IDENTIFYING GREAT PLACES TO WORK: A SYSTEMS FRAMEWORK

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ABSTRACT

Everyday life in the United States of America is infused with contact with organizations and a majority of adult citizens spend a large percentage of their working lives associated with them. With this much time invested, the working environment can have a significant influence on an individual's well-being. Therefore, it is important that organizations provide fulfilling work environments for their employees. An analysis of Fortune magazine's 100 Great Places to Work For listing provided clues that working environments are more satisfactory if the organization encouraged closeness, camaraderie, and trust among its employees. Closeness, camaraderie, and trust are attributes of effective groups, yet great places to work were identified largely through an aggregate of individual responses. This paper concentrated on the group dynamics inherent in organizations and their effect on how that organization was perceived as a great place to work by its employees. Using living systems theory combined with a systems approach to understanding organizations, nine characteristics common to both groups and organizations were identified. It was shown that the common attributes are expressed in a limited range in groups while organizations can tolerate a much wider expression of the factors. A framework was developed combining the nine characteristics common to both groups and organizations to provide insights into group dynamics present in organizations. Organizations that encourage group processes appeared to be considered superior places to work. Unlocking the secrets to aligning the interest of corporations and employees has primarily focused on individual responses. This study concentrated on organizations themselves as units of analyses and showed that group characteristics within organizations have a strong influence on how the organization is perceived by its employees.

Keywords: Group dynamics, organizational systems, great places to work, living systems

INTRODUCTION

Everyday life in the United States of America is infused with contact with organizations. Firms supply jobs that generate earnings for individuals. Earnings are used to provide food and shelter for those individuals and their families as well as access to services such as medical care, police, and firemen. On the other hand, organizations supply the food, shelter, medical care and public services. There is an intimate connection in American life between individuals and organizations.

According to the U.S. Department of Labor (2010) over 150 million people in the United States held jobs in July 2010. The U.S. Census Bureau (2010) showed that the population of the United States was 309,930,281 as of August 7, 2010. Therefore, roughly half of the population was working in some capacity in the first half of calendar year 2010. On a yearly basis, the U.S. Census Bureau tracks the number of business

organizations that have employees. In 2008, approximately 6 million of these companies were in operation. These firms employed over 120 million people (U.S. Census Bureau, n.d.).Working people are largely engaged in working for a business organization.

Being paid for services is arguably the main impetus for people to work at a firm or company, but a full time employee spends approximately one-third of their working lives preparing for work, commuting, and performing the tasks for which they are paid. With that much time invested in the work environment, the satisfaction and fulfillment an individual derives from their work becomes important to an individual's well-being. And indeed, studies have shown that feelings of accomplishment and respect within an organization are often more powerful motivators for coming to work than the paycheck itself (Ellingsen & Johannesson, 2007). Fulfilling, satisfying work experiences are important not only for individuals but for organizations as well. Studies have tied job satisfaction with increased productivity and effectiveness (Dallimore & Mickel, 2006; Yang & Kassekert, 2010).

PRELIMINARY ANALYSIS

In order to glean some insights into what characterizes a satisfying work environment, an analysis of firms that were consistently ranked in the top 50 of Fortune's The 100 Best Place to Work For list from 2006 to 2010 was undertaken. The 100 Best Places to Work For list has been published annually since 1998. Companies in business for at least seven years prior to the survey and employing more than 1,000 associates are eligible to apply. To be considered, the company must submit an application showing their interest. Generally, 300 to 400 firms are selected from the pool of applicants to participate in "the most extensive employee survey in corporate America" (Levering & Moskowitz, 2008). For example, in 2008, 407 companies out of over 1,500 applicants were selected to take part in the survey. Employees are asked to fill out the Great Place to Work Trust Index, an instrument created by the Great Place to Work Institute in San Francisco, which asks questions related to "management credibility, job satisfaction, and camaraderie" (Levering & Moskowitz, 2008). Two thirds of the ratings are derived from the Trust Index instrument. The company is also asked to fill out the Culture Index, also developed by the Great Place to Work Institute in San Francisco, that asks about demographics within the company, pay, and benefits. In addition, the Culture Index includes open ended questions about "the company's management philosophy, methods of internal communications, opportunities, compensation practices, and diversity efforts, etc" (Levering & Moskowitz, 2008). One third of the ranking comes from this index.

Of the 100 firms that were in the top 50 at least once over the five year time span from 2006 to 2010, only 19 made the list every year. Of those 19 firms, 13 or 68% were privately held, one was a consumer co-operative, and five were publicly traded. Since privately held firms are generally smaller, this analysis would seem to indicate that smaller firms are more likely to be considered good places to work by their employees, although this is certainly debatable. The 19 firms that consistently made the list spanned industries. They included a law firm, an insurance company, a management consultant, three computer technology giants, two retail and three grocery stores, three investment firms, an automobile distributorship, a loan company, a travel company, a manufacturer, and a bio-technology firm. Sizes ranged from eight firms under 5,000 employees, to three

between 5,000 and 10,000, and four just above 10,000, with the last four each employing over 30,000 individuals.

It was difficult to draw conclusions from the data. Smaller, privately held firms were more consistently represented but the analysis showed that location, type of firm, annual growth in number of employees, and annual growth in revenues did not provide clues to what constituted a great company. Some firms experienced rapid growth while others actually declined. However, rates of growth under 10% seemed to be favored.

There did not appear to be any one obvious attribute that determines whether an organization will be considered a great place to work, but there were tantalizing clues contained in the comments made about companies that ranked as top places to work. Family and teamwork were mentioned often and open, transparent communication from management was appreciated (Sixel, Hewitt, Murphy, Patel, & Kaplan, 2010). SAS was rated the Number 1 company to work for by Fortune magazine in 2010. The CEO attributed the ranking to a culture based on "trust between our employees and the company" ("SAS: What Makes It So Great," 2010, para. 2).

Detailed reading about the best places to work gave a sense that there were a number of factors that contributed to a company considered a superior place to work and that the factors acted in concert with one another. But the factors appeared to be more qualitative than quantitative. The literature supports this view.

> For decades, economists have been trying to determine what elements "truly great" companies have embedded in them. Ironically, given the fact that it has been economists doing the looking, the answers have basically turned out to be about "soft" stuff. In fact, today it is increasingly recognized that one element matters the most: the nature of relationships with the organization—the way people act toward each other, the "social capital" of the organization. (Goffee & Jones, 1998, p. 15)

All of the firms in the analysis appeared to be profitable which indicated that it was possible to be a good company to work for while maintaining economic viability. But what was it about these types of firms that made them stand out? A sense of closeness, camaraderie, and trust seemed to be the only connecting thread. Camaraderie is derived from the word *comrade* which is defined as "a person who shares closely in the activities, occupation, or interests of another; intimate companion, associate, or friend" ("Camaraderie," 1973, p. 277). The word camaraderie then embodies the sense of family and closeness through shared activities and interests as described by the comments from the great places to work listings. Camaraderie must be expressed through relationships with others. It is not an individual phenomenon, it is a phenomenon of highly effective groups.

Closeness and trust, other attributes noted in the comments about great places to work, are more closely associated with well integrated groups which are generally smaller in size and imbue a sense of belonging to their members (L. D. Brown, 1983; Eby, Meade, Parisi, & Douthitt, 1999; French & Bell, 1999; Levine & Moreland, 2004; Spiekermann, 2007) than with organizations that were created for specific purposes and hire people to accomplish those purposes (Friedman, 2008; Perrow, 1986; Rowland, 2005; Rushkoff, 2009). Is it possible that companies that are ranked high in employee satisfaction exhibit characteristics commonly associated with high performing groups?

The literature supports the idea that groups with their characteristics of belonging and closeness exist within organizations.

It should be noted that the firms included in the preliminary analysis were selected based largely on individual responses to a survey aggregated to the corporate level. But closeness, camaraderie, and trust are relationship dynamics, they must take place between two or more people. Individual responses reflect a portion of group dynamics. The portion felt by that particular individual. What if groups themselves were considered in the organizational context? Could that examination provide a somewhat sharper image of what constitutes a great place to work? This paper sought to explore organizations as holistic entities in terms of their group processes.

LITERATURE REVIEW

J. G. Miller's Theory About Living Systems

J. G. Miller (1978) laid out a hierarchy of living systems starting with the cell and ending with the supranational system. In that hierarchy, he traced an evolutionary path through seven levels: cell, organ, organism (human individual), group, organization, society, and supranational system. The list was later expanded to eight with the addition of community between organization and society (J. L. Miller & Miller, 1992). Each level of the hierarchy shared 19 common characteristics, later expanded to 20. J. G. Miller's definition of a group claimed it is a set of individuals that "relate face-to-face, processing matter-energy and information" (J. G. Miller, 1978, p. 515), and he specifically listed the work-group as a viable member of this level of his hierarchy. The organization in J. G. Miller's formulation was similar to the group with the major distinction being that an organization had multiple echelons of deciders (J. G. Miller, 1978, p. 595). Echelons are levels or tiers of decision making processes. Organizations differ from groups primarily in this multi-echelon formulation. J. G. Miller specifically included professional firms and businesses (p. 596) in his definition of organization. J. G. Miller claimed that individuals, groups, and organizations share common characteristics and the difference between the three entities was encoded in how those characteristics interact. For example, J. G. Miller and J. L. Miller and Miller list "distributor" and "decider" as two of their 20 common characteristics. One of the many distributors at the organism or human individual level is the blood that flows through the human body. The decider in human individuals is commonly associated with the brain (J. G. Miller, 1978, p. 364). In groups, a distributor could be the person who hands out office supplies while the decider is the recognized leader of the group (J. G. Miller, 1978, p. 518). In organizations, the distributor function is performed by the halls and stairways of the organization as well as the people who distribute supplies and the decider is generally a management team (J. G. Miller, 1978, p. 604). Each group or organization within the overarching system is a viable living entity composed of the 20 components making up J. G. Miller and J. L. Miller and Miller's living systems theory, but they band together to achieve goals and in the process the various groups and subsidiary organizations take on one or more of the 20 components necessary for a living system. For example, in an engineering company, the finance department may function as an autonomous living system with its own inputs and outputs and matter-energy processing infrastructure, but it provides the "converter"

function for the larger corporation by transforming numerical data into charts, graphs, and reports for use by "deciders" within the larger corporation.

Organizations and Groups

Organizations have been studied as holistic entities, notably by Morgan (1998), and Schein (2004). While these authors mentioned group dynamics, they only tangentially discussed groups and organizations as integrated entities. Groups dynamics have also been studied (Ball, 2004; French & Bell, 1999; Gladwell, 2002; Levine & Moreland, 2004; O'Toole, 1995; Stacey, 2000) but again, while it is understand that group processes are paramount for organizational effectiveness, these authors did not explicitly examine the integrated whole. Drawing from the literature, nine characteristics common to both groups and organizations were uncovered. It was striking that these nine characteristics fell into a limited range when groups were examined but were expressed over a much broader range in regards to organizations. In order to categorize the nine factors, an organizing framework was needed. Organizations are described in a multiple of terms such as "machines, organisms, systems, polities, ecologies, entities or chaos, and on and on" (Metcalf, 2001, p. 167). This paper chose to focus on the systems aspect of organizations in line with J. G. Miller's (1978; see also J. L. Miller & Miller, 1992) theory. Flood (1999) proposed that organizations can be thought of in terms of four distinct systems acting in concert with one another to create the total entity (a) a system of structures, (b) a system of meaning, (c) a system of knowledge-power, and (d) a system of process (Flood, 1999, p. 95). The nine characteristics and how they relate to Flood's four systems is explored in the following paragraphs.

Structure Category

The system of structures is concerned with "organizational functions and various forms of coordination, communication and control" (Flood, 1999, p. 104). The system of structures refers to the rules in place in the organization and the effectiveness of those rules and controls. The factors presented in this study that fall into the system of structures speak to the way an organization or group is built with the number of individuals required to perform the task, the effectiveness of the communication system, and the organization or group hierarchy.

Number of individuals.
The first factor under consideration is a relatively basic idea. How many people does it take to make a group? How many people does it take to make an organization? These seem to be simple questions yet the answers are not obvious.

J. G. Miller (1978) stated that a group is differentiated from an organization by the number of echelons or decision-making levels operating in the entity. To make decisions, at least two individuals are needed, "but it is much more likely that there would be several more" (J. G. Miller, 1978, p. 694). Therefore, the minimum number of people required for a group or an organization is two. The maximum number of people considered to be a group or organization is not specifically stated in the literature. However, a study by Hill and Dunbar (2003) suggested that the maximum number for

cohesiveness is 150. The upper limit is driven by the ratio of the neocortex to the overall size of the brain. This maximum limit of 150 is corroborated by anthropological data from the military, a religious group in Europe and North America known as the Hutterites, and a high tech firm based in Newark, Delaware, named W. L. Gore & Associates (Gladwell, 2002 p. 180). Incidentally, W. L. Gore & Associates is one of the 19 firms that have been included on Fortune's Best Places to Work For list since the list's inception in 1998. All of these entities realized that a threshold was crossed at a certain numerical point and limited their brigades, colonies, and factories to 150 people. They found that harmony was enhanced when the number of individuals did not exceed this maximum.

The differing number of people involved in groups and organizations is represented by Figure 1. Group characteristics tend to be more common on the left side of the continuum while organizational characteristics tend to populate the right side of the continuum. Although groups and organizations can be found of any size, the tendency is that groups are smaller than organizations.
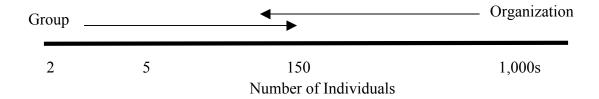
Group ⟵————⟶ Organization

| 2 | 5 | 150 | 1,000s |

Number of Individuals

Figure 1. Number of individuals comprising a group and an organization

Level of Noise in the Communication System

The second factor under consideration is how people exchange information. The technology involved is not particularly relevant. Instead, the factor depends on the layers of communication levels and how much *noise* is in the system. Noise is generated when information is passed through several channels. For example, primary sources are preferable to secondary sources in academic writing. A secondary source is liable to add a bias or refer to the primary source in a different context than originally intended, thus diluting the primary source or adding noise to the system. Communication is shaped by three factors: cohesiveness, centrality, and trust.

Cohesiveness is the closeness in spatial and temporal location of the members either in physical space or by means of a communication network such as a telephone system (J. G. Miller, 1978, p. 575). As individuals and groups become more physically and temporally distance from one another, they tend to lose the cohesiveness of a group. The noise in the system increases. A group functions better when the members are in close contact with each other. An organization with its multi-echelon structure does not need the same close contact. Yet, an organization needs some level of cohesiveness. Goffee and Jones (1998) felt that businesses are disintegrating due to a loss of cohesiveness. They cited globalization that encourages divisions to work independently in far-flung places, and advanced information technology that allows people to work remotely "making the 'human contact' an increasingly remote commodity" (p. 11).

Centrality is another measure J. G. Miller (1978) used to describe effective communication in groups. Centrality is a measure of the number of times a piece of information must be transmitted to reach all members of the group. As the number of times the information is transmitted increases, the noise in the communication system also increases.

Effective communication is augmented by trust because trust reduces noise in the system. Trust is an outgrowth of close relationships (Heil, Bennis & Stephens, 2000, p. 68). People in close, trusting relationships understand the nuances of phrases and expressions being passed back and forth within the group. This understanding helps the members of the group interpret information in similar fashions. Similar interpretations of information are indicative of low noise in the system. Disparate interpretations of information are indicative of high noise in a system. French and Bell (1999) list 10 attributes of an effective team, two of which "participation" and "open communications," apply to the topic of communication and trust (p. 157). Groups learn to trust each other over time. They develop communication methods that the group members are privy to. This cuts down the noise in the communication system and allows the group to function efficiently (J. G. Miller, 1978, p. 542). When trust is absent, groups tend to dissolve.

Organizations understand the need to communicate that is so natural to a group. Organizations have formal ways to communicate such as newsletters and staff meetings but also self-selected methods such as informal hall meetings. In an organization, the two modes of communication, formal and informal, must be balanced to be effective (DiBella & Nevis, 1998, p. 56). Trust in relationships is also an essential feature of organizations. When trust is absent, organizations also tend to dissolve—although not as quickly as groups. Private corporations are closely aligned with financial markets. Friedman (2008) stated that financial markets cannot function without trust. In discussing the financial scandals of the early 21st century and the ensuing global financial crisis, Friedman claimed, "Markets were devastated because they are built on trust" (p. 2). The idea was present in the literature before the actual scandals took place. Goffee and Jones (1998) discussed how forces are "pushing companies towards disintegration − not financial failure per se, but organizational erosion that often leads to financial failure over time" (p. 11). They stated that "intense competition for profitability has forced companies to downsize, delayer, and outsource, creating companies where people don't know each other particularly well, or worse, don't trust each other" (p. 11). Southern (2005) discussed increasing organizational effectiveness by creating environments that enhance collaborative dialogue. Collaborative dialogue can only exist when "mutual comprehension, shared values, truthfulness, and trust support new understandings" (p. 62).

Communication is important to both groups and organizations. Yet, by virtue of the formal rules and structures in place, organizations can tolerate more noise and less trust in the system than groups can, although, too much noise can be detrimental even to an organization. For example, during a disaster, organizations break down and society devolves to groups and individuals (J. G. Miller, 1978, p. 705).

Figure 2 represents the level of effective communication commonly found in group configurations as opposed to the level of effective communication that can operate in organizations. Groups tend to be less noisy. Organizations tend to be able to tolerate

more noise in their communication methods, but even organizations need some level of effective communication.
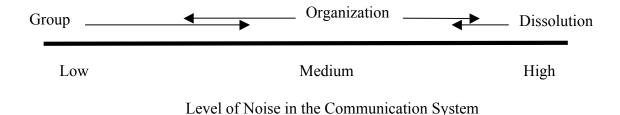
Group ———————→ Organization ———————→ Dissolution

Low   Medium   High

Level of Noise in the Communication System

Figure 2. Level of noise in the communication system of a group and an organization

Level of Hierarchy

J. G. Miller (1978) stated that the difference between an organization and a group is the echelon structure. By echelon structure he meant hierarchical decision-making. Group decisions are made by consensus or with input from all or most of the members. There may be a leader who breaks deadlocks but group decision-making is essentially nonhierarchal (French & Bell, 1999; Heil et al., 2000). Organizational decisions, on the other hand, are made on levels. A decision can be made at a higher level and passed down to be implemented or it could be made at a lower level and passed up to be approved (J. G. Miller, 1978, p. 607). Decision-making in organizations is decidedly hierarchal, albeit to varying degrees, as corporations can be more or less formal and more or less hierarchal. However, all organizations, as discussed in this study, have some level of hierarchy in accordance with J. G. Miller's clarification of groups and organizations being different due to their echelon structure. The tendency for groups to share decision making with a peer-to-peer methodology, while organizations tend to make decisions hierarchically is shown in the Figure 3.
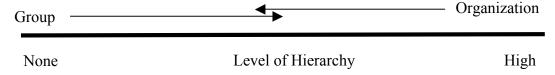
Group ———————→ Organization

None   Level of Hierarchy   High

Figure 3. Level of hierarchy in a group and an organization

Meaning Category

The system of meaning is concerned with "people's cognitive processes and the way that, for each person, their cognizance defines their relationship with other people, and the world" (Flood, 1999, p. 110). The system of meaning refers to the values and the norms of the individuals involved in the group or organization along with the collective values and norms. The three factors that are relevant to the system of meaning speak to the level of commitment seen within an organization or group, the sense of self or

individual identity of those involved, and the number of goals that groups and organizations actively pursue both as espoused values and values in use.

Level of Commitment

Commitment to clear, focused goals, and a vision on how to accomplish those goals is necessary for high-performing teams and groups and is a sought after objective of organizations. Successful teams have been characterized as having "a shared commitment to clearly defined objectives… a compelling purpose that evokes commitment… [and] interdependence as an integral element of team design" (Heil et al., 2000, p. 68). Senge (2006) wrote that commitment to a vision can be so strong it is sometimes overpowering. "Late in his career, the psychologist Abraham Maslow studied high-performing teams. One of the most striking characteristics was shared vision and purpose. Maslow observed that in exceptional teams the task was no longer separate from the self" (p. 194). Clearly, successful teams have a strong bond with each other.

A group shares bonds based on a common interest or a specific purpose and each member's contribution is visible to the other members. In organizations, the shared bond becomes something that must be managed and cultivated. The literature indicated that bonds arise naturally for groups but that organizations must work at creating a shared commitment and vision. This observation is evident through the branding and Corporate Visual Identity (CVI) work of Waeraas (2008) and Van den Bosch, de Jong, & Elving (2006). The literature also discussed the essence of commitment in successful organizations in a different manner than the way it discussed commitment in successful groups. Heil et al. (2000) wrote of organizational DNA that pervaded every cell in the organizational body. The DNA was composed of the organizations "vision, values, and decision-making criteria" (p. 90). And O'Toole (1995) discussed "shared assumptions" and "common cultural values" as a "powerful force that, like subatomic gluons, bind together the many facets of a culture. Without this gravitational force, tribes, societies, and organizations would disintegrate at the slightest challenge" (p. 182). Finally, Senge (2006) was rather blunt about the desire for high commitment within an organization and the difficulty in obtaining it. "Yet, real commitment is still rare in today's organizations. It is our experience that, 90 percent of the time, what passes for commitment is compliance" (p. 203).

Still organizations continue to survive and even thrive with compliance rather than true commitment. What holds them together perhaps is not so much the passion that is generated in a truly committed group but shared assumptions that the work is necessary, not only to produce goods and services for society, but for individuals in the organization to earn wages so they are able to participate in the goods and services offered to society. Groups and teams need a high level of commitment to flourish while organizations can survive with compliance to a mission rather than commitment to a vision. The level of commitment commonly found in groups versus the level of commitment that will sustain an organization is represented in Figure 4.
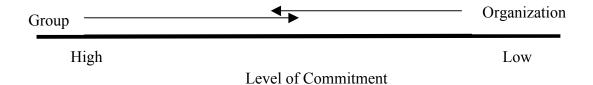
Group ———————————→——————————— Organization

High   Low
                    Level of Commitment

Figure 4. Level of commitment in a group and an organization

Sense of Self

This factor discusses how individuals perceive themselves within a group or organization. Successful teams and groups enjoy "style diversity" (French & Bell, 1999, p. 157) and "diversity of thought" (Heil et al., 2000, p. 68). There is a sense that individuals are important and valued in teams and groups. According to J. G. Miller (1978) groups evolved into organizations, a more complex entity than groups. And as the groups evolved, the individual seemed to have been subsumed into the larger, more complex organization. The notion that an organization is capable of co-opting individual diversity and even freedoms was advanced in the 17th century.

> Hence the ultimate measure of a system is not the freedom or equality of individuals but rather an efficient, "well-ordered" state or organization. The most extreme expression of this "corporatist" view was advanced in the seventeenth century by Thomas Hobbes, who argued that humankind is willing to abandon its natural liberty and equality for the security of the state. He believed that individuals form a combination—literally, a corporation—in the guise of the Leviathan, which is superior to the individual, in effect "an artificial man, though of greater stature and strength than the natural, for whose protection and defense it was intended." (We recognize this today in the legal notion that a corporation is an "artificial person"). (O'Toole, 1995, p. 184)

Clearly, Hobbes (as cited in O'Toole, 1995) felt that a collection of individuals when bonded together for a purpose sacrificed their individuality to the larger collective. And the idea is still present in modern literature (Ball, 2004; Rowland, 2005).

But effective groups have been shown to be advantageous for a corporation and groups operate most effectively when the members obtain benefits and a sense of resonance is present (Corlett & Pearson, 2003; Senge, 2006; Stacey, 2000). In order to be a member of an effective group, personal identity must be honored (French & Bell, 1999; Heil, et al., 2000). Figure 5 shows that groups commonly share the imprints of the individuals that make them up while organization have a tendency to subsume the imprints of specific individuals. Individuals which are encouraged to be true to themselves are a necessary ingredient of effective groups.
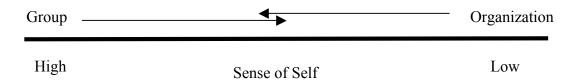
Group ———————————←→——————————— Organization

High   Low
                    Sense of Self

Figure 5. Sense of self in a group and an organization

Number of Goals

This factor considers how groups and organizations determine their focus and orientation. Groups form primarily for mutual benefit. But mutual benefit implies a relationship and group relationships cannot survive without reciprocity (Levine & Moreland, 2004; Brown, 1983; Spiekermann, 2007). Members of a group have implicit expectations in addition to the explicitly stated goal of the group (Eby et al., 1999). In order to be a functioning team, members must listen well, feel comfortable expressing themselves, and accept roles and responsibilities (French & Bell, 1999, p. 157). Various individuals may be more or less adept at the underlying expectations of team membership but the group itself imparts those goals on the members in order to assure its smooth functioning (Spiekermann, 2007). In discussing shared expectations for teamwork, Eby et al. (1999) listed communication, planning and organizing, team building, communications, and analysis (p. 373) as expected outcomes of group experiences regardless of the overarching mission of the group. While groups form for a common purpose, the group structure itself mandates that other goals are in place. A group will not function without communication and acceptance among its members. These implicit goals, if not achieved, will eventually derail the group's mission. A group's functioning depends on keeping multiple goals in balance.

The criteria for judging good work places discussed in the preliminary analysis section of this paper drew from many sources such as "management credibility, job satisfaction, and camaraderie" (Levering & Moskowitz, 2008). To be included on the list, an organization was asked to demonstrate qualities focused on multiple objectives. Yet the majority of the firms on the list were economic entities, or private corporations, that were created to generate excess profits for their owners and/or shareholders. Rushkoff (2009) explained that these types of organizations were created specifically for that one purpose and it constitutes their primary reason for existence. While private companies are not compelled to pursue goals beyond their primary reason for existence, it is apparent that pursuing multiple goals is not only possible, it may be beneficial to a corporation.

The number of goals exhibited by a group or an organization operates at slightly below the fully conscious level. A company is not inclined to admit that it has a single-minded focus such as an exclusive goal to increase profits, yet there are clues in the public media that the espoused values of management are not always in line with the actions of the managers on behalf of their company. In 2010, Goldman Sachs, a firm that consistently appears on the Best Places to Work For list was ordered to pay a $550 M fine because it "failed to provide vital information to its investors" (Lieberman & Krantz, 2010, para. 2). That exclusion of vital information led to enormous profits for the corporation, an indication of the pursuit of a single purpose by the organization.

Groups form for mutual benefit but their charter generally includes multiple benefits to the individuals within the groups including sharing personal stories, commitment to a larger purpose, and a sense of accomplishment with others. A group that does not meet the needs of its members will not survive in the long term. Private organizations, in theory, can survive as long they fulfill one goal, that of capital maximization. Figure 6 shows that multiple goals are necessary for a group's survival but organizations, at least private organizations, can succeed with a focus on a limited set of goals.
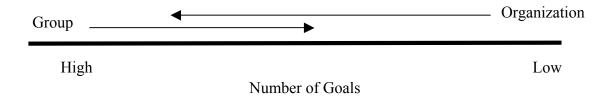
Group ⟵——————————————————⟶ Organization

High   Low

Number of Goals

Figure 6. Number of goals in a group and an organization

Knowledge-Power Category

The system of knowledge-power is concerned with "the idea that people in positions of power determine what is considered to be valid knowledge and consequently valid action" (Flood, 1999, p. 116). The system of knowledge-power refers to the power differential commonly seen in social systems such as classrooms and families. The two factors that fit into the system of knowledge-power speak to the way power is concentrated or diffused within an organization or group, and the rigidity or fluidity of the processes that are in operation within the group and organization.

Diffusion of Leadership

This factor discusses how groups and organizations differ in their leadership styles, although part of the difference is driven by the hierarchy structure in place which was reviewed in another section of this paper. Groups enjoy decision making by consensus, but the literature is clear that there must be definable roles and responsibilities for a group to be successful (French & Bell, 1999; Heil et al., 2000). The roles and responsibilities in groups are comparable to the roles and responsibilities in organizations. The difference is that in groups, individual members are called upon to fill a role while in organizations the role is codified into the organizational structure and is not tied to a specific person. In addition, groups need a structure or "a methodology that facilitates learning" (Heil et al., 2000, p. 68). Too often, teams underperform or fail because they "don't have methods for solving problems, analyzing causation, measuring progress, and sharing information" (Heil et al., 2000, p. 68).

Defining roles and responsibilities and developing methods for the operation of a group require some level of leadership. Yet, the leadership in groups is often diffused among the member or characterized as "shared leadership" (French & Bell, 1999, p. 157). Components of an effective team are listed as "listening," "civilized disagreement," (French & Bell, 1999, p. 157) and a "climate of openness" (DiBella & Nevis, 1998, p. 74). In addition, teams must have some form of "self-assessment" (French & Bell, 1999, p. 157) or "regular, structured, honest feedback" and "mutual accountability as a core value" (Heil et al., 2000, p. 68). All of these attributes do not develop without a clear purpose and some sort of leadership to guide the process. But groups operate most effectively when leadership is shared. Heil et al. (2000) solved the paradox by placing teams within "a supportive organization structure" (p. 68) implying that successful groups are embedded in an organization of some sort. DiBella and Nevis (1998) also implied that groups are embedded in an organization when they stated that "involved leadership" which is "engaged" and showed "that openness and learning matter" (p. 75)

were essential elements to a group's success within an organization. With the diffused leadership of a group also comes a diffused authority, everyone in the group is empowered to make decisions and act on them, but they need to be rooted in a larger structure.

Organizations are defined by their multi-echelon decision making structure (J. G. Miller, 1978) and as such, levels in the hierarchy confer authority by the position in the chain of command. Organizations develop charts to depict the hierarchal levels and assign responsibility to individuals based on their position within the hierarchy. Authority and leadership in organizations tends to emerge; yet, authority and leadership are heavily influenced by the levels of the hierarchy. Encouraging leadership at all levels of the organizational hierarchy does not necessarily dilute authority and the power inherent in that authority. Southern (2005) wrote of her experiences in China where respect for authority is endemic to the culture. Yet she found that "the acceptance of power distance actually creates less power distance" (p. 46), thus fostering an environment conducive to learning and innovation and lessening fear of reprisal.

Considering that leadership and authority tend to emerge when individuals form a group or an organization, it becomes apparent that some level of leadership and authority is necessary for groups or organizations to function. Groups enjoy a diffused leadership, consensus decision-making style, although they require a structure in which to operate. Organizations tend to provide that structure by assigning leadership and authority privileges by virtue of the place in the hierarchy; yet, even organizations can have leadership at all levels of the hierarchy in a diffused pattern. Figure 7 shows this relationship.
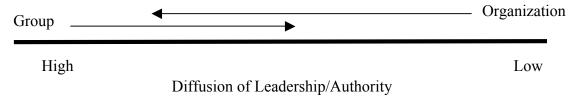
Group ⟵⟶ Organization

High   Low

Diffusion of Leadership/Authority

Figure 7. Diffusion of leadership and authority in a group and an organization

Process Fluidity

Organizations are often examined in terms of a "machine" metaphor. Morgan (1998) devotes the second chapter of his book *Images of Organizations* to "Mechanization Takes Command: Organizations as Machines" (p. 17). And even management improvement books are infused with step-by-step instructions for achieving excellence. For example, Senge's (2006) widely popular book entitled *The Fifth Discipline: The Art and Practice of the Learning Organization* lists five disciplines identified for fostering a learning organization and suggests methods to become proficient in each of those disciplines. This is hardly machine-like but it echoes the step-by-step instructions required for efficient machine operation. This is not surprising as the history of modern organizations evolved with technology which required rigid processes. Taylor, who practiced at the beginning of the industrial revolution, is commonly accepted as the first organizational development practitioner, but his methods broke tasks down into discreet units so that individual workers could focus on single tasks, much like machines perform (Taylor, 1998; Weisbord, 2004).

High performing teams, however, share responsibilities and help each other perform tasks (Natemeyer & Bobko, 2001). Heil et al. (2000) list attributes of a winning team. While they state that "clear values and rules of behavior" are necessary for group functioning, other important attributes include "the challenge to overstretch the present system" and "diversity of thought" (Heil et al., 2000, p. 67). Step-by-step instructions of the kind needed for a machine to function negate the influence of sharing responsibility, overstretching the system, and diversity of thought. French and Bell (1999) add that "consensus decision-making" (p. 157) is necessary, something that is not allowed with rigid instructions that lead to a pre-determined outcome. Arrow and Crosson (2003) state that emerging groups "will have a structure that is constrained by, but not fully determined by, the context" (p. 526), indicating the fluidity inherent in groups even at their inception.

Figure 8 shows that while groups need a structure to survive, they also need the freedom to deviate from rigid procedures. Organizations, on the other hand, also need a structure to survive but can tolerate much more rigid processes and remain viable.
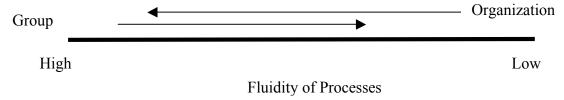

Group   Organization

High   Low

Fluidity of Processes

Figure 8. Fluidity of processes in a group and an organization

Process Category

The system of process is concerned with an "ordered flow of events" (Flood, 1999, p. 98). Processes in organizations and groups define how things get done. The system of process is the dynamic component linking the other three organizational systems—those of structure, meaning, and knowledge-power—into an organizational entity capable of accomplishing goals through time. Examples of processes include setting strategic vision and making decisions. There are two factors influencing the progression of events according to Flood (1999), "operational processes" (p. 98) that characterize the way that the actual work is performed, and "management processes" (p. 98) that characterize the organizational support available for the work products and procedures. Flood also identified two important components of the system of process "efficiency and reliability" (p. 98). Work is efficient if it is done with as little waste as possible both in physical resources such as material and non-physical resources such as time. Work is reliable if it returns consistent, accurate results. A discussion of the system of process centers on how the systems of structure, meaning, and knowledge-power work together.

Level of Integration

Work group processes have been shown to be influenced by components of the system of structure such as hierarchy and communication, components of the system of meaning such as cooperation, and components of the system of knowledge-power such as leadership (Hacker & Kleiner, 1999; Lester, Meglino, & Korsgaard, 2002). Process

improvement teams in 12 manufacturing organizations were shown to perform more effectively when they were allowed to indulge freely in conversation and idea generation. This is antithesis to the idea of efficiency in work groups that by limiting conversation, an organization also limits lost productive time. Providing detailed instructions on how to perform the work had no effect on group performance although it had the capacity to neutralize a dominant team member. However, idea generation was reduced when structure in the work environment was increased. "Management can best support process improvement teams by allowing high levels of conversation to occur naturally, i.e., without facilitation, and having a team member who contributes many ideas" (Hacker & Kleiner, 1999, p. 29). Newly formed work groups benefited from high charismatic leadership and high levels of communication and cooperation. An additional factor contributing to long-term effectiveness was the presence of incremental successes throughout the life of the team. Interestingly, high heterogeneity in groups allowed for conversation and cooperation to take hold earlier in the projects. Diversity is touted as a requirement for innovation but may be a detriment in the early stages of group performance (Lester et al. , 2002).

Organizational processes are also highly influenced by communication and leadership. A study on decision-making processes within three organizations found that lack of effective communication or noise in the communication systems combined with unresponsive management indicative of high levels of hierarchy led to toxic emotional issues (Maitlis & Ozcelik, 2004). On a positive note, a study of a successful organization that forged a new identity centered on powerful leadership, constant communications, and a developing sense of commitment and identity within the organization and the members (Gioia, Price, Hamilton, & Thomas, 2010).

The system of process integrates the other three organizational systems of structure, meaning, and knowledge-power. How well they are integrated determines how efficient and reliable an entity will be. High integration indicates a group configuration while an organization can tolerate high or low integration, although it performs more effectively when integration is high. The relationship is graphically displayed in Figure 9.
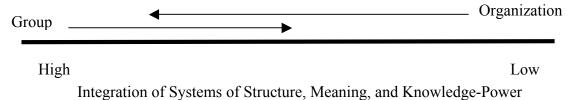

Figure 9. Integration of systems of structure, meaning, and knowledge-power in groups and organizations

AN ORGANIZING FRAMEWORK

The various factors discussed in the Literature Review section offer the greatest insight into organizations when they are viewed as an integrated whole. The factors work in concert with each other and characteristics of one factor can augment or detract from characteristics of another. For example, high diffusion of leadership is commonly associated with a group and is a desirable attribute of social systems. But high diffusion

of leadership combined with high noise in the communication system can lead to chaos. To view the factors as an integrated whole, an organizational graphic has been built by combining the scales developed above for each of the factors in each of the four systems of structure, meaning, knowledge-power, and process. The completed organizing framework represents the systems operating within an organization and breaks them down further by identifying scalable factors present in each system. The scales are arrayed in a starburst pattern to allow visibility into each measure. Figure 10 shows the completed graphic.
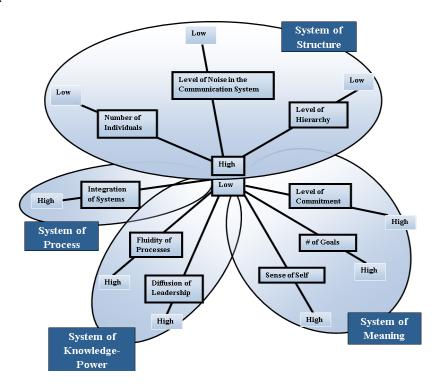

Figure 10. System of structure, meaning, knowledge-power, and process

The result is a nine armed starburst framework that portrays factors present in each of the systems of structure, meaning, knowledge-power, and process operating in a social unit such as an organization or a group. The analysis of the Fortune magazine Great Places to Work For list indicated that companies considered to have superior work environments by their employees exhibit attributes of closeness, camaraderie, and trust and that the attributes of closeness, camaraderie, and trust are closely associated with effective groups. The literature review showed that groups and organizations share common characteristics but that those characteristics are expressed in a preferred manner in groups. Organizations, on the other hand, have more tolerance for the expression of the factors. For example, groups tend to have a high level of commitment while organizations can function with a high or low level of commitment. Groups tend to be nonhierarchal while organizations tend to exhibit multiple levels of hierarchy. The organizing framework in Figure 10 represents an organization with its systems of structure, meaning, knowledge-power, and process. All of the factors shown in the framework in Figure 10 are functioning within an organization as well as a group. But an

organization can survive in a broad range of the factors while a group functions better when each of those factors are closer to either the high end of the scale for sense of self, level of commitment, number of goals, diffusion of leadership, process fluidity, and level of integration or closer to the low end of the scale for size, level of hierarchy, and noise in the communication system. Figure 11 shows how the tendencies toward a group configuration map onto the completed organizing framework of the organization. The shading and labels for each system have been deleted to make the figure easier to read.
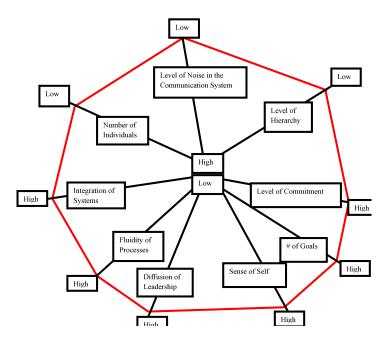

Figure 11. Integrated framework with group tendency mappings

Group characteristics tend to be expressed towards the outer edges of the starburst pattern of the organizing framework. When lines are drawn connecting the intersections of the factors and their placement on the starburst arms of the graphical framework, it becomes apparent that the greater the area of the graphic the intersecting lines cover, the greater the alignment of the organization with group characteristics. Conversely, when group characteristics are lacking in an organization, the footprint on the graphic would be more consistent with Figure 12 which shows the mapping of the factors to be at the lower end of the scales indicating that groups processes are not actively encouraged.
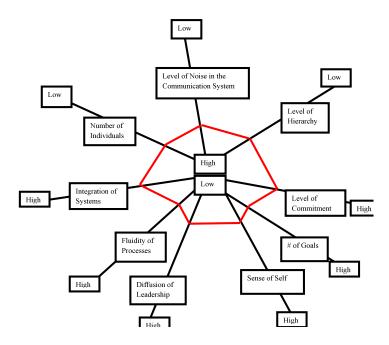
Figure 12. Integrated framework without group tendencies mappings

The finished product is a set of connecting lines that encloses only a small area of the graphic indicating that groups are not encouraged within the organization and suggesting that employees would not find it an as an optimal work environment.

To prove out the model created through combining Flood's four systems of organizations with characteristics operating in the each of those systems that are common to both groups and organizations, a comparative case study of four companies was undertaken. It was hypothesized that organizations that encourage group processes are preferred environments for the employees and would be rated as great places to work. It was further hypothesized that organizations which do not promote group characteristics would be unlikely to be rated as great places to work.

In the comparative case study, two of the companies were grocery store chains, one highly rated and one not rated, and two were in the retail sector. Again, one was highly rated and one was not rated. The companies were selected due to their accessibility by the public for ease of data collection. Data used to characterize the nine factors were collected through publicly available documents and numerous visits to each store to obtain personal observations to determine if group processes were evident. The data were analyzed using qualitative methods including assigning codes to relevant written passages and a determination of where each factor should map to the corresponding arm of the organizing framework was completed. The final result is shown in figure 13.
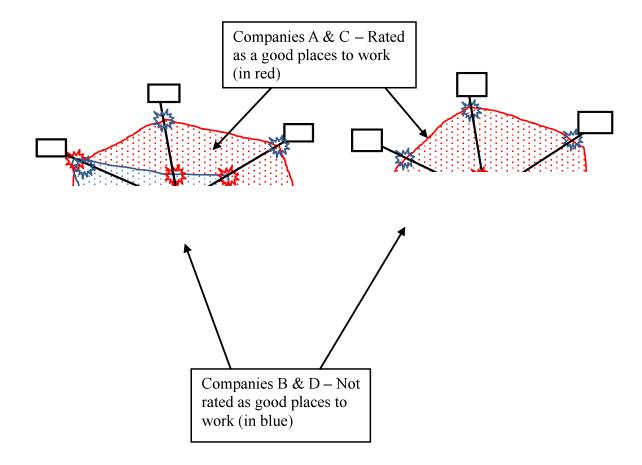
Figure 13. Highly rated companies in red versus unrated companies in blue with companies identified

The results of the comparative case study corresponded closely with the mappings that were expected from the theoretical development of the organizing framework. The two companies that were rated as great places to work showed a larger footprint on the organizing framework than the two companies that were not rated. The complete study is documented in *Creating Great Places to Work through Attention to Systems of Structure, Meaning, Knowledge-Power and Process* (Henderson, 2011).

DISCUSSION

The organizing framework is a conceptual idea grounded in J. G. Miller's (1978; see also J. L. Miller & Miller, 1992) theory that individuals, groups, and organization share common traits and in Flood's (1999) concept of organizations as a integration of four specific systems. It shows characteristics common to both groups and organizations on one integrated graphic. For this paper, the idea was adopted to for-profit consumer orientated organizations and showed that organizations that configure their systems to encourage group processes were considered better places to work than organizations that did not. Yet, the idea is flexible and can be adapted to many types of organizations. A non-profit organization may have such a strong commitment to providing services to society that its system of meaning is vibrant. The ideas in the conceptual model would

allow such an organization to peer into its system of structure and knowledge-power to ensure those systems are aligned and encouraging the system of meaning thereby providing support to the employees to feel they are part of a family, an attribute of effective groups. The theory behind the organizing framework is important. If it is used in disparate situations, it may become necessary to substitute industry specific factors in the overarching systems of structure, meaning, knowledge-power and process to gain better insights into individual companies. As long as the concept that groups and organizations share common characteristics that are expressed in a narrow range in groups but in a much broader range in organizations, the integrity of the framework will remain intact.

Organizations and individuals in the United States are deeply intertwined. Organizations benefit from committed, engaged employees and individuals benefit from satisfying work environments. Unlocking the secrets to aligning the interests of corporations and employees has primarily focused on individual responses aggregated to the corporate level. This study concentrated on organizations themselves as units of analyses and showed that group characteristics within organizations have a strong influence on how the organization is perceived by its employees.

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