

The American Workplace

Skills, Compensation, and Employee Involvement

Many managers are frustrated by a bewildering array of advice about what works in the workplace. This volume contributes to a growing consensus about effective workplace practices. The volume combines detailed studies of single industries (automobile assembly, apparel, and machine tools) with cross-industry studies of financial performance. Compared with most past investigations, the research described here has better measures of both workplace practices and organizational performance. The contributors find that systems of innovative human resource management practices can have large effects on business performance. Success comes not from any single innovation, but from a coherent system encompassing pay, training, and employee involvement. Although a majority of contemporary U.S. businesses have adopted some innovative work practices, only a small percentage have adopted a coherent new system. A concluding chapter outlines barriers to diffusion and discusses public policies to remove barriers and enhance dissemination of effective management.

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Skills, Compensation, and Employee Involvement

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Preface

Many managers are frustrated by a bewildering array of advice about what works in the workplace. In 1995 the National Center for the Workplace and the Alfred P. Sloan Foundation sponsored a conference on the links between workplace practices and organizational performance. This volume presents revised versions of five papers from that conference, coupled with two invited chapters, an introductory chapter, and a concluding one that outlines obstacles to diffusion and draws out lessons for public policy.

The introductory chapter (by the editors and Thomas A. Kochan) reviews the problems researchers face in identifying the effects of workplace practices. With these cautions in mind, it then summarizes the literature on such practices. Results show that systems of innovative human resource management can have large effects on business performance. Success comes not from any single innovation, but from a coherent system encompassing pay, training, and employee involvement. Finally, although a majority of contemporary U.S. businesses have adopted some innovative work practices, only a small percentage have adopted a coherent new system.

This volume contributes to a growing consensus about effective workplace practices. It combines detailed studies of single industries (automobile assembly, apparel, and machine tools) with cross-industry studies of financial performance. The chapters are among the very best on the adoption and effects of innovative workplace practices. The research described here has better measures of both workplace practices and organizational performance than does most past research. In addition, most of the chapters analyze data spanning many years.

Several of these chapters appeared in the Summer 1996 issue of *Industrial Relations*, and we are grateful to Blackwell Publishers for permission to reprint them, as well as to the Sloan Foundation (especially Hirsch Cohen) and the U.S. Department of Labor for sponsoring much of the research presented here.

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