

# ORGANIZATIONAL BEHAVIOR IN THE NEW ORGANIZATIONAL ERA

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## ABSTRACT

Changes in contemporary firms and their competitive environments translate into a new focus in organizational research. This chapter reviews organizational behavior research reflecting the shift from corporatist organizations to organizing. Key research themes include emerging employment relations, managing the performance paradox, goal setting and self-management, discontinuous information processing, organization learning, organizational change and individual transitions, and the implications of change for work-nonwork relations. Research into organizing is building upon and extending many of the field's traditional concepts. This chapter suggests that some assumptions of organizational behavior research are being superseded by those more responsive to the new organizational era.

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This chapter is dedicated to Herbert Simon on the occasion of his eightieth birthday.

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## INTRODUCTION

Contemporary organizations are changing, and the field of organizational behavior is changing with them. This chapter describes the shifts organizational research manifests as firms transition to a new era of flexible, lateral forms of organizing (Davis 1987, Miles & Creed 1995). It seeks answers to two questions. First, how are core features of organizational research influenced by the changes contemporary organizations are undergoing? Second, what new dynamics and features are emerging as important organizational research issues?

The central problems in organizational behavior are influenced by changes in organizations themselves (Barley & Kunda 1992, Goodman & Whetten 1995). Although *Annual Review of Psychology* (ARP) authors often have reported the durability of such traditional categories as work motivation and performance, absenteeism and turnover, climate and culture, and groups and leadership (e.g. O'Reilly 1991), other recent commentaries report more substantial shifts. The time frame used to review a body of research is probably the greatest determinant of whether we observe change or stability. For example, Barley & Kunda's (1992) investigation of trends in managerial thought ranged from the 1870s to the present and reported alternating cycles of rational (e.g. scientific management) and normative (e.g. human relations) thinking among managers and scholars predicated on the degree of expansion or contraction in the economy of the time. From their starting point in the 1950s, Goodman & Whetten (1995) noted an adaptive quality in the field's work that shifts attention toward particular applied problems firms face within a given decade: Organizational development was a theme in the 1950s and 1960s, and organizational decline and interorganizational relations were themes in the 1980s and 1990s. In the ARP, the historic reach of chapters typically centers around the intervening years since a subject's last review, a practice that can highlight stability and mask trends.

Several previous ARP reviewers have characterized the field as "moribund" (O'Reilly 1991) or "fallow" (Mowday & Sutton 1993), concluding pessimistically that neither innovation nor progress was evident. However, both the time frame of a review and the categories reviewers focus on shape how dynamic or stable the field appears. I conducted a content analysis of ARP chapters (described in the Appendix of this chapter) to determine the field's key content areas and their stability over time. That analysis provides evidence of both change and stability in the field's major topics. It suggests that though a stable core of topics reappear—focusing on organizational and individual perform-

ance, motivation, and worker responses—the correlation of categories over time is moderate, with issues emerging and receding with the field's advances and shifts in the problems organizations face. A trend toward increased specialization is evident, which may make overall progress in the field difficult to gauge. With this in mind, the present chapter focuses on research particularly responsive to contemporary organizational changes. In contrast with the conclusions of earlier reviewers, I show that there is cause for optimism about the progress being made in organizational research.

## A NEW ERA IN ORGANIZATIONAL RESEARCH

This review is predicated on the premise that the meaning of organization is changing. The term organization has two principal definitions. “The act or process of organizing” is the longest established meaning. The second refers to “a body of persons organized for some end or work,” or alternatively “the administrative personnel or apparatus of a business” (Merriam-Webster Inc. 1989). As Drucker (1994) noted, the second definition—“the” organization as an entity—has been widely used only since the 1950s, which is concurrent with the era of the industrial state. This second definition has been operative in organizational research. Now, however, there is evidence that organizational behavior researchers are reconnecting with the more traditional meaning of organization as process, given the increasing attention to group-level—particularly team-level—phenomena, social networks, managerial cognition and information processing, and entrepreneurship (e.g. Arthur & Rousseau 1996, Drazin & Sandelands 1992, Snow et al 1992, Weick 1996). In his *ARP* chapter, Wilpert (1995) described the related “social construction of organizations” perspective as a respected tradition in European research. However, more is going on here than just a shift in epistemological assumptions.

Increasing interest in social construction occurs at a time when firms and work roles themselves have an emergent quality in response to an era of upheaval and transition. Changes in several institutional sectors are influencing firms (Davis 1987, Handy 1989): The Reagan Era's conservative approach to antitrust laws opened up a set of previously illegal interorganizational relationships; global competition has heightened; information technology has exploded in the manufacturing and service sectors; distressed educational institutions are struggling to meet new skill demands; and escalating pressures coupled with lagging resources stress families and other social institutions caught in the transition. These institutional forces often operate quite differently across societies and can yield distinct local variations in firms (Rousseau & Tinsley 1996). In most industrialized societies, institutional forces are manifesting themselves in several related organizational changes: the movement to small-firm employment in the United States (Small Business Association

1992), the United Kingdom (Storey 1994), and elsewhere (Castells 1992); reliance on interfirm networks to substitute for corporate expansion, one product of which is outsourcing work among firms (Bettis et al 1992); new and more differentiated employment relations [e.g. core and peripheral part-time workers and independent contractors, guest workers such as technical-support people employed by a vendor but working inside a client firm (Handy 1989)]; and new forms of interdependence among workers and work groups, which in turn link rising performance standards with the concurrent assertion of the interests of many stakeholders, such as customers, workers, and stockholders (Davis 1987). Inevitably, transition costs occur, for people, firms, and society (Mirvis & Hall 1994, Perrow 1996).

The shift from organization to organizing translates into activities that were once predominately repetitive becoming predominately novel, networks formerly based on roles now forming around knowledge, careers once firm-based now depending more on personal resources, and work structures once rule-centered now constructed by the people doing the work (cf Drazin & Sandelands 1992, Manz 1992). The disappearance of old work structures along with expansion of small-firm employment and the demise of hierarchical advancement—particularly the decline in middle-management posts and the concomitant rise of professional and technical jobs—removes cues provided to people from traditional internal labor markets and career paths. The shift from managerial prerogatives to self-management removes a good deal of formal control over work. With the erosion of traditional external guides for behavior, internally generated guides are needed to operate within and around the more fluid boundaries of firms, interfirm networks, and work groups. With fewer external guides for work, greater value is placed on improvisation and learning (Weick 1996).

## RESEARCH THEMES REGARDING ORGANIZING

Shifting to more flexible ways of organizing work and employment introduces new elements to established organizational research topics and, more significantly, gives new meanings to existing concepts. We can observe the most significant changes in those areas where the effects of organizing are greatest.<sup>1</sup>

### *New Employment Relations*

Since 1987, 7 million Americans have lost their jobs (Cascio 1995), and several industrial sectors have expanded their hiring concomitantly. This evi-

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<sup>1</sup> The present chapter omits areas relevant to organizing that are already treated in contemporary reviews: teams (Guzzo & Dickson 1996), personnel selection, and other human resource practices (Borman et al 1997, Cascio 1995).

dent mobility is tied to the formation of new and more varied employment relationships across industries as well as within specific firms. Worldwide shifts in personnel management practices are evident, including decline of seniority-based wages in Japan (Mroczkowski & Hanaoka 1989), decline in job security coupled with higher performance demands in England (Herriot & Pemberton 1995), and higher unemployment prolonging postsecondary school education and apprenticeships in Germany (Roberts et al 1994). In addition, Eastern Europe has undergone a strategic reorientation from placement via centralized workforce planning to recruitment through labor markets (Roe 1995).

Research on the employment relationship reflects both new employment arrangements and the by-products of transition. The shift to organizing is evident in the weaker role of hierarchy and greater decentralization of personnel practices, the role of strategic and environmental factors in shaping incentives for workers and work groups, and generally increased turbulence and uncertainty in employment. Central themes include rewards available from labor force participation and performance, how workers understand new psychological contracts, and the impact of these contracts on equity, worker attachment, and other responses.

**ACCESSING REWARDS** The rewards that motivate workforce participation and performance—such as compensation and benefits, career opportunities, and fulfilling work—are central to research on motivation. Accessing rewards entails issues of who distributes rewards, how they are allocated, and what the parties understand the exchange to mean. Reward distribution is a major theme in organizational research, particularly regarding the locus of decision making about incentives and personnel actions. Control over hiring, firing, and pay levels appears to be increasingly decentralized to permit responsiveness to local market conditions (Cappelli 1996). Wages are now more sensitive to the influence of local labor markets (Katz & Kruger 1991), while rewards based on seniority have declined (Chauvin 1992). Decentralizing personnel decisions means relations with immediate superiors and coworkers are important in the accessing of rewards. Impression management—particularly with superiors—has been found to impact performance ratings and the ability to access rewards beyond an individual or group's actual level of performance (Ancona 1990, Tsui et al 1995). Most reward distribution remains mediated by managers, even as their roles shift under self-management (Manz & Sims 1987).

Delaying coupled with broader spans of control complicates the role leaders play in distributing rewards and motivating employees. High-quality leader-member exchanges (LMX) have been found to increase the opportunities both parties have to perform well and access rewards (Graen & Scandura 1987). However, LMX has historically depended upon two conditions—a

long-term supervisor-subordinate relationship and demographic similarity (Graen & Scandura 1987)—that are increasingly unlikely in a mobile, heterogeneous workforce. The meaning of quality LMX under conditions of organizing is unclear. Nonetheless, trust-based relations between workers and managers appear to be increasingly critical as workers are held accountable for their performance across more dimensions (e.g. internal and external customers) (Miles & Creed 1995). The problem of how to distribute rewards appropriately with fewer managers increases the relevance of “substitutes for leadership” (Kerr & Jermier 1978, Podsakoff et al 1993) such as member socialization, computer-based performance monitoring, and client/customer feedback (Podsakoff et al 1993). Gainsharing has been found to increase peer monitoring of coworker behavior (Welbourne et al 1995), which suggests that social comparisons and peer pressure increase when an individual’s rewards are tied to peer performance. Rearranged jobs and a rising proportion of pay that is performance-contingent combine to make individual and team performance more observable, as occurs in organizing around projects. Contingent pay and peer pressure generated by teams are emerging as substitutes for both managerial influence and internalized member commitment, in effect creating short-term contracts that are heavily leveraged on individual or team performance.

The rewards themselves are changing. Promotions and formal status gains are being reduced and replaced by lateral moves presented as “career-building” assignments (Arthur 1994, Kanter 1989). In particular, autonomous work groups and job rotation tend to break down narrow job descriptions and reduce the number of job titles, a process referred to as “broad banding” (Katz 1985). Employability, the ability to access alternative work on the external labor market (Kanter 1989), is replacing job security in some segments. High-involvement work systems have been found to offer job security to valued, highly skilled workers in whom the firm has considerable investments (Handy 1989). These shifts are evidence that external labor-market factors drive employee experiences within the firm.

Workers often perceive training as a reward, providing self-actualization and the motivation to learn; career development with increased responsibility, autonomy, and likelihood of advancement; and personal psychosocial benefits, including increased confidence, new friendships, and better functioning in nonwork life (Noe & Wilk 1993, Nordhaug 1989). However, employer-provided training varies widely with market forces. Bartel & Sicherman (1994) reported that training is more frequent where unemployment rates are low, which suggests that employers provide skills through training where labor markets are tight but that they are less likely to do so when they can buy skills on the outside market. Hicks & Klimoski (1987) provided evidence that reactions to development opportunities can be enhanced when employees receive

realistic information about the benefits of training; yet environmental uncertainty can make it difficult to forecast accurately the benefits of training. In any case, as the context of training is altered, the meaning workers attach to it is likely to change as well.

Traditional organizational research has viewed rewards as discrete exchanges (e.g. pay for performance). Increasingly, **rewards and other conditions of employment are viewed as compensation “bundles”** (Gerhart & Milkovich 1992). Koys (1991) found that employees' attitudes toward the firm are influenced by their perceptions of the motives that underlie reward systems and other human resource practices. Though increasingly threatened by cost cutting and shifts to peripheral employment (contractors, temporaries), the availability of benefits and employee perceptions of their importance contribute jointly to employee commitment and their perception of organizational support (Eisenberger et al 1986, Greenberger et al 1989, Sinclair et al 1995).

Although rewards are traditionally thought of as static and discrete, with workers having similar understandings of the firm's, management's, or supervisor's intentions in reward distribution, the concept of a psychological contract suggests otherwise. Psychological contracts are beliefs individuals hold about the exchange relationship between themselves and an employer, in essence, what people understand the employment relationship to mean [e.g. a high-involvement relationship or limited transactional employment (Rousseau 1995)]. Introducing the concept of a psychological contract distinguishes traditional notions of discrete rewards from the meaning ascribed to the whole exchange relationship. They have been characterized as schemas or mental models that capture how employees **interpret bundles of rewards. The same reward (e.g. training or development) can signal distinct** kinds of relationships (e.g. short-term incentive or long-term benefit) depending on the employment context in which it occurs. Contracts are dynamic, with time playing two important roles: First, employment duration can alter the rewards accrued. Second, psychological contracts can undergo unannounced changes in terms and meaning giving rise to idiosyncratic work roles (Miner 1990) and employment relationships (Rousseau 1995). Trusted senior workers who have more flexibility in responsibilities and work hours than do their junior colleagues are likely to perceive themselves party to a more relationally oriented contract with their employer. As mental models of the employment relationship, psychological contracts are formed typically at certain points in time (e.g. at hiring or when undergoing socialization for new assignments) and resist revision except when circumstances signal the need to revise an old schema or create a new one (Rousseau 1995). Those who had the strongest attachment to their employers have been found to react more adversely to contract violations (Robinson & Rousseau 1994), and these violations of promised contractual

commitments engender more adverse reactions than do unmet expectations (Robinson 1995). When psychological contracts are congruent with changes in work practices, workers have been found to more fully implement change (Rousseau & Tijoriwala 1996).

INEQUALITY AND SHIFTING REWARD ALLOCATIONS Polls of public opinion in the United States observe that the optimistic attitudes of the 1960s toward one's economic success have given way in the 1990s to fear of losing affluence (Yankelovich 1993). Workplace justice, a long-standing topic in organizational research, is an increasing concern with the often uneven consequences of transitions. Critics of organizational restructurings have raised concern that short-term shareholder value is being increased by appropriating valued employment conditions, such as job security, for which workers have contracted (Smolowe 1996). Compensation research has focused on specific distributive issues, including the disparity between "haves and have nots" across organizational hierarchies (Cowherd & Levine 1992), particularly the high salaries and bonuses of corporate executives in comparison to those of rank-and-file employees. Cowherd & Levine reported higher product quality in firms with less disparity in compensation between executives and the rank and file. Redistributing rewards among workers with different employment relations raises issues of employee equity and of appropriate management practices for firms not used to dealing simultaneously with distinct types of workers. Firms most likely to have internal labor markets, that is, firms with more than 1000 employees, demonstrate the greatest expansion in use of temporary help (Magnum et al 1985). This means that firms with the most extensive commitments to some employees are also using workers to whom they make few commitments, and that these firms are still learning how to manage each type of employee simultaneously. Full-time employees often benefit from the presence of temporaries. Although firms requiring greater amounts of technical skills were less likely to use temporaries (Davis-Blake & Uzzi 1993), even a limited presence of temporary workers can enhance the quality of work life for full-time core employees because promotion opportunities are typically limited to core workers. Pearce (1993) found that managers are more likely to assign temporary workers tasks that require little knowledge and to shift complex assignments involving teamwork to full-timers. Although wages are about the same for part-time and temporary workers as for full-time employees (from a 1988 Bureau of National Affairs survey cited by Cappelli 1996, p. 19), benefits were perhaps half as likely. This rise in dual (or even multiple) labor markets within the same organization raises issues of social comparison and equity, as well as broader issues of employment relations (e.g. social questions such as whether temporary or noncore workers should be invited to holiday parties or participate



in company orientations). Legal issues surrounding the contingent workforce are still being sorted out (Feldman & Klaas 1996).

**NEW EMPLOYMENT RELATIONS BRING NEW MEANINGS TO OLD DEPENDENT VARIABLES** New distinctions among core, peripheral, temporary, and contingent workers raise issues for microorganizational behavior's typical measures of individual-level responses. Traditionally, commitment has been viewed as an individual outcome, largely motivated by individual differences (Mathieu & Zajac 1990). Commitment—particularly its behavioral component, the intention to remain—has recently been examined as a two-way street (Eisenberger et al 1986, Shore & Wayne 1993), the product of an interaction between individual and employer. Measures of employee-firm attachment, such as commitment, are problematic for new employment relations. Quite commonly, employees of temporary-help agencies work for more than one agency (National Association of Temporary Staffing Services 1994). Where the employment relationship takes on the form of an organized open market, a hiring hall, people may stay within the same occupation but not necessarily with the same employer for any length of time. Thus, occupational commitment may be a better indicator of attachment than organizational commitment. Increasingly, workers are “participants,” if not necessarily “employees,” in several firms (e.g. the technician paid by Xerox to work out of an office at Motorola headquarters exclusively servicing the Xerox equipment Motorola uses). However, it is also possible that outsourcing has merely shifted loyalties such that outsourced information systems staff who once were committed to a multifunctional corporation (e.g. AT&T) are now similarly committed to the specialty firm for which they work (e.g. EDS).

Research on dual commitments has focused on union and organizational commitment (e.g. Gordon & Ladd 1990), but we know very little about multiple commitment to several employers or multiple clients or customers. Hunt & Morgan (1994) tested competing models contrasting organizational commitment as one of many distinct commitments (e.g. commitments to work group, supervisor) with organizational commitment as a mediating construct in the relations between constituency-specific commitments and outcomes, such as citizenship and intention to quit. Their analysis supported the role of organizational commitment as a mediator between attachment to different constituencies and outcomes. Finding no evidence of conflict among different commitments, they concluded that employee commitments to different parties within the organization either promote global organizational commitment or are not significantly related to it. More research can be expected regarding multiple commitments, that is, commitments to occupation, employer, client, internal customers, team, union, and others.

Trust, particularly between labor and management, has long been considered important to organizational success (for an extensive historical review,

see Miles & Creed 1995). Its base rate may have declined in recent years even while its value has risen (Barney & Hansen 1994). Trust for the general manager in a chain of restaurants has been found to be significantly related to sales, profits, and employee turnover (Davis et al 1995). Davis et al (1995) argued that trust fulfills Barney's (1986) requirements for competitive advantage: Trust adds value by reducing transaction costs, it is rare between employees and management, and it is not easily copied. Mayer et al (1995) offer an integrative framework defining organizational trust as "the willingness to be vulnerable" to another. Under conditions of organizing, the parties associated with organizational trust include but are not limited to coworkers, immediate superiors, senior managers and executives, and the organization in general. Organizing can, however, signal a shift in the dynamics of trust. Traditionally, trust derived from long-term experiences of reciprocity (Creed & Miles 1996); however, the rise of temporary work systems such as product design teams, film crews, and campaign organizations requires what has been termed "swift trust" (Meyerson et al 1996) supported by social networks and vulnerability to social reputation. In organizing, trust plays a fluid role as both cause and result.

Organizational citizenship is a correlate and possible outcome of trust (Organ 1990). It has been found to be influenced by perceptions of procedural though not distributive fairness (Ball et al 1994, Moorman 1991). As competitive pressure increases performance demands, the meaning of citizenship may shift as "performance beyond expectations" becomes expected. Perhaps due to organizational transitions, there has been a shift in the types of citizenship behaviors investigated, with increasing focus on more negative citizenship, or retributive behaviors (such as sabotage or theft) that directly work against the interests of the organization. Using multidimensional scaling, Robinson & Bennett (1995) developed a typology of deviant workplace behavior that varies along two dimensions: minor vs serious, and interpersonal vs organizational. Consistent with distinctions made by Hollinger & Clark (1982), organizationally relevant behaviors fall into two types: production deviance (e.g. leaving early, taking excessive breaks), assessed as relatively minor; and property deviance (e.g. sabotaging equipment, stealing from the company), assessed as serious. In their framework for research on organizationally motivated aggression, O'Leary-Kelly et al (1996) proposed that organizational insiders (e.g. members) are primarily responsible for violence in the workplace (as opposed to outsiders), but that poor treatment by the organization and hierarchical or control-oriented organizational norms influence both the incidence and targets of violence. Surveying human resource management executives in public corporations, Griffin (R Griffin, unpublished manuscript) respondents reported that violence in the form of threats, verbal attacks, and

racial and sexual harassment is increasing in their organizations. Human resource (HR) managers attributed these changes to the effects of downsizing, reengineering, and increased employee workload.

In conclusion, research on the employment relationship in the new organizational era has two overarching themes: the greater complexity of the worker-firm relationship than appreciated previously and the often-negative consequences that have resulted in the shift from organization to organizing. Awareness has increased regarding the importance of trust in the employment relationship as well as how misleading it can be to atomistically study that relationship's terms in isolation.

### *Performance: Measurement and Management*

Performance issues have long been a central theme in organizational research. Escalating competition and expanded performance-measurement capabilities have made greater scrutiny of organizational performance evident in all sectors of the economy. This attention has led to the recognition of a phenomenon referred to as the "performance paradox" (Meyer & Gupta 1994, National Research Council 1994). This paradox has two features: First, measures of performance often are observed to be only loosely interrelated. Second, performance improvements in subunits do not necessarily translate into productivity gains for the firm. An example of the first feature is that organizational success in obtaining market share often bears little relationship to other performance indicators: Those organizations good in some areas may be poor in others. Although this pattern was observed in early studies of organizational performance (e.g. Seashore et al 1960), it largely went unnoted. An example of the second would be a division whose successful innovations do not lead to firm-wide innovation (e.g. the Saturn division of General Motors). As competitive pressures and performance expectations have increased, both researchers and managers are becoming more aware of the two features of this paradox, calling attention to the need for enhanced coordination within firms (Goodman et al 1994) as well as performance monitoring, reconciling diverse sources of performance information (client, peer, subordinate, task/technical), customer responsiveness, organizational learning, and more systematic performance management (Pritchard 1994, Sink & Smith 1994).<sup>2</sup>

<sup>2</sup> In this section, we focus primarily upon research pertinent to the first feature of the paradox. The second is addressed in the later section on within-firm organizational learning. Research into high-reliability organizations indicates that major—and sometimes catastrophic—errors can occur, while other performance indicators are positive (Perrow 1984, Sagan 1993). Organizational factors contributing to high performance in indicators such as customer satisfaction are likely to be different from those contributing to safety or cost containment. Firms may also have limited focus of attention, which can constrain their ability to gather information and provide support for performance in more than a few areas.

So what does organizational research say for firms seeking to be good at several things at once? More mature firms have been found to be most successful in their efforts to perform well on several indicators concurrently, which suggests that it takes time to learn how to do several things well at once (Meyer & Gupta 1994). A meta-analysis of management by objectives (an amalgam of participative management, goal setting, and performance feedback) and its impact on organizational productivity indicate the critical role of top management commitment [56% average gain under high commitment vs 6% under low commitment (Rodgers & Hunter 1991)]. Absence of top management commitment was reported also to give rise to local innovations that go unused by the larger firm and to coordination problems for units seeking to obtain a high-priority objective that conflicts with the goals of another unit with which it is interdependent. It is a truism that top management commitment promotes productivity improvement. As firms become smaller and less hierarchical, the critical processes for productivity improvement may change. Research is needed on the effects of concurrent feedback from a multiplicity of performance indicators for groups, individuals, and organizations, in decentralized as well as hierarchical settings. Effects might range anywhere from responsiveness and high performance to vigilance and overload.

The goal of high-performance work teams is to perform well on multiple dimensions (financial, customer satisfaction, employee well-being). Huselid's (1995) study of 968 firms in major industries indicates that human resource management practices associated with high-performance work systems (bundling training, participative decision making, incentive systems, and open communications) impact both employee outcomes (turnover and productivity) and corporate financial results. Findings suggest that firms that have top managers focused on a set of clearly defined goals supported by integrated HR practices are less likely to manifest the suboptimal performance paradox.

ProMES (Productivity Measurement and Enhancement System), a methodology for measuring and managing organizational performance developed by Robert Pritchard (1990), is designed to address some of the difficulties related to the performance paradox. Using consensus-building among stakeholders, ProMES combines the integration of multiple conflicting goals and performance feedback that can be readily understood and acted upon, with incentives and other managerial support for performance improvement. As the demand for high performance escalates, successful new performance-management methodologies are likely to find ways of increasing the firm's capacity to focus its attention broadly enough to reflect major constituents and interests, while being sufficiently selective to provide feedback useful in directing and coordinating efforts to improve performance.

### *Goal Setting Becomes Self-Management*

Goal setting has been essential to organizational research on motivation and performance at many levels: individual, group, and organization. Its centrality makes it a **bellwether** for issues in the new organizational era. Goal setting's stylized fact has been that **moderately difficult goals motivate high performance** (Locke & Latham 1990). However, researchers in this area acknowledge that it largely has focused on repetitive tasks (see Locke et al 1981), often in the context of assignment of performance objectives by a hierarchical superior. There is a striking shift toward studying goal setting as it relates to more complex tasks and social arrangements (e.g. Smith et al 1990). In field settings, research investigates the role of goal setting to a firm's (as well as an individual's or group's) planning processes, strategy, and performance (Rodgers & Hunter 1991) and has shown significant effects of goal setting on firm productivity.

Perhaps the most significant shift is a new (or perhaps renewed) focus on self-management in goal setting (Gist et al 1990, Latham & Locke 1991). Self-regulation has long been **implicit in goal-setting theory, because setting goals and translating them into action is a volitional** process (Latham & Locke 1991), where acceptance of goals, when they are not self-set, is critical to their achievement. Frederick Kanfer (1975) focused attention on self-control mechanisms as a basis in clinical practice to modify addictive behavior, training people to stop smoking or overeating. Self-management teaches people to assess their problems, set specific hard goals to address these problems, self-monitor the effects of the environment on goal attainment, and appropriately administer rewards or penalties while working toward the goals. Although goal setting and self-management have been linked theoretically for many years, "classic" goal-setting research emphasized goal setting alone, while self-management focused attention on the learning and orchestration of cognitive processes for acquiring skills, self-monitoring progress, and providing self-reinforcement (Gist et al 1990). Gist et al found that goal setting per se is less effective in novel, complex tasks than is self-management, a process in which more skills are learned and actively displayed, even when the effects of goal level are controlled. Goal setting and the cognitive and behavioral processes surrounding goal achievement remain at the core of self-management practices, but the latter focus attention on learning, adaptation, knowledge transfer, and the flexibility to adapt to changing circumstances.

Organizational delayering and the rise of smaller, often entrepreneur-based, firms give self-management new meaning [including self-leading teams, (Manz 1992)]. This new meaning gives rise to debates over the distinction between the personal autonomy of self-management and the interdependent forms of shared governance, where the self in "self-managed" can mean per-

son (Gist et al 1991), work group (Manz 1992), or broader institution (Welch 1994). At the heart of this shift in meanings is a debate over who sets the strategic goals for the firm, coupled with questions about the legitimacy and competence of stakeholders involved in these strategic choices (Manz 1992). Case analysis of W.L. Gore and Associates, the firm that developed the product Gore-tex, provides evidence that self-management practices where learning is emphasized can yield a fluid ad hoc work system, reflecting organizing processes rather than formal structure and resulting in innovation, high performance, and collaborative shaping of the firm's goals (Shipper & Manz 1992). In Brazil, similar self-management practices—based on a combination of profit sharing, collaborative decision making, and shared financial information—are reported to be successful (Semler 1989).

Self-management in the achievement of personal and organizational goals introduces a new twist to research on organizational leadership, both stretching and challenging how leadership is conceptualized. Podsakoff et al (1993) conducted an empirical investigation of Kerr & Jermier's (1978) model of Substitutes for Leadership. Originally developed to account for the often-limited effect of managers and supervisors on subordinate performance, this model identified factors that might neutralize the effects of (or minimize the need for) leaders. Podsakoff et al reported that contingent rewards, professional orientation, nonroutine work, organizational formalization, and spatial distance from others contribute to employee criterion variables while reducing the impact of leader behaviors. However, leader support appears to aid employees experiencing role ambiguity. Under conditions of organizing, self-management practices coupled with appropriate rewards and developments appear to enhance performance in the absence of formal leaders. In a highly turbulent business environment, Howell & Avolio (1993) found that transformational leadership positively predicted business-unit performance over a one-year interval, while transactional leadership, including contingent rewards, was negatively related to business-unit performance. They suggest it may be counterproductive for leaders to spend too much time focusing on meeting goals as opposed to promoting freedom of action in dynamic environments.

The concept of stretch goals (Sherman 1996) is **predicated** on the idea that seemingly impossible goals can motivate high performance by mandating creativity and assumption-breaking thinking that takes the performer "out of the box." On the surface, stretch goals appear to violate an essential premise of goal theory, that workers cannot accept a goal that does not seem feasible. Related to the concepts of transformational leadership, where performance expectations are elevated well beyond the limits of past experience (Bass 1985), and double-loop learning (Argyris & Schoen 1996), where previously successful frameworks are questioned, revised, or discarded, the fact that prior

experience is often a poor guide for stretch-goal achievement shifts the performers' attention away from old routines and assumptions toward novel and creative approaches. Wood et al (1987) reported that "do-your-best" goals worked better than difficult, specific goals when the task was novel and highly complex. Plausibly, both worker self-efficacy and the credibility of the people setting the stretch goal contribute to the resulting performance. Kelly & McGrath (1985) have suggested dysfunctional consequences for groups working on especially difficult tasks, such as stringent time deadlines, where they spend less time discussing task ideas (e.g. agreements or modifications) that might affect product quality or interpersonal issues (e.g. conflicts, needs) that can affect member support and well-being. Further, they reported that these negative interaction processes carry over even to later trials for which time limits have changed.

Employers that reward only extreme performance have been found to foster some unexpected consequences. In a study of high-technology firms, Zenger (1992) reported that performance-based compensation that aggressively rewards extreme performance while largely ignoring performance distinctions at moderate levels yields retention of extremely high and moderately low performers. In contrast, moderately high and extremely low performers were likely to depart. New issues arise as organizations and goal-setting researchers turn their attention to more complex circumstances and ever more challenging levels of performance.

### *Information Processing: Discontinuous and Multiphased*

Turbulent competitive environments, technological sophistication, and flexible organizing give rise to greater novelty and complexity in work, which contributes to an expanding interest in individual and managerial cognition (Kiesler & Sproull 1992) and the broader domain of information processing by firms and individuals (Fiol 1994, Louis & Sutton 1991). Evidence that people process information differently in novel vs routine situations has led to the development of the concept of "discontinuous information processing" (Sims & Gioia 1986). Organizing promotes use of controlled information processing, where information is actively sought and carefully processed to make a quality decision when there is little experience on which to rely. This phenomenon has been used to characterize the vigilance and flexibility required to operate American aircraft carriers as "high-reliability organizations" (Weick & Roberts 1993), where even hierarchy must be adaptable. Models of rational decision making such as expectancy theory (Vroom 1964) tend to work well in accounting for behavior in nonroutine decisions such as choosing a career (Wanous et al 1983) but do less well in explaining routine behaviors. In routine situations such as sustained performance in a stable situation over time, controlled processes give way to reliance on automatic processes using estab-

lished mental models and routines (Bartunek & Moch 1987, Fiol 1994, Sims & Gioia 1986).

An individual's capacity to switch back and forth between routine and nonroutine information processing ["shifting the gears" (Louis & Sutton 1991)] is postulated to be influenced by personality characteristics (e.g. locus of control) as is an individual's capacity to enact the "weak situations" characteristic of work settings where organizing is required (Weick 1996). Research is needed on the impact of personality and cognitive styles on both discontinuous information processing and enactment of weak situations. Cascio (1995) has suggested that personality tests offer important predictive power for successful performance in new forms of work.

"Shifting the gears" in cognitive processes is evident in research on training (Hesketh et al 1989), socialization (Louis & Sutton 1991), and organizational learning (Argyris 1991, Nicolini & Mezner 1995). In training, unpredictability and variation tend to cause difficulties for the learner. Yet these factors also enhance the ability to apply training in the future, when diverse circumstances arise that are not necessarily anticipated at the time of training (Neal et al 1995). In socialization, individuals may be open to learning about the organization only at certain points in time (Guzzo & Noonan 1994, Louis & Sutton 1991). Organizational learning based on active thinking has been advocated (Fiol & Lyles 1985), while strategic failings have been traced to overreliance upon automatic processing (Starbuck & Milliken 1988).

### *Organizational Learning*

Although organizational learning has played a role in the organizational literature for decades (e.g. Congelosi & Dill 1965), until recently there was little empirical research on the subject. Rising competitive pressures have fueled interest in organizational learning as a major determinant of sustainable organizational performance, which suggests that to survive and thrive firms will need to learn at an increasingly rapid rate. Competition has been observed to promote organizational learning in single-unit firms, typically small, frequently entrepreneurial enterprises, while larger multiunit firms tend to manifest less learning in response to competition, instead leveraging their market position to obtain competitive advantage (Barnett et al 1994). Learning necessitates a facility for discontinuous information processing on the part of both firms and individuals, the capability to deploy knowledge and demonstrable skills in novel ways and flexible combinations (Argyris & Schoen 1996). Organizational learning can occur within a firm when it involves diffusion of knowledge between members and across units (e.g. Epple et al 1996) or between firms, with dissemination and implementation of new knowledge obtained through external monitoring or benchmarking and interpersonal contact (Miner & Robinson 1994).



WITHIN-FIRM: MEMORY AND SHARED UNDERSTANDING To a point, organizational learning displays several features of individual learning, particularly in its need for memory and the transfer of learning to new settings and problems. The major distinction is organizational learning's requirement that members convey their learning to one another, develop shared understandings or common cognitive structures regarding application of shared knowledge, and otherwise externalize what they learn (Lyles & Schwenk 1992; Goodman & Darr 1996). The prevalence of the second feature of the performance paradox (above), where innovations in a subunit do not necessarily translate into innovations for the firm as a whole, suggests that within-firm learning is difficult. Nonetheless, it does occur. In an empirical study of a large financial firm, Fiol (1994) observed that gradual consensus building with interactions among different subgroups played a critical role in overcoming resistance to change and led to a collective understanding that acknowledged both differences and agreement regarding a new venture. In pizza franchises, unit cost declined significantly as stores gained experience in production (Darr et al 1994). Knowledge transferred across stores owned by the same franchisee but not across stores owned by different franchisees. Employee turnover contributed to "forgetting," or knowledge depreciation, in this high-turnover industry.

The repeated finding that turnover leads to organizational "forgetting" raises questions about whether organizational learning has really occurred when performance gains are manifest. It can be difficult to distinguish between gains due to individual learning among many members as opposed to organizational learning embedded in new processes and procedures. In a laboratory simulation, paired subjects developed interlocked task-performance patterns that displayed characteristics of organizational routines (Cohen & Bacdayan 1994). Procedural memory explains how such routines arise, stabilize, and change. Procedures can become enduring properties of organizations. But unless they are externalized (e.g. written down or incorporated into training programs), they may not be effectively retained when knowledgeable individuals leave.

Internal organizational barriers often inhibit within-firm learning. Goodman & Darr (1996) report that even a multiunit firm ostensibly committed to learning may find it difficult to disseminate information and create shared understandings about new processes and capabilities. If shared cognitive structures are critical for organizational learning, these may be easier to achieve in smaller, single-unit firms. Embedding knowledge in technology has been found to facilitate transfer across shifts (Epple et al 1996). This research suggests useful directions for research into transfer mechanisms (e.g. representations, flow diagrams, and procedures) that inhibit forgetting induced by

employee turnover. These transfer mechanisms themselves may distinguish organizational learning from that of individuals.

**LEARNING BETWEEN FIRMS: CAREERS AND SOCIAL NETWORKS** New organizational forms such as joint ventures, outsourcing among organizational networks, research consortia, and other forms of organizing (Aldrich & Sasaki 1995) provide evidence that organizational learning will occur across increasingly blurry boundaries. While outsourcing has been linked to declines in organizational learning in outsourced functions (Bettis et al 1992), networked organizations with flexible memberships can promote it (Snow et al 1992). These “boundaryless” organizations, defined here as organizations whose membership, departmental identity, and job responsibilities are flexible (Kanter 1989, Miner & Robinson 1994), yield a pattern of more flexibly structured careers. Career patterns are found to contribute to organizational learning by generating diverse frames of reference for problem solving, redirecting old routines in new ways, and harvesting organizational memory (Miner & Robinson 1994). Job transitions (loss, rehire, rotation, transfers, international assignments, horizontal moves, demotions) become commonplace and can promote organizational and individual learning (Miner & Robinson 1994). Transitions out of firms complicate retention but create opportunities for learning in new firms, particularly given the movement of employees from large to smaller firms where routinization is often lower. Nonhierarchical careers recombine personal and organizational learning in novel ways and themselves can become repositories of knowledge (Bird 1994).

Social networks outside corporations and other firms have become sources of career advantage (DeFilippi & Arthur 1994) and expertise (Miner & Robinson 1994), functioning in ways similar to occupational communities that influence career decisions and transitions of members (Van Maannen & Barley 1984). Firms that cultivate relationships with educational institutions such as high schools improve their access to appropriately skilled workers (Rosenbaum et al 1990). The impact social networks outside the firm have on career advancement may be particularly important to the career development of women and minorities. Evidence suggests that within-firm social networks can work to the advantage of white men over women (Ibarra 1992) and over African-Americans (Thomas & Higgins 1996).

In sum, organizing—with its flexible work arrangements, personnel movements, reliance upon personal expertise, and systematic information processing—places a premium on experimentation and collective learning. As boundaries between firms blur, we can expect more rapid organizational learning and possibly a similar rate of forgetting, along with greater attention to mechanisms for retaining knowledge with or without a stable membership. The shift toward network organizations (Snow et al 1992) suggests that know-

ing who is becoming as important as knowing how (DeFillippi & Arthur 1994).

### *Managing Organizational Change and Individual Transitions*

Transitions abound in the new organizational era both for firms and for the workforce. Managing organizational change and individual transitions is an overarching research theme.

**ORGANIZATIONAL CHANGE** Change management focuses on the implementation and ultimately the successful institutionalization of new technology, culture, strategy, and related employment arrangements. Organizational Development (OD), the traditional practice side of organizational research, has long had a shaky reputation among organizational scientists for its lack of rigor and “pop” style. However, the boundary between OD and organizational science has become blurred as more researchers tackle the problems of implementing change (e.g. Kiesler & Sproull 1992, Novelli et al 1995).

Organizing is typically a radical departure from the traditional ways people think and act in firms. Stable and enduring mental models or schemas have been found to contribute to reactions to change (e.g. Bartunek & Moch 1987). Lau & Woodman (1995) identify three features of schemas pertinent for change: causality (attributions used to understand causes of change), valence (meaning and significance), and inferences (predictions of future outcomes). They reported that organizational commitment is related to these features of change schemas, consistent with the argument that a fundamental realignment in how people understand the firm is needed to foster organizational change.

Organizational change also has become a justice issue (Novelli et al 1995). Distributive justice, the perceived fairness of the outcomes, is a particular focus because the departures from the status quo that constitute change are commonly experienced as losses, and gains from change may take time to realize, particularly when mastery of a radical new organizational form is required. Offsetting losses from work system changes has been found to improve distributive fairness by helping people gain the skills needed to be successful and gain rewards under the new system (Kirkman et al 1994).

Interactional justice pertains to the communication process in managing change. Presenting bad news with politeness and respect (Folger 1985) and providing credible explanations or social accounts foster more positive reactions (Bies & Moag 1986). In labor disputes, the general public was found to react with stronger perceptions of unfairness, more sympathy, and more support for grievances based on interactional justice rather than procedural justice, which in turn generated more intense reactions than grievances based on distributive injustice (Leung et al 1993). For victims of change, when outcomes are particularly severe, explanations high on specificity were judged to

be more adequate and led to more positive reactions than did explanations emphasizing interpersonal sensitivity. Effects are enhanced when the explanation is delivered orally rather than via memo or letter (Shapiro et al 1994).

Procedural justice in change refers to the processes whereby implementation decisions were made. **Voice mechanisms that allow affected people to participate in deciding upon the change or planning its implementation enhance procedural justice**, as do procedures to correct for biases or inaccuracy of information used in the process (Sheppard et al 1992). In a study of new technology implementation, employee strain increased during the implementation phase and was highest among those individuals who were not included in the implementation process (Korunka et al 1993). However, voice had no effect in reactions to seven facility relocations (Daly & Geyer 1994), although the researchers speculate that employees may not have expected to have a voice in relocation decisions. The timing and phases of change may also play a role in effective implementation (Jick 1993), but these have received less systematic attention.

**INDIVIDUAL TRANSITIONS** Employment displacements are occurring at faster rates than in the past and are predicted to continue (Handy 1989). Job loss has been associated with lower self-esteem (Cohn 1978), increased anxiety, and psychological distress (Winefield et al 1991). Moreover, workers who are pressured to leave but opt to stay report unusually high levels of psychological distress (Price & Hooijberg 1992). Reemployment can mean settling for unsatisfactory new jobs (Liem 1992), which can engender long-term adverse consequences. In a longitudinal study of laid-off industrial workers, Leana & Feldman (1996) found that financial pressures, levels of optimism and self-blame, and the amount of problem-focused and symptom-focused coping individuals engage in were significant predictors of reemployment, which supports previous research on the importance of individual differences in successful searches (Kanfer & Hulin 1985). Jobs programs coupled with interpersonal support have been found to play a role in successful reemployment (Vinocur et al 1991).

Forecasting repeated cycles of employment and unemployment for skilled as well as unskilled workers, several organizational researchers predict that transitions will become less disruptive as people develop skills for adapting to change (Weick 1995) and as personal expectations and definitions of psychological success recast “unemployment” as an opportunity for personal development or family benefit (Mirvis & Hall 1994). A major factor in worker adaptation is likely to be the broader societal supports—educational, cultural, and economic—for workers and nonworkers alike.

### *Leisure, Nonwork, and Community: Personal and Institutional Supports*

Escalating pressures on the workforce due to restructuring manifest in the attention paid to work-nonwork relations (Mirvis & Hall 1994). Decline of corporatist firms and their traditional benefits raises concerns about the infrastructure needed to support both new forms of employment and organizing and individual workers and their families—evident in an emerging area of scholarship on social capital (Etzioni 1993, Perrow 1996).

Social capital refers to civic life and public trust, the societal infrastructure from which workers and organizations receive support. Social institutions such as family and schools are reported to have difficulty responding to the prevailing economic pressures (Etzioni 1993), a fact suggesting that more active individual involvement in community life may be required to sustain these institutions. Greater involvement in off-the-job activities has been associated with reduced role interference and psychological strain (Gutek et al 1991, O’Driscoll et al 1992). Kirchmeyer (1995) found that employee commitment is enhanced when organizations provide resources to help employees fulfill family and other nonwork responsibilities. She further reported that workers prefer benefits that let them manage their responsibilities themselves (e.g. flexible scheduling) rather than have the firm do it for them (e.g. on-site child care).

Kanter (1977) suggested that early in the twentieth century, corporations tried to “swallow the family and take over its functions.” Subsequently, firms moved to separate work and family in order to exclude competing loyalties. Demographic changes, particularly working mothers and dual income-career families, have increased the interdependence of work and family and intensified conflicts, particularly regarding time allocation. Recent studies support the significance of institutional factors, including societal beliefs about the role of women and work-family relations, in expanded organizational emphasis on work-nonwork relations (Goodstein 1994, Ingram & Simons 1995). Consistent with institutional arguments, larger (i.e. more publicly visible) firms seek legitimacy by adopting child-care benefits and work flexibility (Goodstein 1994). However, Ingram & Simons (1995) reported that institutional pressures explain late adoption of “family friendly” HR practices, while early adopters are likely to do so instead to gain strategic advantage (e.g. professional firms coping with labor shortages by filling positions with qualified women and dual-career spouses). Early adoption is linked to significant numbers of women in a firm’s workforce, while late adoptions are less affected by firm-specific demographics (Galinsky & Stein 1990, Goodstein 1994).

Traditional corporate firms have been implicated in an erosion of community and civic life (Etzioni 1993, Perrow 1996). If corporations did in fact

erode social capital, the shift to organizing does not reverse such effects. Organizing may require more social capital than did organizations with huge internal infrastructures, particularly in respect to education (Handy 1989), portable retirement and health-care benefits (Lucero & Allen 1994), and family support (Mirvis & Hall 1994). As a result, organizational researchers are likely to expand their consideration of work-nonwork relations to include a broader array of support systems and community institutions.

## CONCLUSION

The evolution from organization to organizing changes both the phenomena traditionally studied by organizational research and the meaning of some traditional concepts. The answer to the opening questions of this review are apparent. Core features of organizational research, including its focus on performance and worker-firm relations, endure, but they do so with new dimensions. Performance now involves a multiplicity of results pursued concurrently and with an expanded focus on adaptive and sustained learning. Goal setting and leadership may converge into self-management. However, new dynamics are evident in the shift toward an interactive view of the employment relationship, reoriented from a focus on what managers offer workers to how workers across all ranks access rewards contingent upon the firm's strategic concerns. We see an increasingly complex view of information processing, reflecting a more rapid cycling from novel to routine and back again, characteristic of a more dynamic environment. There is also a broader concern for the personal and societal impact of the way work is organized.

This chapter has focused on topics particularly sensitive to the dynamics of organizing. Assuming the shift from organization to organizing will not be quickly undone, what are its implications for organizational research as a whole? Barley & Kunda (1992) maintain that periods of economic contraction lead to more emphasis on relationship building, organizational support, and strengthening of employee-firm commitment (witness Elton Mayo's Human Relations movement during the depression of the 1930s). Formerly, firms displaced workers only when the economy was shrinking. The recent coupling of massive terminations with economic expansion fragments the managerial ideologies that both justify and guide organizational actions. They may do the same for research ideologies. As a result, we might expect to find more researchers investigating competing hypotheses from more distinct and often divergent frameworks. A central theme may be the drive to increase shareholder value coupled with concern about the costs of displacement and transition for the workforce which creates that value. Clearly, organizational research needs to dig into the messy problems of serving multiple constituencies.

This chapter is not an attempt to create a “short” list of research topics; no prescriptions are intended for future researchers about topics to “buy” or to “sell.” Several key research themes, including customer service (Schneider & Bowen 1995), quality (Dean & Bowen 1994), and the adoption of new technology (Leonard-Barton & Sinha 1993) were omitted because of space limitations. Rather, this chapter highlights broad areas where the effects of organizing are more visible, where our learning progresses even as further research needs appear. If the past is a prologue, we can expect that relevant organizational changes will manifest themselves in other areas, too. However, while new topics such as the performance paradox appear, established ones keep their labels but shift their focus. Perhaps it is for this reason that in the many years of *ARPs* reviewed in preparation for this chapter, certain core themes have endured. Yet, at some point, we might need to acknowledge that changes in firms are profound enough to alter further basic assumptions on which the field is based. In any case, a new era in organizational behavior appears to be in the making.

## APPENDIX

In preparing this chapter, a content analysis was conducted on the 23 *ARP* chapters since 1979 dealing with organizational research (organizational behavior, industrial/organizational psychology, personnel and human resource management, training and development, and organizational development and change). Substantive topics covered were categorized by having two raters read each chapter and identify their central concepts. Raters generated a set of categories and then coded chapters according to their content (rate of agreement was 85%). In the case of the 1979 *ARP*, for example, Mitchell’s (1979) chapter on organizational behavior was coded as including personality, job attitudes, commitment, motivation, and leadership. That volume contained a second organizationally relevant chapter, Dunnette & Borman’s (1979) “Personnel Selection and Classification Systems,” which was coded as including categories of validity, job analysis, performance ratings, equal opportunity, and selection practices. Content coding identified 94 discrete categories altogether.

Correlations computed between category matrices for each time period assess the degree of stability in category patterns over time. Using the QAP correlation technique (Krackhart 1987), correlations were computed between entries in two matrices, and the observed correlations were compared to the frequency of random correlations to provide a test of statistical significance (based on 500 permutations). This analysis, using normalized data (Table 1), indicates moderate stability in *ARP* categories with slightly greater convergence in categories in *ARP* chapters across periods 1 and 3. It also suggests a fair degree of variety over time in the issues addressed.

**Table 1** *Annual Review of Psychology*: summary information

| Time period          | ARP # of articles | ARP # of categories | Times | ARP <sup>a</sup> |
|----------------------|-------------------|---------------------|-------|------------------|
| Time 1:<br>1979–1984 | 9                 | 47                  | 1 × 2 | .23              |
| Time 2:<br>1985–1990 | 8                 | 57                  | 2 × 3 | .24              |
| Time 3:<br>1991–1995 | 6                 | 44                  | 1 × 3 | .34              |
| Total <sup>b</sup>   | 23                | 94                  |       |                  |

<sup>a</sup>Correlations are significantly different from .00, the average correlation across all cells in matrix.

<sup>b</sup>Represents total number of total distinct categories where many categories may appear in several time periods.

Examination of frequently cited categories across the three periods (Table 2) suggests that categories related to the general topics of performance (e.g. predictors of individual performance, measurement, organizational performance, ineffectiveness, and failure), motivation (e.g. effort resulting from goal setting or rewards offered), and employee responses (e.g. stress, satisfaction, and commitment) form a stable core. These categories comprise what apparently are the central dependent variables or outcomes operationalized in organizational behavior research. Other durable categories with basically consistent levels of research/citation throughout this extended period include the personnel-related areas of job analysis and performance appraisal. Topics where reports of research activities are increasing over time include individual cognition, organizational change, and organizational performance. A multidimensional scaling (MDS) of the ARP categories within each time period (Krackhardt et al 1994) suggests that the field has moved from three core areas (Change, Personnel, and Micro OB) of earlier years to a more highly differentiated set of category clusters (Personnel, Micro OB, Context Power and Influence, Organization environment). Figures 1 and 2 display MDS for the first and third periods. Categories in ellipses bridge two or more areas, thus Pers (Personality) bridges Personnel and Micro-OB in both periods while Operf (Organizational Performance) emerges as a bridge among Micro OB, Personnel, and Context in period 3. Bridging categories provide an opportunity for integration across disciplines and paradigms. Nonetheless, from 1979 to 1995, a trend toward specialization is evident. Further information about this analysis is available from the author.

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**Table 2** Frequent categories

|        | <i>ARP</i>   |
|--------|--|
| TIME 1 | Performance predictors = 5<br>Stress = 5<br>Job analysis = 4<br>EEO = 4<br>Motivation = 4<br>Personnel selection = 3<br>Satisfaction = 3<br>Equity = 3<br>Performance appraisal = 3<br>Job design = 2<br>Methodology = 2<br>Fairness = 2<br>Organizational performance = 2<br>Personality = 2<br>Individual difference = 2<br>Personnel training = 2 |
| TIME 2 | Job analysis = 6<br>Leadership = 6<br>Motivation = 5<br>Performance predictors = 3<br>Affect = 2<br>Organizational culture = 2<br>Organizational change = 2<br>Performance appraisal = 2<br>Personnel selection = 2<br>Personnel layoffs = 2   |
| TIME 3 | Organization context/cross level effects = 3<br>Motivation = 2<br>Stress = 2<br>Performance predictors = 2<br>Organizational technology = 2<br>Organizational performance = 2<br>Performance appraisal = 2<br>Personality = 2<br>Job analysis = 2<br>Legal issues = 2<br>Organizational demography = 2   |

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Figure 1 MDS on ARP for Period 1.

PMgt  
 Cross SocCon  
 O-ERels  
 PLearn

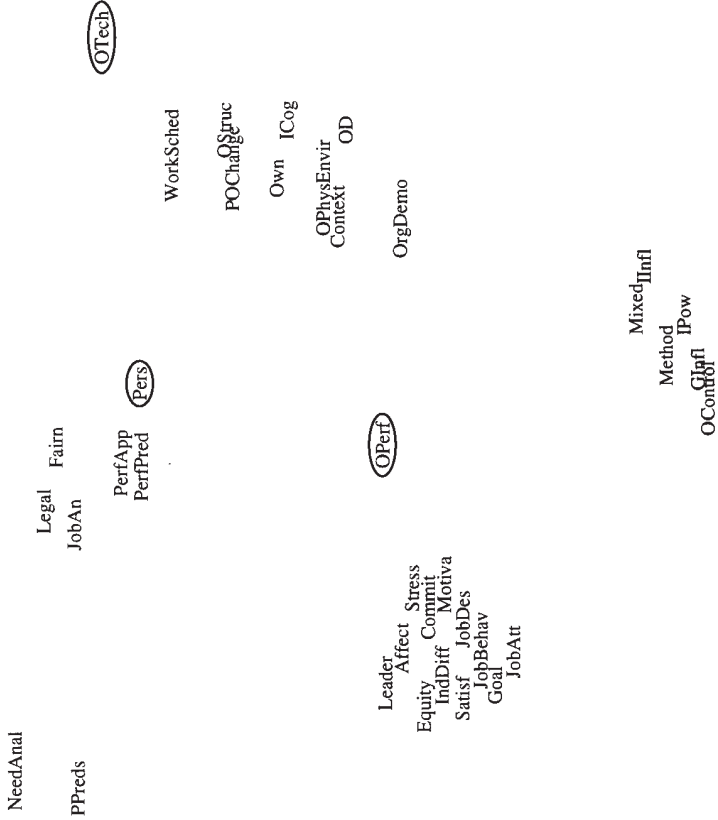


Figure 2 MDS of ARP for Period 3.

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