High Performance Work Systems
Fall 2017

Frank Shipper   Office Number: PH-302
Office Phone: 410 543-6333   E-mail: fmshipper@salisbury.edu
Office Hours: TuTh 10:30-11:30 a.m.; Tu 3:30- 4:30 p.m. & by appointment

REQUIRED Materials:

1. Shipper, F., Adams, S. B., Brown, M. O., Calo, T. J., Decker, W. H., Hoffman, R. C., Manz, C. C., Manz, K. P., Roche, O. P., Street, M. D., Street, D. L., & Weer, C. H. (2014). *Shared Entrepreneurship: A Path to Engaged Employee Ownership.* New York: Palgrave Macmillan.

2. Sign-up for Poll Everywhere at https://www.polleverywhere.com//register Insert my e-mail address to sign-up for the class. (Cost $14)

3. **Haier: Management Control on a Tactical Level; Haier: Zero Distance to the Customer (A); Haier: Zero Distance to the Customer (B); & Haier: Zero Distance to the Customer (C).** https://hbr.org/store/case-studies?referral=02276&utm_source=google&utm_medium=paidsearch&utm_campaign=branded_dom_cases_sd&gclid=EAIaIQobChMIhLPq3__81gIVT1uGCh3CBweOEAAYASAAEgIeIPD_BwE

4. Roche, O., Freundlich, F., Shipper, F. & Manz, C.C. (Draft). Mondragon -- "Cooperative Culture and the Globalization Process: When does the need for compromise become compromising?" Posted on K: Drive under K:\MGMT\MGMT 624 – Shipper\Mondragon Case

5. Hoffman, R. C., Decker, W. H., & Shipper, F. (Draft). "Pritchett Controls: Ten Years into Employee Ownership." Posted on K: Drive under K:\MGMT\MGMT 624 – Shipper\Pritchett Controls

6. *A Primer on Individual, Interpersonal & Leadership Theories of Human Behavior* compiled by Frank Shipper, Ph.D. Free – Available on the Perdue School K: Drive under K:\MGMT\MGMT 624 - Shipper\Primer

Strongly Suggested Audio Book

7. Stack, J. (2013). *The Great Game of Business*, Free at: https://www.greatgame.com/ggobmp3?utm_campaign=Newsletters&utm_source=hs_email&utm_medium=email&utm_content=57413343&_hsenc=p2ANqtz-9qHcMZQiqrMle-E1PilkiygzqA_CT3s4HT0agJY_EUQF0Tjx2w1WSaW97We5SzQkt0r7SRHgdyTvdyBlbDPITh6WKl8g&_hsmi=57413343

Strongly Suggested Free Training Program

8. Introduction to the Great Game of Business Training, Free at: https://www.greatgame.com/7-day-intro-email-series

Strongly Suggested CD's: 9. Gittell, J. H. (2004). **The Southwest Airlines Way: Using the Power of Relationships to Achieve High Performance** (Audio CD– Abridged, Audiobook)

10. Weinzweig, A. (2004). **Zingerman's Guide to Giving Great Service**

Reference Texts: 11. Kauffman, S. (1995). **At Home in the Universe: The Search for the Laws of Self-Organization and Complexity**. New York: Oxford University Press. Download: http://www.explorelifeonearth.org/cursos/Kauffman1995AtHomeintheUniverse.pdf

12. McDonnell, D. Macknight, E., & Donnelly, H. (2012). D**emocratic Enterprise***,* Download: http://cets.coop/moodle/mod/resource/view.php?id=92

13. Noble, B., & Staley, P. (2010*).* **Freedom-Based Management: Building a culture that enables and encourages fully empowered employees to produce awesome business success***.* Download: http://www.42projects.org/docs/FreedomBasedManagement.pdf

14. Carey, R. (2004). **Democratic Capitalism: The Way to a World of Peace and Plenty**. Download: http://www.democratic-capitalism.com/books.html

15. Carey, R. (2014). **Democratic Capitalism: The Way to a World of Peace and Plenty, Volume 2**. Download: http://www.democratic-capitalism.com/books.html

16. **It's Your Business; It's Your Year**, John Lewis Partnership, Annual Report and Accounts, 2016. https://www.johnlewispartnership.co.uk/content/dam/cws/pdfs/financials/annual-reports/jlp-annual-report-and-accounts-2016.pdf

Wireless Access: All of the classrooms in have wireless access. To learn how to configure your laptops for wireless access go to: http://resnet.salisbury.edu/index.php?option=com_content&task=view&id=19&Itemid=2

Web Based Exercise Page**:** http://facultyfp.salisbury.edu/fmshipper/MGMT625/exercise.htm

User Name: Your SU E-mail Address
Password: Your SU Password

Library Research Page: http://libraryguides.salisbury.edu/employeeownership

Class Drive Site:

NCEO: http://www.nceo.org/members/

The primary aim of this course is to provide you with an understanding of how organizational systems and individuals interact. In specific, we will focus on employee ownership structures and business models that contribute to shared prosperity because they are more effective than alternative models. This course is based on over 35 years of experience working with management and leadership development programs, consulting firms and some of the premier enterprises in the world. Taken as a whole, this course is a human resource management, an organizational behavior and an organizational design/theory course that is intended to enhance professional effectiveness, organizational performance, career development (promotions, salary, and job satisfaction), and quality of life in general. Through a variety of readings, self-assessments, videos, simulations, and class assignments, you will develop a wide range of ideas, tools, and best practices that will help you bring out the best in yourself, others, and your organizations. Some specific objectives include the following:

> (1) Understanding the effects of basic social psychological processes on individual and team behavior in organizations

> (2) Understanding the effects of human resource management systems, organization structure and culture on individual and team behavior

> (3) Applying concepts and research in the field of organizational behavior to develop more effective managerial behavior

> (4) Analyzing issues and techniques involved in implementing organizational change.

Course Format & Organizational Structure

The format of this course is special. It is a seven-week hybrid compressed format. Thus, all assignments will be done in teams. In addition, the organizational structure of the teams is a matrix. Part of the learning in this class will be developing the skills to quickly operate as an effective team member and leader. Also, after each team assignment, a peer evaluation will be conducted. It is often said that the best way to learn is through experience. Thus, the course format and structure is designed so you can experience (1) working simultaneously in multiple teams, (2) operating in a matrix organizational structure, and (3) giving and receiving feedback.

Conceptual Expectations

The student should be able to perform with graduate level competence the mental operations on which mastering the material depends. These include:

> Level 1: Knowledge: Demonstrating basic factual understanding of course material.

> Level 2: Comprehension: Understanding the meanings of written materials including ideas that are implied but not stated explicitly (i.e. reading between the lines).

| | | Level 3 | Analysis: | Examining parts of the whole, such as causes, effects and processes, and their relationships. |

Level 3   Analysis: Examining parts of the whole, such as causes, effects and processes, and their relationships.

Level 4   Evaluation: Making judgments according to criteria.

Level 5   Application: Applying to new situations the knowledge gained from readings and class.

The accomplishment of these objectives depends on the *full* participation of everyone both inside and *outside* the classroom.

COURSE POLICIES:

1.   There will be no make-up exams or acceptance of late assignments except under unusual circumstances.

2.   If you should decide to drop any course or withdraw from school you must comply with the official procedure or receive a grade of F.

STUDENT RESPONSIBILITIES:

You are responsible for learning the material in the course. Some helpful hints to facilitate that process are:

1.   Complete activities assigned before coming to class.
2.   Come to class.
3.   Participate in a thoughtful and constructive manner. In fact, if you are to maximize your learning you should actively participate in discussions.

COURSE EVALUATION:

	Alternative 1	Alternative 2[1]
Team Performances[2]	70%	50%
HPWS Presentation and Study	35%	25%
Organizational Case Study and Presentation	35%	25%
Individual Performance	30%	50%
Quizzes, Questionnaires, Discussions, Word Clouds	30%	30%
Individual case		20%

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1 Alternative 2 is only available to students that receive a satisfactory evaluation on both peer evaluations.
2 A **peer evaluation** will be   conducted after each team assignment. The purpose of the peer evaluation is to reward outstanding contributors as well as to identify low contributors.

<u>Grade Breakdown</u>
   A = 90% and above
   B = 80-89%
   C = 70-79%
   D = 60-69%
   E = 59% and below

Hints from Prior Students on How to Succeed on Assignments

1. Use creditable references but do not overdo
2. Be clear and concise
3. Identify point and back up with several examples
4. Use Dr. Shipper's articles
5. Limit advantage and disadvantages to 3-4 each
6. Think about structure before start – vital
7. Titles and sub-titles within paper to clearly identify the flow of your thoughts – easy to read

As with any well written paper you are expected to have a brief conclusion. You are expected to develop the content for the first three parts of the paper from in-class discussions, assigned readings, knowledge from prior courses and *research you initiate*. The first three sections of the paper should be footnoted and a reference list at the end of the paper. Do not over rely on professional and consultants web sites on the internet. They are frequently bias sometimes to the extent of being self-serving.

University Writing Center:

At the University Writing Center in the Guerrieri University Center trained consultants are ready to help you at any stage of the writing process. It is often helpful for writers to share their work with an attentive reader, and consultations allow writers to test and refine their ideas before having to hand papers in or to release documents to the public. In addition to the important writing instruction that occurs in the classroom and during office hours, the center offers another site for learning about writing. All students are encouraged to make use of this important service. For more information about the writing center's hours and policies, visit the writing center or its website at www.salisbury.edu/uwc.

Why Do **A Critical Analysis of High Performance Work Systems**?

Implementing High Performance Work Systems (HPWS) is considered to be the most effective way to build a long-term competitive advantage by a number of experts. In addition, there is considerable research to support this position. Unfortunately, many people in power resist strongly their implementation. You should know the advantage and disadvantages for the implementation of such systems and when, how, and why they can be implemented.

What is a critical analysis? Many types of criticism exist. The type relevant to this class is analytical. As defined by A Handbook for Literature, analytical criticism "… attempts to get at the nature of the work as an object in itself through the detailed analysis of its parts and their organization." For this class, the parts that we are interested in related to HPWS and their functions in organizations are (1) how they operate, (2) how they interrelate to the triple bottom line -- Profits, People & the Planet (3) how well they prepare the people and the organization for the future and (4) what needs to be done to better prepare for the future. In the paper, you should also use concrete examples/practices to bolster your explanations and appropriate footnotes to support your point of view.

All the papers on HPWS are group papers. They should be *integrative* group papers and not individual sections electronically pasted together. A good reference on how this can be accomplished is J. Richard Hackman's book, **Collaborative Intelligence: Using Teams to Solve Hard Problems**.

The following table and chart are provided to stimulate your thinking about the similarities and differences between traditional and high performance work systems. In some cases one is the opposite of the other, in other cases HPWS builds on traditional work systems, and in still other cases they are just different. In your papers and presentations you should propose other differences based on your research and reasoning.

	Traditional Work Systems	*High Performance Work Systems*
Leadership	• Emphasis on Strategic Skills • Position • Power • Secretive • Centralized • Other:	• Development of Strategic & Developmental Skills • Compelling Vision • Values • Transparent • Shared/Distributed • Other:
Recruitment	• Driven by HR Procedures • Advertisements • Passive • Other:	• Driven by Values • Word of Mouth & Ads • Aggressive • Other:
Selection	• Accomplished by HR & Management • Based on Credentials • Other:	• Collaborative • Based on Fit (1st) & Skills • Experience Based (e.g. apprenticeship) • Other:

	Traditional Work Systems	High Performance Work Systems
Training & Development	• Immediate Need • Internal • Technical • Authoritarian Leadership • Other:	• Future Oriented • Internal & External • Technical • Interpersonal • Financial • Shared Leadership • Governance • Other:
Engagement	• Standard Operating Procedures • Rigid Job Descriptions • Transactional • Infrequent Performance Feedback • Single Skill (i.e., work rules, functional silos) • Individualistic • Other:	• Freedom to Explore • Enriched Job Design • Tribalistic • Frequent Performance Feedback • Multiple Skills (i.e., cross-functional) • Collaboration • Other:
Rewards	• Financial • Zero-Sum • Capped • Controlled by budget • Punishment Pyramid • Organizational • Intermittent • Extrinsic • Tangible • Short-term • Other:	• Financial & Psychological • Non-Zero Sum • Uncapped • Correlated with Performance • Rewards Pyramid • Interpersonal & Organizational • Intermittent &Continuous • Intrinsic & Extrinsic • Intangible & Tangible • Short & Long-term • Other:

Paper Format - *Group* Critical Analysis papers *must be written in third person, double-spaced, typewritten, no font less than 11 point, and no more than 10 pages excluding charts, tables, graphs, and references. This is a research paper. Thus, the opinions and work of others must be footnoted.*

Shared Entrepreneurship Matrix with Examples

(Adapted From: On Moral Business: Classical and Contemporary Resources for Ethics in Economic Life)

		Job Enrichment Programs			
Levels of Leadership Sharing	**High:** ▪ Autonomous teams ▪ Japanese style consensus decision making ▪ Use of teams ▪ Structured employee consulting with management	▪			
	Moderate ▪ Employers have genuine interest in adequate compensation, employee support and good working conditions	▪			
	Low: ▪ Employees seen as small cogs & expenses in the total operations of organization ▪ Frequently a struggle to unionize ▪ Poor Labor/Management Relations		**J. P. Stevens**		
		Low: ▪ Private or public stockholders ▪ No employee ownership ▪ No profit sharing system	**Moderate:** ▪ Employees share systematically a minority of profits and ownership	**High:** ▪ Employees share a majority of profits and ownership	
		Levels of Reward Sharing			

WHY & HOW TO DO ORGANIZATIONAL CASE STUDIES[3]

The primary purpose of an organizational study is to give the students doing the study an opportunity to learn how an organization has successfully used human resource management, organizational behavior, and organizational theory principles to be an effective member of society. The secondary purpose is to expose other students in the class to the same information in order that a number of successes can be examined in-depth for common patterns that have led to effectiveness.

The requirements of the case study for a group are that (1) an article on the organization be passed out to the instructor (hard or electronic copies are equally acceptable) and the other students the week before the presentation is given, (2) a presentation and discussion of the organization studied be conducted by the student Task Force of approximately 20-30 minutes in the class period assigned,[4] (3) a typewritten report should be submitted during the same class period, and (4) a copy of your report and electronic slides should be e-mailed to fmshipper@salisbury.edu for posting on the K: drive. The report should be approximately 10-20 pages in length excluding charts, tables, graphs, and references.

The requirements for an individual case study are that they should be no more than 5 pages excluding charts, tables, graphs, and references. Both group and individual papers must be written in third person, double-spaced, typewritten, and no font less than 11 point.

The organizations selected for the course book were chosen because they all had HPWS programs based on organizational behavior theories, human resource management principles, and organizational structure theories in place for at least 10 years. The issues which should be covered explicitly in the report are (1) **leadership, (2) recruitment & selection,** (3) **socialization**, (4) **involvement/engagement** (5) **training & development**, and (6) **rewards.** You should begin with a brief introduction describing the company**.** Some points that you will want to cover where appropriate are what percentage of employees are involved in profit-sharing program(s), what percentage of employees have the authority to exercise leadership/decision making, how does the profit sharing program work, and are there educational/training programs to develop the human capital of the firm (e.g. technical, leadership and financial), and what evidence is there of effectiveness. Evidence of effectiveness should be reported in hard data such as increases in productivity, profitability, quality, return on investment, or market share; and decreases in unit costs, absenteeism, turnover, and grievance, waste, or rejection rates. If possible you will want to compare the results attributed to the program to industry or national averages. Attitudinal data

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[3] See "A Narrative Outline to Guide on Writing a High Performance Work System (HPWS) Case" on the K: drive.

[4] If a film is used as an illustration, the time limit may be increased. Please inform the instructor one week prior to the presentation so that the class can be planned accordingly.

such as changes in employee satisfaction, commitment, or involvement may also be reported. Awards that the company has received for innovation, quality of products or quality of work life are of interest also. You should also place the organization on the Shared Entrepreneurship Matrix.

Other issues you may want to cover in your presentation and paper depending on the organization studied and the material available are (1) what conditions created the impetus for the program(s); (2) the unusual aspects to the organization's culture, structure or both; (3) what support systems exist for maintaining the program(s); and (4) what changes have occurred and are anticipated. Naturally, you are not limited to the issues listed above. You should cover and raise for discussion any issues you believe have been pertinent to the success of the organization.

The case will be evaluated on the following six points:

1. Relevance - Does the case and analysis apply to the course?

2. Analysis - Are appropriate theories, models and concepts used to analyze (explain) the organization?

3. Integration - Are the theories, models and concepts integrated with the events, facts and other knowledge about the company?

4. Insight - Are the conclusions and implications drawn from the organization and analysis logical and/or original?

5. Presentation - Was the material communicated well to the class?

6. Style - Are the syntax, structure, spelling, grammar, and footnoting appropriate?

MGMT 624 - 691 High Performance Work Systems
Schedule Fall 2017

Week	Date	Day	Topic	Readings	On-Line Activity
1.	Oct. 24	Tues.	Introduction, Vision & Leadership Complete Ofactor Questionnaire:[5](Read this footnote) **https://ofactor.com/book** Watch: **https://www.youtube.com/watch?v=iZOa0fW80Tw**	Chapter 1. Shared Entrepreneurship: Toward an Ethical, Dynamic, Empowering, Freedom-Based Process of Collaborative Innovation	Quiz on Chapter 1
			Questionnaire: **Developing Your Manager's Leadership Profile (Complete this questionnaire on the manager of the organization that you answered the Ofactor Questionnaire.)**	Chapter 2. Shared Leadership: The Do's and Don'ts in Shared Entrepreneurship Enterprises	Quiz on Chapter 2
					Discussion: What roles does a leader play in developing a shared entrepreneurship enterprise?[6]
2	Oct. 31	Tues.	Warm-Up Case: Chapter 8. Herman Miller: Unrelenting Pursuit of Reinvention and Renewal	Chapter 5. Culture in Shared Entrepreneurship Firms	Quiz on Chapter 5
			Questionnaire: **High Performance Work Systems Survey** (On K: drive)	Chapter 3. Shared Governance: Structures and Processes	Quiz on Chapter 3
					Discussion: How can the governance structure and processes impact entrepreneurial activities both positively and negatively?

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5 Pick a work situation that you have been in and which you can freely talk about in class for the rest of the semester. It is best if it is a professional level position and if you have were in the same position for 6 months or more. If you have not had such a position, pick the one that you held the longest. There are no right or wrong answers to these questionnaires; they are learning activities. It is best to respond quickly with your first reaction to get an accurate representation of your work situation. Bring a copy of the questionnaire to class to turn in to receive credit for doing it.

6. Copy and paste your contribution(s) into the word cloud window assigned for this discussion at Poll Everywhere.

3.	Nov. 7	Tues.	High Performance Work System Team 1: Leadership High Performance Work System Team 2: Recruitment & Selection Questionnaire: **Job Diagnostic Survey** (On K: drive)	Chapter 4. Innovation through Shared Entrepreneurship	Quiz on Chapter 4
				Chapter 6: Shared Entrepreneurship: A Path Forward	Quiz on Chapter 6
					Discussion: What are the symbiotic relationships between shared entrepreneurship and innovation?
4.	Nov. 14	Tues.	High Performance Work System Team 3: Involvement/Engagement High Performance Work System Team 4: Training & Development High Performance Work System Team 5: Rewards Questionnaire: **Psychological Ownership Questionnaire** (On K: drive)	*Ton, Z.* (2012). "*Why 'Good' Jobs are Good for Retailers*" **Harvard Business Review** January–February 2012, pp. 124-131.	Discussion: Why have many of the companies that use elements of Shared Entrepreneurship followed the virtuous cycle described in the HBR article & what role does pay play in ensuring the success of SE without abandoning leaving the virtuous cycle?
5.	Nov. 21	Tues.	Questionnaire: **Learning Organization Survey**	Pfeffer, J. (1998). "Six Dangerous Myths About Pay." *Harvard Business Review*, v76n3, pp. 108-119.	
6.	Nov. 28	Tues.	Case Team 1: Chapter 9. Equal Exchange: Doing Well by Doing Good Individual Case for Members of Groups 3 & 4 Case Team 2: MBC Ventures, Inc.: An ESOP with a Union Partner Individual Case for Members of Group 5 **Questionnaire**: **The Positive Organizational Generator www.liftexchange.com/generator**	Larkin, T.J., & Larkin, S. (1996). "Reaching and Changing Frontline Employees." **Harvard Business Review**, May-June, pp. 95-104.	Discussion: What regarding shared entrepreneurship from either case can you as a first-level manager put to use in your organization?

| 7. | Dec. 5 | Tues. | Case Team 3: W. L. Gore & Associates: Developing Global Teams to Meet Twenty-First Century Challenges
Individual Case for Members of Group 1
Case Team 4: Mondragon -- Available on the Perdue School K: Drive under K:\MGMT\MGMT 338 – Shipper\Mon: dragon Case
Individual Case for Members of Group 2
Case Team 5: Haier Group
Individual Case for Members of Group 3 | Argyris, C. (1991) Teaching Smart People to Learn. *Harvard Business Review*, May-June, pp. 99-109. | Discussion: What regarding shared entrepreneurship from any of the three cases can you as a first-level manager put to use in your organization? |

How to Access Harvard Business School Material Quickly
Both On & Off Campus

1. Go directly to ResearchPort directly @ *http://researchport.umd.edu/V*
   a. **On campus:** ResearchPort recognizes that you are within the Salisbury University IP domain. You will not be able to customize ResearchPort unless you log in.
   b. **Off campus:** Click on the login link. Fill-in your ID/barcode number off of your Gull Card and enter your last name. Choose Salisbury University from the campus pull-down menu and click on log in.
2. At the first Research Port window, first click on Business/Economics under Subject Category, second click on Database List.
3. At the second Research Port Window, click on Business Source Premiere.
4. At the next window, EBSCO Host, click on the Advanced Search Tab.
5. At the next window, in the first two find fields add a key word from the title in each and the author's last name in the third find field. Change the "in" fields to TI Title, TI Title, and AU Author. Click the Search button.
6. On the next screen look for the specific article you want. Under the listing of the article if you see **HTML Full Text** or **PDF Full Text** clip on either one to get the full article. The PDF file is preferable, because the article will appear as published with graphics. If **HTML Full Text** or **PDF Full Text** does not appear, click on the title of the article in which you are interested.

On the next screen under the abstract for the article you will see an URL that will take you directly to a Harvard Business School site from which you can download the article. Sometimes (Most of the time) Harvard Business School will charge you a fee to download the article. Usually the price is around five dollars.

Summary Sheet for Case Study Companies

Organization & Product or Service	Year Initiated	No. Employees	Knowledge Sharing Media	Leadership Sharing Media	Capital Sharing Media	Market Results	Personnel Results	Financial Results
1. Lincoln Electric Cleveland, Ohio	1914 (LS) 1934 (GS)	5791	Cross Training	Elected participative committee meetings twice monthly,	ESOP (40%)[7] Profit sharing Incentive plan & guaranteed 30 hr. Week	Market dominance, low cost leader	Low turnover Low absenteeism Low disturbances Flexible workforce High Productivity	2001 ROA 10.64% vs. 6.15% Ind. PM 8.54% vs. 6.25% Ind. Debt/T.E.10 vs. .45 Ind.
2. W.L. Gore & Associates Newark, DE			Technical and Leadership Training, Sponsors/Mentors	Autonomous plants & teams, Waterline Principle	ESOP, EVA	Market dominance for high end outer sports gear and vascular grafts	Low turnover	
3. Worthington Industries (Steel mfg.)							Low turnover	
4. Herman Miller (Furniture co.) Zeeland, Michigan	1950 (GS & LS) 1978 (M)			Work teams caucuses, & councils	Monthly bonus system, silver parachute plan ESOP (50%)	Market dominance for high end office furniture	Low turnover	
5. Equal Exchange, West Bridgewater, MA								
6. MBC Ventures								
7. Mondragon								
8. John Lewis Partnership								

Notes: (LS) Leadership Sharing; (GS) Gain Sharing; (M) Major Modification

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[7] Percentage of employees that participate.

Worksheet for Collecting Information on a HPWS Group Assignment

High Performance Work System (Select the One for Your Group Project) (Ex. Leadership)	Advantages	Disadvantages
(List types/varieties/attributes for your assigned area.) (Ex. Shared (a.k.a. Distributed) vs. Centralized)[8]		
(Ex. Transformational vs. Transactional)		
(Ex. Visionary)[9]		

In both your write-up and presentation, you should close with your recommended type, variety, and/or attribute(s) for that area of HPWS.

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[8] You can look at two different styles simultaneously comparing their advantages and disadvantages.

[9] In this case, you are comparing the advantages and disadvantages of this attribute.