies; major revision to employee handbook. | CEO |
| 5   | Performance Management System | Based on mutually agreed goals and objectives; Employee Action Plans; Coached toward greater differentiation in evaluations; Model Employee Program; Supervisory Coaching, Dispute resolution | CEO |
| 6   | Medical Program | Expansion to include physical profiles, aggressive/supportive RTW program, comprehensive policy revisions and disability case management while maintaining high-touch service levels. | CEO |
| 7   | Compensation Systems | Align wages and salaries to book manufacturing market levels; factor-comparison process - team-based task analysis, factor comparison, market analysis, PIA - coordinated wage survey, outside consultants, skill Inventory, pay-scale adjustments/red-circling, WJQ process with Exempt and Non-exempt group | CEO |
| 8   | Human Resource Information System (HRIS) | Independent from publisher; payroll, employee records, benefits enrollment, automated uploads to corporate; information and reporting improvements; records efficiency gains | CEO |
| 9   | Communications: Communication Network (ComNet) | Quarterly communication from CEO on direction of the business and influencing the workforce away from entitlement to competitive mentality. Sigma Ink & Communication Alert Newsletters - Issues, People, Recognition, and Equipment news | CEO |
| 10  | Management & Leadership Development | Assessment and implementation: Practical & Organizational Leadership, Columbia Executive Development | CEO |
| 11  | Team Development | Development Team, Impact Teams; Gainsharing process, facilitator training; High Performance Team training | CEO |
| 12  | Internal Mobility Systems | Enhanced job posting system; Succession Planning Program (Team based selection process; formal training, shadowing, mentoring and lead person/developmental assignments; coaching and action plans for those not selected). | CEO |
| 13  | Departmental Reorganizations: HR Reorganization | Decentralization HR at Sigma - Staff task analysis; Cell Concept; Functional areas of expertise with task sharing; Service Outsourcing - VOC Program - Contract labor sourcing system; Distribution - Mobile flexible job descriptions; Press & Pre-Press - 12 hour schedule formulation; Composition - PAG 360 to Xyvision skill set/job function transfer; Pre-press - Employee transfers to CREO; Customer Service - Reorganization. | CEO |
| 14  | Employee Relations Systems | Sensing System - Two-way communication between CEO/HR and employee committee on business direction/employee thoughts & concerns (permitted anonymous concerns to be communicated); Elimination of forced-step employee appeal process (didn’t have to go through supervisor); | CEO |
| 15  | Fun & Celebrations | Kazoo band, retirement parties; Thanksgiving dinners, Christmas parties/choir, summer picnics, genesis fair, bowling, skeet, etc etc. | CEO |
| 16  | Recognition Systems | Suggestion program, I Got Caught Program, service awards, gainsharing formula, recognition team, spot awards | CEO |
Appendix G

Sigma/Ulrich HR Practice Comparison Survey
INSTRUCTIONS:
First read and understand the detail of the HR practice category(s) on Page 1 for which you had some functional responsibility. Then for each such HR practice category, place an “X” in the box alongside the statements below that are true for that HR practice category.

|---------------------|------------------|--------------------------|------------------------|----------------|----------------------|------|----------------|----------------------------|----------------|-----------------|------------------------|----------------|-----------------|---------------------|
Appendix H

HR Role Assessment Survey
The attached survey explores the different roles that the HR function may play within your business. Considering the HR professionals on your business entity (TPP Manufacturing), please rate quality of each of the following HR activities as of 1990, using a five-point scale (1 is low; 5 is high).

<table>
<thead>
<tr>
<th>HR helps the organization...</th>
<th>P1</th>
<th>P2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. accomplish business goals</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>2. improve operating efficiency</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>3. take care of employees’ personal needs</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>4. adapt to change</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HR participates in...</th>
<th>P1</th>
<th>P2</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. the process of defining business strategies</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>6. delivering HR processes</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>7. improving employee commitment</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>8. shaping culture change for renewal and transformation</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HR makes sure that...</th>
<th>P1</th>
<th>P2</th>
</tr>
</thead>
<tbody>
<tr>
<td>9. HR strategies are aligned with business strategy</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>10. HR processes are efficiently administered</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>11. HR policies and programs respond to the personal needs of employees</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>12. HR processes and programs increase the organization’s ability to change</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HR effectiveness is measured by its ability to...</th>
<th>P1</th>
<th>P2</th>
</tr>
</thead>
<tbody>
<tr>
<td>13. Help make strategy happen</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>14. Efficiently deliver HR processes</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>15. Help employees meet personal needs</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>16. Help an organization anticipate and adapt to future issues</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HR is seen as...</th>
<th>P1</th>
<th>P2</th>
</tr>
</thead>
<tbody>
<tr>
<td>17. A business partner</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>18. An administrative expert</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>19. A champion for employees</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>20. A change agent</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HR spends time on...</th>
<th>P1</th>
<th>P2</th>
</tr>
</thead>
<tbody>
<tr>
<td>21. Strategic issues</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>22. Operational issues</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>23. Listening and responding to employees</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>24. Supporting new behaviors for keeping the firm competitive</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HR is an active participant in...</th>
<th>P1</th>
<th>P2</th>
</tr>
</thead>
<tbody>
<tr>
<td>25. Business planning</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>26. Designing and delivering HR processes</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>27. Listening and responding to employees</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>28. Organization renewal, change, and transformation</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HR works to:</th>
<th>P1</th>
<th>P2</th>
</tr>
</thead>
<tbody>
<tr>
<td>29. Align HR strategies and business strategy</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>30. Monitor administrative processes</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>31. Offer assistance to help employees meet family and personal needs</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>32. Reshape behavior for organizational change</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HR develops processes and programs to...</th>
<th>P1</th>
<th>P2</th>
</tr>
</thead>
<tbody>
<tr>
<td>33. Link HR strategies to accomplish business strategy</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>34. Efficiently process documents and transactions</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>35. Take care of employee personal needs</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>36. Help the organization transform itself</td>
<td>2</td>
<td>1</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>HR’s credibility comes from...</th>
<th>P1</th>
<th>P2</th>
</tr>
</thead>
<tbody>
<tr>
<td>37. Helping to fulfill strategic goals</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>38. Increasing productivity</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>39. Helping employees meet their personal needs</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>40. Making change happen</td>
<td>2</td>
<td>1</td>
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Appendix I

Sigma HR Practices Implementation Summary--1990-1995
## Sigma HR Practices Implementation Summary – 1990-1995

<table>
<thead>
<tr>
<th><strong>Recruitment &amp; Selection</strong></th>
<th>Senior management team installed; 171 people hired in 1992 - HR/Line partnership/team interviewing, temp-to-hire</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Safety, Environment &amp; Health Systems</strong></td>
<td>Safety &amp; housekeeping checklist, safety awareness discussion, safety meeting guidelines, JSA's, accident &amp; post accident investigation process, RTW program, emergency evacuation procedures, fire extinguisher procedures, hazard communication program, hazardous material handling &amp; spill procedure, hearing conservation, respiratory protection, bloodborne pathogen, LO/TO program, material handling, truck loading, confined space, emergency response, PPE, MSDS and worker's compensation loss control.</td>
</tr>
<tr>
<td><strong>Benefits Program</strong></td>
<td>Transition from publisher to partial stand-alone service in Sigma Manufacturing; benchmarking; alignment of benefits with manufacturing marketplace; Administered such to all employees using corporate and local HR resources. Aligned paid time not worked to market averages &amp; practices; sick and personal days; Attendance Program designed to monitor and enforce minimum behavior expectations.</td>
</tr>
<tr>
<td><strong>General Policy Revisions</strong></td>
<td>All policies reviewed and reconfigured to align with Sigma Manufacturing objectives and philosophies; major revision to employee handbook.</td>
</tr>
<tr>
<td><strong>Performance Management System</strong></td>
<td>Based on mutually agreed goals and objectives; Employee Action Plans; coached toward greater differentiation in evaluations; Model Employee Program; supervisory coaching, dispute resolution.</td>
</tr>
<tr>
<td><strong>Medical Program</strong></td>
<td>Expansion to include physical profiles, aggressive/supportive RTW program, comprehensive policy revisions and disability case management while maintaining high-touch service levels.</td>
</tr>
<tr>
<td><strong>Compensation Systems</strong></td>
<td>Align wages and salaries to book manufacturing market levels; factor-comparison process - team-based task analysis, factor comparison, market analysis, PIA - coordinated wage survey, outside consultants, skill inventory, pay-scale adjustments/red-circling, WJQ process with exempt and non-exempt group.</td>
</tr>
<tr>
<td><strong>Human Resource Information System (HRIS)</strong></td>
<td>Independent from publisher: payroll, employee records, benefits enrollment, automated uploads to corporate; information and reporting improvements; records efficiency gains.</td>
</tr>
<tr>
<td><strong>Communications: Communication Network (ComNet)</strong></td>
<td>Quarterly communication from CEO on direction of the business and influencing the workforce away from entitlement to competitive mentality. Sigma Ink &amp; Communication Alert Newsletters - issues, people, recognition, and equipment news.</td>
</tr>
<tr>
<td><strong>Management &amp; Leadership Development</strong></td>
<td>Assessment and implementation: Practical &amp; Organizational Leadership, Columbia Executive Development.</td>
</tr>
<tr>
<td><strong>Team Development</strong></td>
<td>Development Team, Impact Teams; Gainsharing process, facilitator training; high performance team training.</td>
</tr>
<tr>
<td><strong>Internal Mobility Systems</strong></td>
<td>Enhanced job posting system; Succession Planning Program (team based selection process; formal training, shadowing, mentoring and lead person/developmental assignments; coaching and action plans for those not selected).</td>
</tr>
<tr>
<td><strong>Departmental Reorganizations</strong></td>
<td>Distribution - Mobile flexible job descriptions; Press &amp; Pre-Press 12 hour schedule formulation; Composition - PAG 360 to Xyvision skill set/job function transfer; Pre-press - Employee transfers to CREO; Customer Service - Reorganization. HR Dept - Shift to stand-alone department.</td>
</tr>
<tr>
<td><strong>Employee Relations Systems and Sensing System</strong></td>
<td>Two-way communication between CEO/HR and employee committee on business direction/employee thoughts &amp; concerns (permitted anonymous concerns to be communicated); Elimination of forced-step employee appeal process (didn't have to go through supervisor).</td>
</tr>
<tr>
<td><strong>Fun &amp; Celebrations</strong></td>
<td>Kazoo band, retirement parties; Thanksgiving dinners, Christmas parties/choir, summer picnics, genesis fair, bowling, skeet, etc.</td>
</tr>
<tr>
<td><strong>Recognition Systems</strong></td>
<td>Suggestion program, I Got Caught Program, service awards, gainsharing formula, recognition team, spot awards.</td>
</tr>
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</table>
Appendix J

Competing Values Framework (CVF)--All Senior Management
Appendix K

The Human Resource Wheel
Appendix L

Permissions Documentation
Subject: Re: Requesting Permission to Reprint
Date: Mon, 5 Mar 2001 13:11:52 -0500
From: "WEBMASTR/Towers Perrin" <webmastr@towers.com>
To: Geoff Peters <gpeters2@rochester.rr.com>

Geoff,

Thank you for using Towers Perrin as your Graduate Study source. You are more than welcome to reprint the Exhibit in your masters paper, as long as Towers Perrin is properly referenced.

Have a nice day, and good luck

Webmaster
Subject: RE: Permission to Use ACAI Survey  
Date: Wed, 11 Apr 2001 15:19:45 -0400  
From: "Cameron, Kim" <cameronk@bus.umich.edu>  
To: "Geoff Peters" <gpeters2@rochester.rr.com>  

ear Geoff:  
You are welcome to use page 83 in your paper. Best of luck.  
Kim  

-----Original Message-----  
From: Geoff Peters [mailto:gpeters2@rochester.rr.com]  
Sent: Wednesday, April 04, 2001 2:45 PM  
To: Cameron, Kim  
Subject: Re: Permission to Use ACAI Survey  

Dear Kim,  
I left you a voice mail that you can disregard if you get this e-Mail. I would like your permission to scan and insert p.83 of your book Diagnosing and Changing Organizational Culture into my paper. It is a perfect graphic to explain the concept....any effort to provide a strictly narrative explanation proves less effective than if accompanied by the figure.  

Thanks.  
Geoff  

"Cameron, Kim" wrote:  
> Dear Geoff:  
> > Thank you for your inquiry about the OCAI. You have my permission to use the instrument in your research, and I wish you much success with it. You may find Dave Ulrich to be a good source for HR practices associated with the model.  
> > Best of luck.  
> > Kim  
> > ----Original Message-----  
> > From: Geoff Peters [mailto:gpeters2@rochester.rr.com]  
> > Sent: Tuesday, March 06, 2001 8:55 PM  
> > To: cameronk@umich.edu  
> > Subject: Permission to Use ACAI Survey  
> > > Mr. Cameron,  
> > > I am a graduate student at St. John Fisher College  
> > > taking course work toward the fulfillment of a Masters in  
> > > Human Resource Development at St. John Fisher College in  
> > > Rochester, New York. I am conducting a case study of an  
> > > organization that was engaged in a culture change effort to  
> > > move itself from an entitlement orientation to a  
> > > competitive  
> > > mindset.
As part of this study I am assessing the effectiveness of the human resource department in supporting that culture change effort. I wish to use the ACAI survey with the management team to ascertain baseline and desired organizational culture profiles.

I would appreciate a reply to this e-mail with your permission to use this survey.

I am also conducting research to find human resources practices that will support the 4 culture profiles (Adhocracy, Market, Hierarchy, and Clan). You have touched on some in your text, and Dave Ulrich has also linked HR practices to your model. Are you aware of any other sources that have attempted to isolate HR practices to support your competing values framework?

Thanks for any help you can provide.

Geoff Peters
716-654-2973 (W)
gpeters2@rochester.rr.com
Subject: RE: Permission to Use ACAI Survey

Date: Wed, 7 Mar 2001 10:28:08 -0500
From: "Cameron, Kim" <cameronk@bus.umich.edu>
To: "Geoff Peters" <gpeters2@rochester.rr.com>

Dear Geoff:

Thank you for your inquiry about the OCAI. You have my permission to use the instrument in your research, and I wish you much success with it. You may find Dave Ulrich to be a good source for HR practices associated with the model.

Best of luck.
Kim

-----Original Message-----
From: Geoff Peters [mailto:gpeters2@rochester.rr.com]
Sent: Tuesday, March 06, 2001 8:55 PM
To: cameronk@umich.edu
Subject: Permission to Use ACAI Survey

Mr. Cameron,

I am a graduate student at St. John Fisher College taking course work toward the fulfillment of a Masters in Human Resource Development at St. John Fisher College in Rochester, New York. I am conducting a case study of an organization that was engaged in a culture change effort to move itself from an entitlement orientation to a competitive mindset.

As part of this study I am assessing the effectiveness of the human resource department in supporting that culture change effort. I wish to use the ACAI survey with the management team to ascertain baseline and desired organizational culture profiles.

I would appreciate a reply to this e-mail with your permission to use this survey.

I am also conducting research to find human resources practices that will support the 4 culture profiles (Adhocracy, Market, Hierarchy, and Clan). You have touched on some in your text, and Dave Ulrich has also linked HR practices to your model. Are you aware of any other sources that have attempted to isolate HR practices to support your competing values framework?

Thanks for any help you can provide.

Geoff Peters
716-654-2973 (W)
gpeters2@rochester.rr.com
Title of Publication: ACADEMY OF MANAGEMENT REVIEW
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ISBN/ISSN: 03637425
Response: Yes
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Order Detail ID: 6143725

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Circulation/Distribution: 2
Republication Format: Dissertation

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Are you the author of the requested work?* Yes No

To be translated?* Yes (specify) No

Language

If requesting from a newspaper Select Section

Information about text portion of publication being requested: (Click here for Help)

Title of article/chapter* TOWARD A UNIFYING FRAMEWORK FOR EXPLORING FIT AND FLEXIBILITY IN ST
(required if text is requested)

Full text of article/chapter Yes No

From Page* 760
To Page* 760

request only one of the following:

Number of pages
Number of excerpts
Number of quotes
FIGURE 1. A FIT/FLEXIBILITY MODEL OF STRATEGIC HRM

<table>
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<td>Number of figures/tables/diagrams 1</td>
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<td>Number of illustrations</td>
</tr>
<tr>
<td>Number of photographs</td>
<td>Number of cartoons</td>
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P.O. number ____________

* Required fields
Subject: Permissions

Date: Fri, 6 Apr 2001 10:33:49 +0100
From: "Clapton, Sheila (ELS)" <S.Clapton@elsevier.co.uk>
To: "Gpeters2@rochester.rr.com" <Gpeters2@rochester.rr.com>

FCR/smc/April 2001.129
6 April 2001

Dr Geoff Peters
Gpeters2@rochester.rr.com

Dear Dr Peters

ORGANIZATIONAL DYNAMICS, 1984, Page 44, Miles et al, "Designing strategic human resources systems", Table 1 only

As per your letter dated 25 March 2001, we hereby grant you permission to reproduce the aforementioned material in print and electronic format at no charge subject to the following conditions:

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Yours sincerely

Frances Rothwell (Mrs)
Global Rights Manager
The processing of permission requests for all Elsevier Science (including Pergamon imprint) journals has been centralised in Oxford, UK. Your future requests will be handled more quickly if you write directly to:

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Rights Department, Elsevier Science, PO Box 800, Oxford OX5 1DX, UK.
Fax: 44-1865 853333; e-mail: permissions@elsevier.co.uk
Subject: Re: Requesting Permission to Use Survey
Date: Tue, 30 Jan 2001 23:02:23 -0500
From: "Dave Ulrich" <dou@umich.edu>
To: "Geoff Peters" <gpeters2@rochester.rr.com>

Thanks for asking ... feel free to use it!! Good luck.

--- Original Message ----
From: "Geoff Peters" <gpeters2@rochester.rr.com>
To: <dou@umich.edu>
Cc: "Marilyn Butler" <mbutler@sjfc.edu>
Subject: Requesting Permission to Use Survey

January 30, 2001

Dave Ulrich
University of Michigan

Dear Mr. Ulrich,

I am a graduate student at St. John Fisher College taking course work toward the fulfillment of a Masters in Human Resource Development at St. John Fisher College in Rochester, New York. I am conducting a case study of an organization that was engaged in a culture change effort to move itself from an entitlement orientation to a competitive mindset.

As part of this study I am assessing the effectiveness of the human resource department in supporting that culture change effort. I wish to use the Human Resource Role Assessment Survey, created by you and Jill Conner as presented in Human Resource Champions, as the assessment method to determine baseline and post culture change HR role profiles.

I would appreciate a reply to this e-mail with your permission to use this survey.

Sincerely Yours,

Geoff Peters

Cc: Dr. Marilynn Butler, Director and Chair of the Graduate Human Resources Development (GHRD) Master's Degree Program at St. John Fisher College.
Appendix M

IRB Application for Expedited Review
**TABLE 2. THE HUMAN RESOURCE STRATEGIC MATRIX**

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<td>Number of photographs</td>
<td>Number of cartoons</td>
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</tbody>
</table>

Please indicate the number of charts, graphs, photographs, illustrations, and cartoons if non-text is requested.

A number will appear on all correspondence relating to this request:

- P.O. number

Please do not click the Resend button if you have not made changes to this item.

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Rightsholder: ACAD OF MGMT  
ISBN/ISSN: 03637425  
Response: Yes  
Total Fee: 0.00  
Order Detail ID: 6143724

You may modify previously reported information for this item. You may also cancel this item to disable it from being included in the current permission request.

Circulation/Distribution and Republication Format (Click here for Help)  
Circulation/Distribution | 2 | Republication Format | Dissertation |

Information about the work you wish to republish: (Click here for Help)  
Vol/Ed/No: 13  
Publication date: Jan 1  
Author/Creator: BAIRD, L. & MESHOUL  
Are you the author of the requested work?  
To be translated?  
Yes (specify)  
Language  
If requesting from a newspaper  
Select Section  

Information about text portion of publication being requested: (Click here for Help)  
Title of article/chapter: MANAGING TWO FITS OF STRATEGIC HUMAN RESOURCE MANAGEMENT  
Full text of article/chapter  
Yes  
No  
From Page: 124  
To Page: 124  
Or request only one of the following:  
Number of pages  
1  
Number of excerpts  
Number of quotes  

Appendix M

IRB Application for Expedited Review
APPLICATION FOR EXPEDITED REVIEW

Aligning HR Practices to Desired Organizational Culture: A Case Study

Submitted by Geoffrey W. Peters

GHRD 590

St. John Fisher College

December 16, 2000
Aligning HR Practices to Desired Organizational Culture: A Case Study

Introduction

As the business environment shifts, an organization’s culture must adapt accordingly in order to sustain performance. Human resources and line management must adjust its roles and strategies to shift the organization’s cultural profile when its business environment demands it (Cameron & Quinn, 1999).

Purpose

The purpose of this study is to examine an organization and to assess the cultural change needed to remain congruent with its changing business environment. This study will demonstrate the usefulness of organizational diagnostic models as tools by which to conduct a review of human resource strategic activity in a rapidly changing business environment. Reflective analysis allows human resource professionals to review past organizational events to gain perspective on potential organizational change initiatives.

To conduct this study, anecdotal information will be collected. Anecdotal information, in this context, refers to information capturing planned organizational change activities (Rothwell, 1992). An organizational diagnosis models refers to a metaphorical description of an organization to help categorize and interpret data about the organization (Howard, 1994).

Methodology

Information detailing (a) organizational cultural profiles, (b) HR role shifts, and (c) organizational change strategy actions will be collected from selected Sigma Company employees and analyzed. Consensus opinion will be produced using the Delphi procedure.

Data Collection

Data collection techniques include an examination of extant data, surveys, telephone interviews, and e-mail correspondence. Data collection will be performed in three phases:

A. Phase 1--Sigma Company Baseline Culture Profile. Establish a baseline culture situation for Sigma Company using extant data and validate the baseline culture situation via validation sign-off from the former Sigma Company President (Appendix C1). Define Sigma Company’s culture as of 1990 by surveying the former Sigma Company President, using Cameron & Quinn’s Organizational Culture Assessment Instrument (OCAI) (Appendix B1). “A survey is a system for collecting information to describe, compare, or explain knowledge, attitudes and behavior” (Fink, 1995, p.1).
B. Phase 2—Sigma Company Desired Cultural Profile. Define Sigma Company’s desired culture from the period of 1990 to 1995 by surveying all line-management participants using Cameron & Quinn’s Organizational Culture Assessment Instrument (OCAI) (Appendix B2). After receiving initial phase 2 survey results the researcher will consolidate participant-OCAI opinion of Sigma Company’s desired culture utilizing the Delphi Procedure. The Delphi Procedure is a structured approach to collecting information from independent experts (Rothwell, 1992). Final opinion of Sigma Company’s desired culture state will be documented (Appendix C1).

C. Phase 3—Sigma Company HR Roles and Strategy Adjustments. Characterize the role change of Sigma Company Human Resources by compiling a summary of HR strategic initiatives implemented from 1990 – 1995 using available extant data and interviews with a study participant subset. This subset consists of the former Sigma Company President, and two former Human Resources Representatives. Extant data consists of business journal notes and company documents. A composite summary of the Sigma Company Human Resource role shifts and strategic initiatives will be documented (Appendix D).

Study Participants
Study participants will include the following former Sigma Company employees:
- President, CEO Sigma Manufacturing
- VP Manufacturing
- Controller
- Director, Information Technology
- Executive Assistant
- Composition and Marketing Manager
- Customer Service Manager
- Distribution Manager
- Human Resource Representative

These former employees from Sigma Company will be selected using non-probability convenience sampling. A non-probability convenience sample is a group of individuals that is readily available (Fink 1995). A letter introducing the study and confirming their participation will be issued to the participants (Appendix A). All participants will receive a copy of the completed study upon request.

Analysis
All collected data will be aggregated then analyzed using content analysis techniques. Sigma Company human resource role-shifts conducted and strategic initiatives implemented from 1990 – 1995 will be compared to the recommendations made by Cameron and Quinn (1999) in their organizational change model, Competing Values Framework, Dave Ulrich (1999) in his publication, Human Resource Champions, and other best practices found in human resource development literature. Strengths and weaknesses of Sigma Company human resources role changes and strategy initiatives will be discussed. Recommendations for future retrospective analysis will be detailed.
Confidentiality Measures
Survey participant anonymity of the survey participants will be maintained. Surveys will be distributed to study participants via e-mail. Completed surveys will be returned via e-mail response. Surveys will not be completed anonymously, yet each participant will not be able to identify the source of the other responses. Survey results will be summarized in the research paper with reference to position titles only.

Dissemination of Information
All research study activities lead to completion of GHRD 590: Applied Research in HRD. Information collected in this study will be used as the basis for the GHRD Final Master’s Project. Three documents will be produced: (1) a hard-bound copy of the project report to be placed in the St. John Fisher College Library and (2) a manuscript to be submitted to a professional referred journal for public consideration, and (3) an abridged article summarizing the study, findings, and implications will be submitted for publication.
February 2, 2001

Mr. Geoffrey Peters
3 Beatrice Cove
Fairport, NY 14450

Dear Mr. Peters:

Thank you for submitting your research proposal to the Institutional Review Board.

The Board has approved the proposal for Expedited Review for the project, "HR Role and Strategy Shifts to Change Organizational Culture in Response to Demands of the Business Environment: A Retrospective Review of ABC Company from 1990-1995" with the following revisions:

1. Change the start date of the research. Must begin after IRB approval.
2. Need to say that you may be publishing the results.
3. State what the benefits are to the participants.
4. Will the responses be anonymous or kept confidential?

Should you have any questions about this process or your responsibilities, please contact me at 385-8471 or by e-mail to mccloskey@sjfc.edu, or if unable to reach me, please contact the Secretary to the IRB, Lillian Harris, at 385-8468, e-mail harris@sjfc.edu.

Sincerely,

Cynthia Ricci McCloskey, DNS
Chair, Institutional Review Board

CRM:lmh

Copy: SAGE IRB
IRB: Approve expedited.doc
Application for Expedited Review

Please submit three (3) copies of this form to the SAGE Office, K-202, Attention: Lil Harris.

Name of Investigator(s):

Geoffrey Peters

Address: 3 Beaucar Cove
Fairport NY 14450

Telephone: 716 654-2973

E-mail Address: gpeters2@rock Ethan.com

Faculty/Staff Sponsor (if different):

Marilyn W. Bueh

Title of Project: See Attached

Abstract of Project:

Type of Investigator and Nature of Activity (check one):

- Faculty or staff at St. John Fisher College
- Student of St. John Fisher College

Individuals other than faculty, staff, or students of St. John Fisher College. (Please identify investigator and

ftp://home.sjc.edu/~irn/exprev.mnu

1/10/01
explain nature of research activity.) All applications from students and from persons outside of the College must be signed by the faculty, staff person or administrator supervising the research activity.

Please answer the following questions with regard to the proposed research activity. (An affirmative response to any of these might necessitate formal review.)

Does the research involve:

<table>
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<tr>
<td>a.</td>
<td>drugs or other controlled substances</td>
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<tr>
<td>b.</td>
<td>access to subjects through a cooperating institution?</td>
<td></td>
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<tr>
<td>c.</td>
<td>subjects taking internally or having externally applied any substance?</td>
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<tr>
<td>d.</td>
<td>removing any fluids (e.g., blood) or tissue from subjects?</td>
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<td>e.</td>
<td>subjects experiencing stress (physiological or psychological) above a level that would be associated with their normal everyday activity?</td>
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<td>f.</td>
<td>misleading subjects about any aspect of the research?</td>
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<td>g.</td>
<td>subjects who would be judged to have limited freedom of consent (e.g., minors, mentally retarded, aged)?</td>
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<tr>
<td>h.</td>
<td>any procedures or activities that might place the subjects at more than minimal risk (psychological, physical, or social/economic)?</td>
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<td>i.</td>
<td>sensitive aspects of the persons' own behavior, such as illegal conduct, drug use, sexual behavior, or alcohol use?</td>
<td></td>
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</table>

Under which of the following categories are you applying for expedited review? (check one)

1. Voice recordings made for research purposes such as investigations of speech defects.
2. Moderate exercise by healthy volunteers.
3. The study of existing data, documents, records, pathological specimens, or diagnostic specimens, if the individual from whom the data were collected are identifiable.
4. Research on individual or group behavior or characteristics of individuals, such as studies of perception, cognition, game theory, or test development, where the investigator does not manipulate subjects' behavior and the research will not involve stress to subjects.
5. Collection of: hair and nail clippings, in a non-disfiguring manner; deciduous teeth; and permanent teeth if patient care indicates a need for extraction.
6. Collection of excreta and external secretions including sweat, uncannulated saliva, placenta removed at delivery, and amniotic fluid at that time of rupture of the membrane prior to or during labor.
7. Recording of data collected from subjects 18 years of age or older in the course noninvasive procedures routinely employed by professionally certified/licensed individuals in the clinical practice of medicine, psychology and social work. This includes the use of physical practice sensors that are applied either to the surface of the body or at a distance and do not involve input of matter or significant amounts of energy into the subject or an invasion of the subject's privacy. It also includes such procedures as weighing, testing sensory acuity, electrocardiography, electroencephalography, thermography, detection of naturally occurring radioactivity, diagnostic echography, and electroretinography. It does not include exposure to electromagnetic radiation outside the visible range (for example x-rays, microwaves).
8. Collection of blood samples by venipuncture, in amounts not exceeding 450 milliliters in an eight-week period and no more often than two times per week, from subjects 18 years of age or older who are in good health and...
not pregnant.

9. College of both supra- and subgingival dental plaque and calculus, provided the procedure is not more invasive than routing prophylactic scaling of the teeth and the process is accomplished in accordance with accepted prophylactic techniques.

Certification

1. I am familiar with the policies and procedures of St. John Fisher College regarding human subjects. I subscribe to the standards described in the document, IRB Policies and Procedures for the Protection of Human Subjects.

2. I am familiar with the published guidelines for the ethical treatment of subjects associated with my particular field of inquiry (e.g., as published by the American Psychological Association, American Sociological Association).

3. I am familiar with and will adhere to any official policies in my department concerning research with human subjects.

4. I understand that upon consideration of the nature of my project, the IRB may request a full application for review of my research at their discretion and convenience.

5. If changes in procedures involving human subjects become necessary, I will submit these changes for review before initiating the changes.

Date & Signature Investigator(s)

Date & Signature Collaborator(s) and/or Student Investigator

Date & Signature - Faculty/Staff Sponsor

All student applications and applicants from outside the College must have a College sponsor.

Date & Signature - Researcher

Decision of Institutional Review Board

Reviewed by:

Subcommittee Member #1 Date

Subcommittee Member #2 Date

G Approved
G Not Approved

Comments:

G No Research The proposed project has not research component and does not need be in further compliance with Article 24-A.

http://home.sjc.edu/~irb/exprev.html