

# BOOKS

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REVIEW



## PEOPLE AT WORK

By PEHR G. GYLLENHAMMAR

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It has been a long time since Adam Smith wrote in his *Wealth of Nations* that "a worker gives up his case, his liberty and his happiness when he goes into industry." Recently, I viewed on television a film titled "Metropolis," a 1926 Fritz-Lang silent-screen epic of what industry would be like in the future. It seems Adam Smith was still very much on target. A heavy caste system, machine dominance, and a kind of super industrialism seemed to have taken over the culture. Today's current lament seems little changed with the cry of big business to find places in the world where we can produce more and do it at less cost. Soon all of these places will be gone! What then?

As a student of the behavioral sciences, I have become truly excited by the concept and accomplishment of Volvo. Pehr Gyllenhammar is president of Volvo — a medium-sized company by international standards — but still large at 65,000 persons. Volvo's portion of the world automotive market is a shade over one per cent. In his book, *People at Work*, Gyllenhammar has shared an achievement of the new Kalmar, Sweden plant in which technology does not limit the freedom of the men and women who work there.

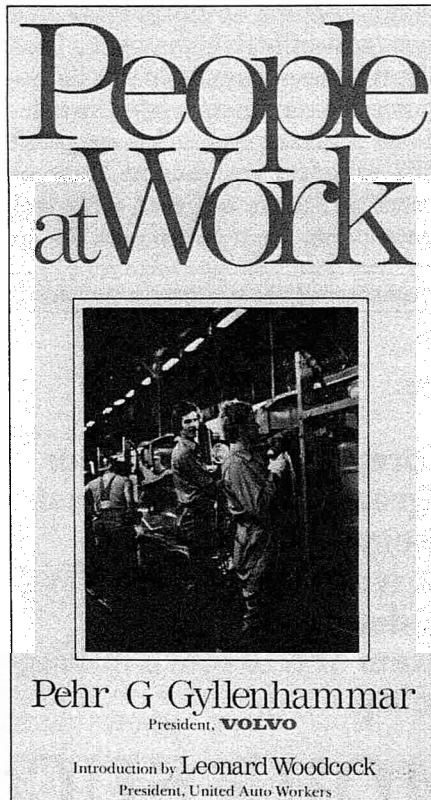
Motivation experts would be heartened to know that there has been a kind of organization development that comes not from management or change agents like you and me, but from the work itself. As the author states, "the finest form of organizational development occurs when planning can be entrusted to a group of people, ideally those who do the work."

Key to the effectiveness of the new work organization and Volvo's success at Kalmar was the development of a car carrier which contained the entire auto assembly. This was contrary to the fixed-track conveyor belt which is the

its members. This is not spelled out by top management, nor is it the responsibility of the foremen, who act more as consultants and teachers now, with one foreman for two work groups in most cases. The carriers give the teams considerable choice in how to do the work. Most of the workers have chosen to learn more than one small job, and the individual increase in skills gives the team added flexibility, too."

Things seem to be going well for this new style of manufacturing. People are no longer called assemblers but rather "car builders." There are now some real alternatives to the traditional assembly line and they do not necessarily increase production cost. The carrier idea allows the group to organize itself, but places heavier stress on group members who must learn to share and understand each other more fully. Special programs in group skills, interpersonal communication and human relations are helping to make Kalmar, and the conversion of the Torslanda, the primary traditionally laid-out auto assembly plant, more successful.

The author is careful to make no claims that the plants are now organized to make people more satisfied with their work. What they have done is introduce potential for better human relations, improve the work environment and solve horrendous materials-handling problems that plague traditional assembly-line operations. These are all issues dealing with factors of "dissatisfaction." Their presence does not necessarily ensure job "satisfaction." Normally the latter is achieved through doing worthwhile work tasks.



*People at Work* by Pehr G. Gyllenhammar, president, Volvo, introduction by Leonard Woodcock, president, United Auto Workers. Addison-Wesley Publishing Company; \$8.95.

traditional way of moving a car through the plant. Key to the effectiveness of the carrier is the work group, with about 500 production people, organized into about 25 groups for manufacturing each car.

As Gyllenhammar says, "How the team organizes itself is up to

Gyllenhammar also takes time in his book to give the reader a view of our world society and the effects of superscale organizations nurtured by technical/economic and not human factors. Change in this process is difficult. Big organizations do not welcome change . . . it disrupts their stability. Nor do they foster new ideas about management, because change would influence the working routines of most members of the hierarchy.

The cost of attitude change is high. Most organizations have yet to learn that attitude change is not achieved directly. You must first change behavior . . . then attitude change becomes possible. "Big" can be very efficient, but not very effective in the long run. Hence, Volvo, in its new factories, is trying to create smaller shops for more human effectiveness without sacrificing efficiency.

#### The Social Audit

As I read the book, I seemed to sense that leadership at Volvo was more willing to look harder at the

community of which it was a part in an effort to make a better assessment of where they were mutually going. Long before required by Swedish law, Volvo employees from the shop floor were invited to be members of the main Board. This way, Volvo could be in better touch with the feeling of the community and the worker as well. In essence, a social audit was possible by Volvo's actions with the outside world. The author says, "Over the long term, from a company's viewpoint, partnership with the public is simply a good investment, because there is some chance that society and thus business will function better for it."

Gyllenhammar has much in his book on the subject of leadership — both good and bad. Volvo has learned through very practical experience that a key ingredient to leadership is a willingness to take more, prudent risks and to provide a process for leadership to evolve in the group and to be fully participative. There is enormous creativity in work groups, and "it

is the collective effort of the group that can achieve results, sometimes of mountain-moving proportions."

He goes on to say, "Leadership is giving support, explanations and interpreting information so employees can understand it. Leadership is developing consensus. Leadership is sometimes the ability to say, 'Stop,' to draw a line, to take the best out of a conflict, to conclude a debate and get down to negotiations."

Volvo is not totally alone in their approach to industrial democracy. Political climate in Sweden has pushed for it. There are also a few examples of such efforts among automotive firms in this country. but Volvo has done far more than any of them. *People at Work* outlines the Volvo story well. I recommend the text. Perhaps GM, Ford and other companies will take this humanistic view and begin to strike down the Adam Smith prophecy that could be the epitaph of our struggling societies. — John T. Snyder

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