

8.3: Job Design

Boundless: *Management* “Chapter 5, Section 9, Part 1: Defining Job Design”

Read this section. Pay close attention to the approaches to job design and the importance of the key elements to good design. This is important because efficiency and effectiveness is directly related to the way in which a job is designed. Good job design takes attention to detail and alignment with process.

Defining Job Design

Job design is the systematic and purposeful allocation of tasks to individuals and groups within an organization.

LEARNING OBJECTIVES

- Identify the key elements of job design from a general perspective, within the context of organizational behavior
- Compare and contrast the multitude of job-design approaches and perspectives available in the organizational field

KEY POINTS

- The key inputs for a strong job design are a task, motivation, resource allocation and a compensation system.
- Taylorism, or scientific management, is the original job-design theory. It stresses standardization of tasks and proper training of workers to administer the tasks for which they are responsible.
- The Socio-Technical Systems Approach is a theory that maps the evolution from individual work to work groups. The organization itself is structured to encourage group autonomy and productivity.
- The Core Characteristics Model connects job characteristics to the psychological states that the worker brings to the job. It emphasizes designing jobs so that they lead to desired outcomes.
- Taking into account these various theoretical models, job design is best described as specifying a task with enough context to communicate clearly and concisely what is expected of a given employee.

TERM

- **empower**To give people more confidence or strength to do something, often by enabling them to increase their control over their own life or situation.

FULL TEXT

Job Design Overview

Job design is the allocation of specific work tasks to individuals and groups. Allocating jobs and tasks means specifying the contents, method, and relationships of jobs to satisfy technological and organizational requirements, as well as the personal needs of jobholders.

Key Elements of Job Design

To understand job design, it is helpful to identify some key elements and their relationship with job design processes.

- A *task* can be best defined as a piece of assigned work expected to be performed within a certain time. Job designers must strictly and thoroughly identify tasks that need completion.
- *Motivation* describes forces within the individual that account for the level, direction, and persistence of effort expended at work. Individuals need to be compelled, excited, and passionate to do their work. Managers should design jobs that motivate employees.
- *Resource allocation* occurs when an organization decides to appropriate or allocate certain resources to specific jobs, tasks, or dilemmas facing the organization. In job design, it is necessary to identify and structure jobs in a way that uses the company's resources efficiently. Appropriate resource allocation allows large organizations to foster and develop innovation in their workforce and underscores strategy through distribution.
- *Reward systems* also play a role in job design. Reward systems include compensation, bonuses, raises, job security, benefits, and various other reward methods for employees. An outline or description of reward packages should be established when constructing jobs.

Theoretical Models of Job Design

Organizations may employ various theoretical approaches for job design. These include Taylorism, Socio-Technical Systems Approach, Core Characteristics Model, and Psychological Empowerment Theory. Each approach emphasizes different aspects to be considered in effective job design.

Taylorism

Taylorism, also known as scientific management, is a foundation for systematic job design. Frederick Taylor developed this theory in an effort to develop a “science” for every job within an organization according to the following principles:

- Create a standard method for each job.
- Successfully select and hire proper workers.
- Effectively train these workers.
- Support these workers.

The Socio-Technical Systems Approach

The Socio-Technical Systems Approach is based on the evolution from individual work to work groups. This approach has the following guiding principles:

- The design of the organization must fit its goals.
- Employees must be actively involved in designing the structure of the organization.
- Control of variances in production or service must be undertaken as close to their source as possible.
- Subsystems must be designed around relatively self-contained and recognizable units of work.
- Support systems must fit in with the design of the organization.
- The design should allow for a high-quality working life.
- Changes should continue to be made as necessary to meet changing environmental pressures.

Core Characteristics Model

Another modern job design theory is the Core Characteristics Model, which maintains five important job elements that motivate workers and performance:

- Skill variety
- Task identity
- Task significance
- Autonomy

- Job feedback

The individual elements are then proposed to lead to positive outcomes through three psychological states:

- Experienced meaningfulness
- Experienced responsibility
- Knowledge of results

Psychological Empowerment Theory

Psychological Empowerment Theory posits that there is a distinction between empowering practices and cognitive motivational states. When individuals are aware of the impact they have, they benefit more than if they cannot attribute positive impact to any of their actions.

Overall Trend

Many more iterations of job design theory have evolved, but general trends can be identified among them: job design is moving towards autonomous work teams and placing added emphasis on the importance of meaning derived from the individual.

Wikipedia: “Job Design”

Read this wiki page. Pay close attention to core dimensions and techniques of job design. This is important because different combinations of these core dimensions motivate different types of employees. Each of the core dimensions can be viewed as if on a continuum. You may need a high skill variety and a low task identity for a specific job.

Job design

Job design (also referred to as **work design** or **task design**) is the specification of contents, methods and relationship of jobs in order to satisfy technological and organizational requirements as well as the social and personal requirements of the job holder. Its principles are geared towards how the nature of a person's job affects their attitudes and behavior at work, particularly relating to characteristics such as skill variety and autonomy. The aim of a job design is to improve job satisfaction, to improve throughput, to improve quality and to reduce employee problems (e.g., grievances, absenteeism).

Job Characteristic Theory

The job characteristic theory proposed by Hackman & Oldham (1976) stated that work should be designed to have five core job characteristics, which engender three critical psychological states in individuals—experiencing meaning, feeling responsible for outcomes, and understanding the results of their efforts. In turn, these psychological states were proposed to enhance employees' intrinsic motivation, job satisfaction, quality of work and performance, while reducing turnover.

Core Job Dimensions

1. *Skill variety* — This refers to the range of skills and activities necessary to complete the job. The more a person is required to use a wide variety of skills, the more satisfying the job is likely to be.
2. *Task identity* — This dimension measures the degree to which the job requires completion of a whole and identifiable piece of work. Employees who are involved in an activity from start to finish are usually more satisfied.
3. *Task significance* — This looks at the impact and influence of a job. Jobs are more satisfying if people believe that they make a difference, and are adding real value to colleagues, the organization, or the larger community.
4. *Autonomy* — This describes the amount of individual choice and discretion involved in a job. More autonomy leads to more satisfaction. For instance, a job is likely to be more satisfying if people are involved in making decisions, instead of simply being told what to do.
5. *Feedback* — This dimension measures the amount of information an employee receives about his or her performance, and the extent to which he or she can see the impact of the work. The more people are told about their performance, the more interested they will be in doing a good job. So, sharing production figures, customer satisfaction scores etc. can increase the feedback levels.

Critical Psychological States

The five core job dimensions listed above result in three different psychological states.

- *Experienced meaningfulness of the work*: The extent to which people believe that their job is meaningful, and that their work is valued and appreciated (comes from core dimensions 1-3).
- *Experienced responsibility for the outcomes of work*: The extent to which people feel accountable for the results of their work, and for the outcomes they have produced (comes from core dimension 4).
- *Knowledge of the actual results of the work activity*: The extent to which people know how well they are doing (comes from core dimension 5).

Techniques of Job Design

Job Rotation

Job rotation is a job design method which is able to enhance motivation, develop workers' outlook, increase productivity, improve the organization's performance on various levels by its multi-skilled workers, and provides new opportunities to improve the attitude, thought, capabilities and skills of workers. Job rotation is also process by which employees laterally mobilize and serve their tasks in different organizational levels; when an individual experiences different posts and responsibilities in an organization, ability increases to evaluate his capabilities in the organization.

Job Enlargement

Hulin and Blood (1968) define *Job enlargement* as the process of allowing individual workers to determine their own pace (within limits), to serve as their own inspectors by giving them responsibility for quality control, to repair their own mistakes, to be responsible for their own machine set-up and repair, and to attain choice of method. Frederick Herzberg referred to the addition of interrelated tasks as 'horizontal job loading'.

Job Enrichment

Job enrichment increases the employees' autonomy over the planning and execution of their own work. Job enrichment has the same motivational advantages of job enlargement, however it has the added benefit of granting workers autonomy. Frederick Herzberg viewed job enrichment as 'vertical job loading' because it also includes tasks formerly performed by someone at a higher level where planning and control are involved.

Scientific Management

Under *scientific management* people would be directed by reason and the problems of industrial unrest would be appropriately (i.e., scientifically) addressed. This philosophy is oriented toward the maximum gains possible to employees. Managers would guarantee that their subordinates would have access to the maximum of economic gains by means of rationalized

processes. Organizations were portrayed as rationalized sites, designed and managed according to a rule of rationality imported from the world of technique.^[10]

Human Relations School

The *Human Relations School* takes the view that businesses are social systems in which psychological and emotional factors have a significant influence on productivity. The common elements in human relations theory are the beliefs that

- Performance can be improved by good human relations
- Managers should consult employees in matters that affect staff
- Leaders should be democratic rather than authoritarian
- Employees are motivated by social and psychological rewards and are not just “economic animals”
- The work group plays an important part in influencing performance

Socio-technical Systems

Socio-technical systems aims on jointly optimizing the operation of the social and technical system; the good or service would then be efficiently produced and psychological needs of the workers fulfilled. Embedded in Socio-technical Systems are motivational assumptions, such as intrinsic and extrinsic rewards.

Work Reform

Work reform states about the workplace relation and the changes made which are more suitable to management and employee to encourage increased workforce participation.

Motivational Work Design

The psychological literature on employee motivation contains considerable evidence that job design can influence satisfaction, motivation and job performance. It influences them primarily because it affects the relationship between the employee's expectancy that increased performance will lead to rewards and the preference of different rewards for the individual.

Hackman and Oldman developed the theory that a workplace can be redesigned to greater improve their core job characteristics. Their overall concept consists of:

- Making larger work units by combining smaller, more specialized tasks.
- Mandating worker(s) to be responsible via having direct contact with clients.
- Having employee evaluations done frequently in order to provide feedback for learning.
- Allowing workers to be responsible for their job by giving them authority and control.

A similar theory was also mention earlier by Frederick Herzberg. Herzberg theory consist of a *Two Factor Theory*:

1. Hygiene Factors
2. Motivational Factors

16.6 Designing a High-Performance Work System

Learning Objectives

1. Define a high-performance work system.
2. Describe the role of technology in HR.
3. Describe the use of HR systems to improve organizational performance.
4. Describe succession planning and its value.

Now it is your turn to design a high-performance work system (HPWS). HPWS is a set of management practices that attempt to create an environment within an organization where the employee has greater involvement and responsibility. Designing a HPWS involves putting all the HR pieces together. A HPWS is all about determining what jobs a company needs done, designing the jobs, identifying and attracting the type of employee needed to fill the job, and then evaluating employee performance and compensating them appropriately so that they stay with the company.

e-HRM

At the same time, technology is changing the way HR is done. The electronic human resource management (e-HRM) business solution is based on the idea that information technologies, including the Web, can be designed for human resources professionals and executive managers who need support to manage the workforce, monitor changes, and gather the information needed in decision making. At the same time, e-HRM can enable all employees to participate in the process and keep track of relevant information. For instance, your place of work provides you with a Web site where you can login; get past and current pay information, including tax forms (i.e., 1099, W-2, and so on); manage investments related to your 401(k); or opt for certain medical record-keeping services.

More generally, for example, many administrative tasks are being done online, including:

- providing and describing insurance and other benefit options
- enrolling employees for those benefits
- enrolling employees in training programs
- administering employee surveys to gauge their satisfaction

Many of these tasks are being done by employees themselves, which is referred to as *employee self-service*. With all the information available online, employees can access it themselves when they need it.

Part of an effective HR strategy is using technology to reduce the manual work performance by HR employees. Simple or repetitive tasks can be performed self-service through e-HRM systems that provide employees with information and let them perform their own updates. Typical HR services that can be formed in an e-HRM system include:

- Answer basic compensation questions.
- Look up employee benefits information.
- Process candidate recruitment expenses.
- Receive and scan resumes into recruiting software.
- Enroll employees in training programs.
- Maintain training catalog.
- Administer tuition reimbursement.
- Update personnel files.

Organizations that have invested in e-HRM systems have found that they free up HR professionals to spend more time on the strategic aspects of their job. These strategic roles include employee development, training, and succession planning.

The Value of High-Performance Work Systems

Employees who are highly involved in conceiving, designing, and implementing workplace processes are more engaged and perform better. For example, a study analyzing 132 U.S. manufacturing firms found that companies using HPWSs had significantly higher labor productivity than their competitors. The key finding was that when employees have the power to make decisions related to their performance, can access information about company costs and revenues, and have the necessary knowledge, training, and development to do their jobs—and are rewarded for their efforts—they are more productive. Konrad, A. M. (2006, March/April). Engaging employees through high-involvement work practices. *Ivey Business Journal Online*, 1–6. Retrieved January 30, 2009, from <http://www.iveybusinessjournal.com>.

For example, Mark Youndt and his colleagues Youndt, M., Snell, S., Dean, J., & Lepak, K. (1996). Human resource management, manufacturing strategy, and firm performance. *Academy of Management Journal*, 39, 836–866. demonstrated that productivity rates were significantly higher in manufacturing plants where the HRM strategy focused on enhancing human capital. Delery and Doty found a positive relationship between firm financial performance and a system of HRM practices. Delery, J., & Doty, H. (1996). Modes of theorizing in strategic human resource management: Tests of universalistic, contingency, and configurational performance predictions. *Academy of Management Journal* 39, 802–835. Huselid, Jackson, and Schuler found that increased HRM effectiveness corresponded to an increase in sales per employee, cash flow, and company market value. Huselid, M., Jackson, S., and Schuler, R. (1997). Technical and strategic human resource management effectiveness as determinants of firm performance. *Academy of Management Journal* 40, 171–188.

HPWS can be used globally to good result. For example, Fey and colleagues studied 101 foreign-based firms operating in Russia and found significant linkages between HRM practices, such as incentive-based compensation, job security, employee training, and decentralized decision making, and subjective measures of firm performance. Fey, C., Bjorkman, I., & Pavlovskaya, A. (2000). The effect of human resource management practices on firm performance in Russia. *International Journal of Human Resource Management*, 11, 1–18.

Improving Organizational Performance

Organizations that want to improve their performance can use a combination of HR systems to get these improvements. For example, performance measurement systems help underperforming companies improve performance. The utility company Arizona Public Service used a performance measurement system to rebound from dismal financial results. The company developed 17 “critical success indicators,” which it measures regularly and benchmarks against the best companies in each category. Of the 17, nine were identified as “major critical success indicators.” They are:

- cost to produce kilowatt hour
- customer satisfaction
- fossil plants availability
- operations and maintenance expenditures
- construction expenditures
- ranking as corporate citizen in Arizona
- safety all-injury incident rate
- nuclear performance
- shareholder value return on assets

Each department sets measurable goals in line with these indicators, and a gainsharing plan rewards employees for meeting the indicators.

In addition, companies can use reward schemes to improve performance. Better-performing firms tend to invest in more sophisticated HRM practices, which further enhances organizational performance. Shih, H.-A., Chiang, Y.-H., & Hsu, C.-C. (2006, August). Can high performance work systems really lead to better performance? *International Journal of Manpower*, 27(8), 741–763. Currently, about 20% of firms link employee compensation to the firm’s earnings. They use reward schemes such as employee stock ownership plans, gainsharing, and profit sharing. This trend is increasing.

Researcher Michel Magnan wanted to find out: Is the performance of an organization with a profit-sharing plan better than other firms? And, does adoption of a profit-sharing plan lead to improvement in an organization’s performance?

The reasons profit-sharing plans would improve organizational performance go back to employee motivation theory. A profit-sharing plan will likely encourage employees to monitor one another’s behavior because “loafers” would erode the rewards for everyone. Moreover, profit sharing should lead to greater information sharing, which increases the productivity and flexibility of the firm.

Magnan studied 294 Canadian credit unions in the same region (controlling for regional and sector-specific economic effects). Of the firms studied, 83 had profit sharing plans that paid the bonus in full at the end of the year. This meant that employees felt the effect of the organizational performance reward immediately, so it had a stronger motivational effect than a plan that put profits into a retirement account, where the benefit would be delayed (and essentially hidden) until retirement.

Magnan’s results showed that firms with profit-sharing plans had better performance on most facets of organizational performance. They had better performance on asset growth, market capitalization, operating costs, losses on loans, and return on assets than firms without profit-sharing plans. The improved performance was especially driven by activities where employee involvement had a quick, predictable effect on firm performance, such as giving loans or controlling costs.

Another interesting finding was that when firms adopted a profit-sharing plan, their organizational performance went up. Profit-sharing plans appear to be a good turnaround tool because the firms that showed the greatest improvement were those that had not been performing well before the profit-sharing plan. Even firms that had good performance before adopting a profit-sharing plan had better performance after the profit-sharing plan. Magnan, M., & St-Onge, S. (1998). Profit sharing and firm performance: A comparative and longitudinal analysis. Presented at the Academy of Management Conference, August 9–12.

Succession Planning

Succession planning is a process whereby an organization ensures that employees are recruited and developed to fill each key role within the company. In a recent survey, HR executives and non-HR executives were asked to name their top human capital challenge. Nearly one-third of both executive groups cited succession planning. Buhler, P. M. (2008, March). Managing in the new millennium; succession planning: not just for the c suite. *Supervision*, 69(3), 19. but less than 20% of companies with a succession plan addressed nonmanagement positions. Slightly more than 40% of firms didn’t have a plan in place.

Looking across organizations succession planning takes a number of forms (including no form at all). An absence of succession planning should be a red flag, since the competitive advantage of a growing percentage of firms is predicated on their stock of human capital and ability to manage such capital in the future. One of the overarching themes of becoming better at succession is that effective organizations become much better at developing and promoting talent from within. The figure “Levels of Succession Planning” summarizes the different levels that firms can work toward.

Levels of Succession Planning

- Level 1: No planning at all.
- Level 2: Simple replacement plan. Typically the organization has only considered what it will do if key individuals leave or become debilitated.
- Level 3: The company extends the replacement plan approach to consider lower-level positions, even including middle managers.
- Level 4: The company goes beyond the replacement plan approach to identify the competencies it will need in the future. Most often, this approach is managed along with a promote-from-within initiative.
- Level 5: In addition to promoting from within, the organization develops the capability to identify and recruit top talent externally. However, the primary source of successors should be from within, unless there are key gaps where the organization does not have key capabilities.

Dow Chemical exemplifies some best practices for succession planning:

- Dow has a comprehensive plan that addresses all levels within the organization, not just executive levels.
- CEO reviews the plan, signaling its importance.
- Managers regularly identify critical roles in the company and the competencies needed for success in those roles.
- Dow uses a nine-box grid for succession planning, plotting employees along the two dimensions of potential and performance.
- High potential employees are recommended for training and development, such as Dow Academy or an MBA.

Interpublic Group, a communications and advertising agency, established a formal review process in 2005 in which the CEOs of each Interpublic business would talk with the CEO about the leaders in their organization. The discussions span the globe because half of the company's employees work outside the United States. A key part of the discussions is to then meet with the individual employees to tell them about the opportunities available to them. "In the past, what I saw happen was that an employee would want to leave and then all of a sudden they hear about all of the career opportunities available to them," he says. "Now I want to make sure those discussions are happening before anyone talks about leaving," said Timothy Sompolski, executive vice president and chief human resources officer at Interpublic Group. Marquez, J. (2007, September 10). On the front line; A quintet of 2006's highest-paid HR leaders discuss how they are confronting myriad talent management challenges as well as obstacles to being viewed by their organizations as strategic business partners. *Workforce Management*, 86(5), 22.

The principles of strategic human resource management and high-performance work systems apply to nonprofit enterprises as well as for-profit companies, and the benefits of good HR practices are just as rewarding. When it comes to succession planning, nonprofits face a particularly difficult challenge of attracting workers to a field known for low pay and long hours. Often, the people attracted to the enterprise are drawn by the cause rather than by their own aspirations for promotion. Thus, identifying and training employees for leadership positions is even more important. What's more, the talent shortage for nonprofits will be even more acute: A study by the Meyer Foundation and CompassPoint Nonprofit Service found that 75% of nonprofit executive directors plan to leave their jobs by 2011. Damast, A. (2008, August 11). Narrowing the nonprofit gap. *BusinessWeek*, p. 58.

Key Takeaway

A high-performance work system unites the social and technical systems (people and technology) and aligns them with company strategy. It ensures that all the interrelated parts of HR are aligned with one another and with company goals. Technology and structure supports employees in their ability to apply their knowledge and skills to executing company strategy. HR decisions, such as the type of compensation method chosen, improve performance for organizations and enterprises of all types.

Exercises

1. What are some ways in which HR can improve organizational performance?
2. What is the most important aspect of high performance work systems? Name three benefits of high performance work systems.
3. How does e-HRM help a company?
4. If you were designing your company's succession planning program, what guidelines would you suggest?

Unit 8 Discussion

#1

Take each core job dimension and using a 1-10 scale (1 = lowest and 10 = highest), rate each dimension in relation to your current job or a job that you have had in the past. Based on your job experience, how did the job design impact your job satisfaction, loyalty to the organization, and quality of work and performance? Based on your answer, how would you redesign your job in relation to these core dimensions? If you have never had a job, think about a volunteer experience you may have had, or you might try answering the above questions based on your dream job.

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