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y Medio Rural

Bateratzen

“COMPETITIVE COMPANIES AND COMMITTED PEOPLE”

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Bateratzen

“COMPETITIVE COMPANIES AND COMMITTED PEOPLE”

Keys to the transition towards new high-involvement organisational models: Learning from a decade of research.

Unai Elorza, Alaine Garmendia

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A long, multi-span bridge with numerous vertical supports extends across a body of water. The sky is filled with soft, grey clouds, and the water reflects the bridge and the sky. The overall color palette is muted, consisting of blues, greys, and whites.

ABSTRACT

This document is intended for organisations in Gipuzkoa that are aiming to strengthen their organisational competitiveness, improving their social and economic sustainability by transitioning to an organisational model that meets people's needs. It contains the key learning acquired from the **Bateratzen** initiative over the last 10 years. Research promoted and funded by the Department of Economic Promotion, Tourism and Rural Environment of the Provincial Council of Gipuzkoa whose purpose is to support organisations in developing and selecting human potential to benefit a shared project.



1

INTRODUCTION

The initiative described in this document has been promoted and funded by the Department of Innovation, Rural Development and Tourism of the Provincial Council of Gipuzkoa. This initiative, known as Bateratzen, was created in 2010.

1.1. HOW WAS THE BATERATZEN INITIATIVE CREATED?

The starting point consisted in combining two major needs of organisations. The first was to make the organisation competitive and socially and economically sustainable in an increasingly competitive and uncertain environment. The second was to guarantee the well-being of the people in the organisation, understood as their involvement and motivation regarding their work. The combination of these two needs leads to 4 different scenarios (see Table 1). The shaded scenario in Table 1 is the one that aims for well-being and involvement of people per se, but also as a means for becoming more competitive and sustainable, assuming that if people “win” the organisation also “wins”. The Bateratzen initiative maintains that it is possible to achieve this win-win between people and organisation and even that any other scenario (e.g. the organisation “wins”, but at some cost to the people) is a less sustainable and competitive scenario in the medium term.

Table 1.

four scenarios in the relationship between people and competitiveness



Bateratzen seeks to promote the top right section where the axis of people’s development or motivation meets the axis of organisational competitiveness. The basic hypothesis is that whenever people’s development and well-being are guaranteed, the organisation will be more sustainable and competitive. These two variables feed back into one another continually, producing a virtuous circle.

1.2. WHERE DOES THE FOCUS LIE?

The competitiveness of organisations depends to some extent on the behaviour of the people who work in them. The behaviours that people display in the organisation may vary considerably; in some cases, more favourable (for example, proactive behaviour to the benefit of the organisation) in comparison with other more passive behaviour that does not promote the development of the organisational challenges.

What does people's behaviour in the organisation depend on? Numerous factors have an influence on it. These factors can be classified on different "levels" as shown in Figure 1. For example, factors at individual level are those related to personality, personal motivation, individual beliefs and values, amongst others. Other factors are at group level, such as for example, the attribution of meaning to organisational phenomena by the nearest group (with which the person interacts). Among the organisational level factors is especially the Organisational Culture; the culture is "invisible" but it has a substantial influence on people's behaviour. Finally, the factors at a more social level may be those related to the values and trends of society, the labour market, etc.

Figure 1.
levels of influence
on people's
behaviour



Despite the fact that all levels can be important determinants of people's behaviour, the Bateratzen initiative concentrates on the organizational and group level. They are factors that depend to some extent on the way in which an organisation is managed. In other words, factors that can be controlled by the management of an organisation and have a direct impact on people's behaviour. Individual level factors are excluded from the Bateratzen initiative. In other words, the focus is on analysis of collective behaviours instead of on the analysis of factors of personality, beliefs y personal motivations, etc. that have an influence on an individual's behaviour.

Organisational level factors can be controlled by the management and have a direct impact on people's behaviour.

1.3. MULTIDISCIPLINARY VIEW

Bateratzen, as its name indicates (the meaning in Basque is Unifying), represents union and is based on collaboration and co-creation between: (i) the administration (in this case the Provincial Council of Gipuzkoa), (ii) various researchers covering different scientific disciplines such as for example psychology, industrial organisation and business administration, (iii) business associations, and (iv) the companies that are involved in the initiative.

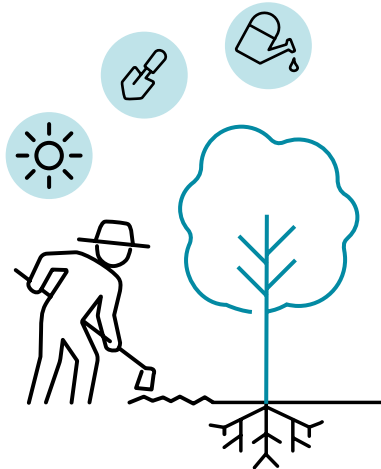
The work team set up by Bateratzen is made up of six faculties from the four universities in Gipuzkoa: MGEP, MIK and Lanki from Mondragon Unibertsitatea, the Faculty of Psychology of the University of the Basque Country UPV/EHU, University of Deusto y Orkestra, the Basque Institute of Competitiveness and the Faculty of Engineering of Tecnun. This work team is made up of different knowledge areas: industry and engineering (MU-MGEP), psychology of labour and organisations (Faculty of Psychology of the UPV/EHU), territorial competitiveness (Orkestra), management of cooperative values (MU-Lanki), business sciences (MU-MIK) and it combines them in order to meet the specific needs of the businesses (represented in the consortium by Mondragon Humanity at Work and the Association of Machine Tool Manufacturers - AFM). Therefore, the team integrates the need/application in the company with the generation of knowledge (from different disciplines).

1.4. WHAT LOGICAL APPROACH DO WE USE?

Peter Senge [1], an expert on systems thinking and organisational behaviour, suggests that the management of organisations should be understood more in biological than mechanical terms when it comes to achieving more involvement from people. In other words, he invites management to act more like gardeners and less like mechanics.

The logic of the gardener is a useful metaphor for the management to lead development of the “organisational context” which will produce a “gravitational effect” promoting people’s involvement and motivation (see Figure 2). Just as it is in the nature of a seed to grow and bear fruit (if it is in the right setting for this), it is also in the nature of humans to become involved and committed at work (understood as life development and evolution) and therefore to grow and bear fruit to benefit a shared project. There is an innate force in humans that pushes them to develop “and bear fruit” during the course of their lives. What the person responsible for management (or gardener) has to do is create the right organisational conditions to bring out this innate strength that humans have. In other words, the role of the person in charge is to design the conditions (type of structure, method of coordinating activities, rules of relationships, roll-out of targets, etc.) that contribute to an Organisational Culture (or organisational context) that is favourable to people voluntarily deciding to become involved and make an effort to benefit the organisation. Not all people will grow and “bear fruit” in the same way, just as not all seeds manage to produce the same harvest (even in the same environmental conditions).

Figure 2.
Illustration of
the gardener
metaphor





2

THE BATERATZEN
INITIATIVE

2.1. AIM

By following the metaphor of the gardener, the aim of Bateratzen consists in:

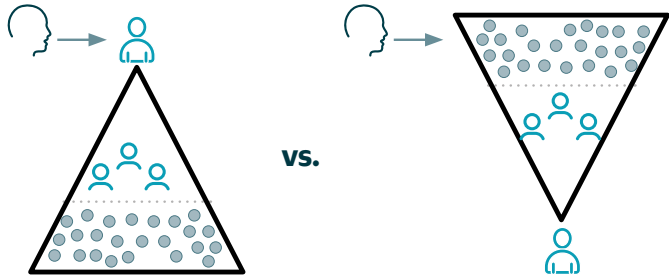
Helping and supporting organisations to unleash people's potential to benefit a shared project, in order to make organisations socially and economically more competitive and sustainable.

2.2. THEORY-BASED HYPOTHESIS

In the field of Strategic Human Resource Management there are a multitude of studies demonstrating the effect produced both on people, and on the organisation's performance by certain work systems (or organisational contexts). Specifically, they propose that adopting a strategy of people who are committed, as opposed to the traditional strategy of people who control, involves the development of certain organisational settings (or work systems) that contribute positively both to people's well-being/motivation and to organisational output. These work systems have been given different names, among which are High-involvement Work Systems (HIWS) [2], High-Performance Work Systems (HPWS) [3] and High-Commitment Work Systems (HCWS) [4]. All of these systems share a people management strategy and share most management policies and practices. They are set out as an alternative to the traditional work systems implemented from the point of view of suspicion and in the belief that a person will avoid work. These traditional work systems are inspired by the scientific organisation of work [5] and Taylorist work systems [6] promoting: (i) horizontal de-skilling¹ through division, specialisation and degradation of tasks and (ii) vertical de-skilling through separation of decision from action (execution). Figure 3 graphically illustrates both work systems.

1. De-skilling: reducing the amount of skills that someone needs to do a specific job in particular.

Figure 3.
traditional work
systems vs. high-
involvement work
systems



TRADITIONAL WORK SYSTEM

The customer communication channel is directly with the responsible person and the flow of information is top-down. Employees wait to receive information from managers before acting.

HIGH - INVOLVEMENT WORK SYSTEM

The pyramid is inverted. Employees have a more active role and a more direct. The person in charge has a supportive role towards employees.

The image on the left in Figure 3 represents the traditional logic of work organisation. In it, activities are coordinated through a manager who attends to the customer's needs, coordinates the activities of different sections/specialities and distributes the work among them in order to do the utmost for the customer. The activity is coordinated by "direct supervision" [7]. On the other hand, the image on the right in Figure 3 illustrates another organisational setting (or work system) that aims for greater involvement from people. It is achieved by involving people in the coordination of daily activities (known in the literature as "mutual coordination" [7]). The field of Strategic Human Resources Management has spent decades on research (since the 1990s) demonstrating that organising work in one way or another makes people experience work in their everyday lives in a very different manner, thus conditioning their response/behaviour [8].

Work systems based on the first traditional logic coordinating activities through a manager (direct supervision) are a reflection of a deeply rooted production model, the origin of which can be located in the methods implemented by Henry Ford. They are systems where the managers tend to battle with market uncertainties and difficulties and the people in production are limited to the role of carrying out the task. Using this logic, tasks are divided to simplify them as much as possible, favour repetition, minimise risks and facilitate their management. However, the task also becomes degraded, leading to the worker not finding any meaningfulness in their work, not feeling that they are part of the organisation, not developing their potential for commitment and therefore not becoming involved. These systems create an imbalance in the organisation: the majority group of people finds itself experiencing a certain feeling of detachment, which takes the form of not very proactive attitudes and behaviour (normally regarding

completion of the task) and the management and control structure, on the other hand, is worried about the sustainability of the business and does not feel “the backing” of its people. This can lead to a feeling of anxiety among management because in an environment so subject to change as the current one, management teams cannot address these challenges on their own: they have to rely on the creativity, ideas and commitment of all workers. To put it another way, workers need to be involved cognitively and emotionally in the corporate project.

Meanwhile, the introduction of High-Involvement Work Systems (HIWS) aims to generate organisational contexts that cover the basic needs for motivation. According to Self-Determination Theory [9], people need to feel that three basic needs are covered in order to be motivated at work: (i) feeling that they are in charge of their work (**Autonomy**), (ii) feeling that they are capable of doing a good job or feeling of **Competence**, and (iii) feeling that they are part of a group that welcomes and helps them (**Relatedness**). From the field that analyses the meaningfulness of work[10], –work with a feeling of importance or meaningful work– a fourth one is added to these three basic needs, which is related to **Purpose** (feeling that the work that we do has some kind of meaning and/or it is for someone who needs it). HIWS must cover these basic needs to generate contexts favourable to people’s well-being and motivation so that this has a positive impact on the competitiveness of organisations. This happens in the following way:

- To cover the need for autonomy: promote decision-making (in the most operational area) by workers. For example, leaving them to coordinate day-to-day activities. This requires sharing information with people that is normally in the scope of the managers or management teams.
- To cover the need for competence: promote versatility (variety of tasks and technologies), technical and non-technical training for people.
- To meet the need for relatedness: promote teamwork and mutual aid so that people feel that they can rely on each other and count on help from their team members. To do this, shared objectives are defined in terms of the customer (for example, delivery date); objectives that bring several people together, even from several disciplines or specialities, instead of individual objectives.
- To meet the need for purpose: HIWS promote the participation of people in the management of the organisation so that they share in the corporate project, the market situation, needs and challenges related to customers, etc. This helps people to contextualise their work in a broader setting, to understand their value for the organisation and to gain an understanding

that their work is important. HIWS even encourage the hiring of people according to their life plan and interest in developing in the context of their life rather than according to their CV.

In short, HIWS are characterised by encouraging practices related to autonomy, training, versatility, information (about the wider organisation and the job), participation in management, teamwork and hiring policies. This list of practices is not a closed list, nor does it mean that they all have to be implemented simultaneously. The aim is to cover the four basic human needs in the workplace defined by Self-determination Theory [9] (autonomy, competence, relatedness and purpose) based on human resources management policies and through job design.

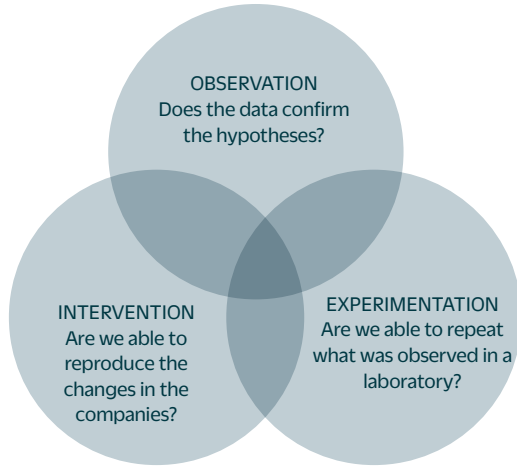
Given that the introduction of HIWS will contribute positively to covering basic human needs in the workplace, the main hypothesis of Bateratzen is that they will contribute to improving people's well-being and motivation with a positive impact on organisational performance.

2.3. WORK METHODOLOGY

The initiative aims to create science through scientific method. Implicit in the science is the ability to reproduce the phenomenon that is being studied (in this case improvement of people's well-being and performance of organisations). In other words, the aim is to generate the knowledge necessary to allow "reproducibility" in different contexts/organisations.

To do this, the Bateratzen initiative carries out its research work in three different work areas (see Figure 4). The first area has been called **Observation** and it consists in taking psychometrically reliable measurements, analysing the data collected and comparing hypotheses. The second area, **Experimentation**, consists in attempting to reproduce the phenomenon being studied (in this case people's involvement and organisational performance) in a controlled environment (for example, a laboratory) in order to manipulate certain variables and analyse their effect on people's involvement and organisational performance. Finally, **Intervention**, consists in the transfer of the knowledge generated to real work environments in order to generate knowledge that makes the "reproducibility" of the phenomenon possible (greater involvement/well-being of people and greater organisational competitiveness).

Figure 4.
Three areas for
research



These three work areas suitably combined and complemented are making it possible to generate knowledge that is very useful for companies. Knowledge that seeks to help companies to “reproduce” work contexts that promote **win-win among people (their well-being, involvement and motivation) and the organisation (its competitiveness/sustainability).**



3

WHAT DOES
OBSERVATION
TELL US?

3.1. DATA COLLECTED IN THE DATABASE

For the 10 years that the Bateratzen initiative has been in operation, a Database has been compiled with a time-related perspective regarding strategy, well-being and competitiveness of strategic sectors in Gipuzkoa. The tool used to collect the data is an organisational Diagnostic tool that measures (through management and worker surveys and through archive data) organisational factors that have an influence on people’s well-being and motivation. All psychometric measurements taken of the psycho-social dimensions meet the strictest research requirements at international level.

In March 2022 the Bateratzen Database had 858 (267 from Gipuzkoa) organisations (company plants/sites), approximately 130,700 (36,500 from Gipuzkoa) personal surveys and organisational results from 400 organisations. This is an exceptional volume of data for research and therefore it exists in order to compare the effect of HIWS both in terms of people’s well-being and motivation and in organisational performance. Figure 5 shows the general characteristics of the Database while Figure 6 shows a breakdown of the territory of Gipuzkoa.

Figure 5. Characteristics of the Bateratzen global Database. Data up-to-date as of March 2022.

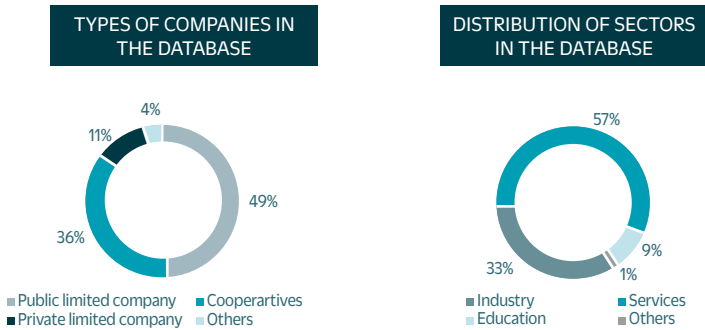
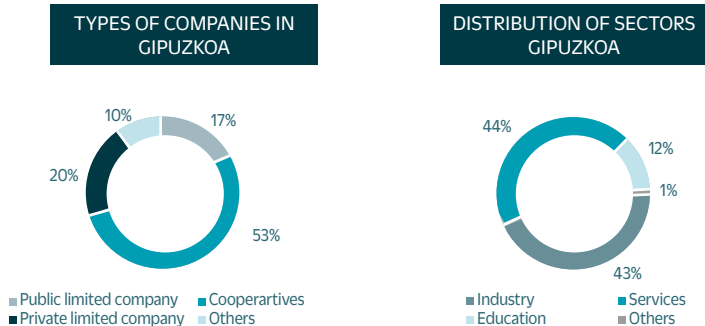


Figure 6. Focus on Gipuzkoa of the characteristics of the Bateratzen Database. Data up-to-date as of March 2022.



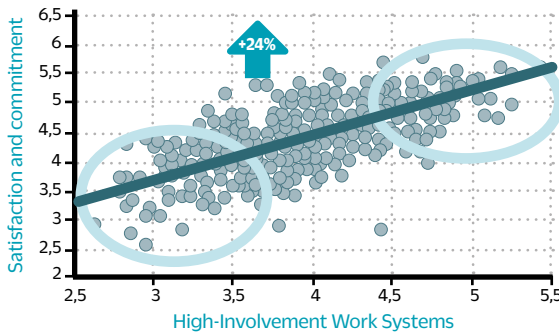
In general, it is noted that the majority of companies are corporations and cooperatives. As for the sectors, the three main sectors in the Database are industry, services and distribution. In Gipuzkoa, the majority sector is the industrial sector and data has mainly been collected from activities related to the machine tool and automotive industries.

The Database contains in total data from 858 organisations and 130,700 responses from people. Of these, 267 organisations and 36,500 responses come from the Gipuzkoa region.

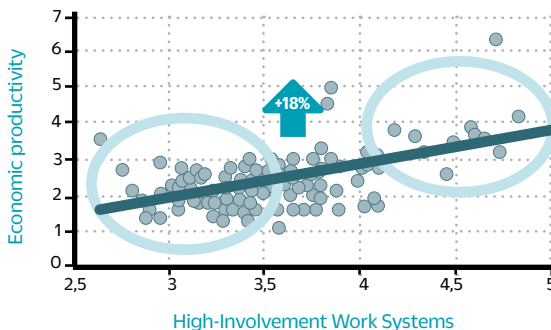
3.2. EVIDENCE FOUND IN THE DATABASE

The data contained in the Database allows us to conclude that **the organisations that make use of HIWS are positively related to: (i) a higher level of satisfaction and commitment from people (see top graph in Figure 7) and with (ii) a higher organisational performance (see bottom graph in Figure 7). In other words, the data confirms that there is a WIN-WIN between people's well-being/motivation and organisational performance.**

Figure 7. relationship between HIWS, well-being and organisational performance



THE GRAPH ON THE LEFT WAS CREATED WITH 40,000 RESPONSES FROM 531 ORGANISATIONS IN VARIOUS SECTORS



THE GRAPH ON THE RIGHT WITH 198 INDUSTRIAL ORGANISATIONS FROM THE BASQUE COUNTRY

The graphs shown are analytical graphs created with data from the Bateratzen Database.

In terms of percentages, the data shows that the organisations that make use of High-Involvement Work Systems have 24% more satisfaction and commitment and 18% more economic productivity (measured in terms of EBITDA/person) compared to those that do not make use of these work systems.

It can be concluded that Basque organisations that make use of HIWS have people with greater well-being/motivation and higher economic performance. This increased well-being/motivation and economic performance can be considered a greater competitive advantage.

Furthermore, these results are fully in line with other international research, which demonstrates that HIWS have a significant impact both on organisational performance and on people's well-being. Some of these studies are listed below.

- An analysis of 92 companies located in the U.S. and Canada concluded that high levels of HIWS lead to an increase in profits, a reduction in the staff turnover rate and an improvement in employee morale [11].
- A study conducted in 147 companies in China demonstrated that HIWS have a direct influence on the performance of the organisation through the climate of knowledge transfer generated in these contexts [12].
- Another study of 26 Spanish SMEs demonstrated that HIWS improve people's commitment and contribute to reducing absenteeism, which in turn increases productivity [13].
- A study in the health sector in Canada, in which 545 hospital units were analysed, concluded that HIWS contribute considerably to reducing burnout [14].
- An analysis of the data from 1119 work units in the UK derived from the WERS (Britain's Workplace Employment Relations Survey) concluded that HIWS are significantly linked to organisational performance and worker satisfaction [15].

The Basque industrial organisations that make use of High-Involvement Work Systems have 24% more satisfaction and commitment and 18% more economic productivity.

In view of the empirical evidence shown, the question that arises is: How can we introduce HIWS into our organisations? Can we reproduce the phenomenon caused by HIWS on people's well-being and on performance in a laboratory? Being capable of reproducing this phenomenon in a controlled environment, such as a laboratory, for example, involves considerable knowledge of the phenomenon to be studied; this is a significant step in the ability to "reproduce" the phenomenon that we wish to generate. In order to respond to this challenge, the Bateratzen work team created a production laboratory called Kiribil. Both the laboratory and the results are described in the next section.



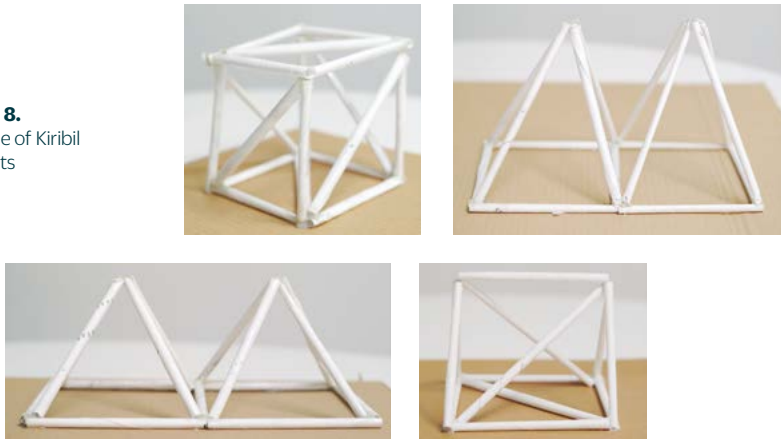
4

WHAT DOES THE
LABORATORY
EXPERIMENT TELL
US?

The Kiribil laboratory pursues two objectives. First of all, to be a space for training interested parties (companies and students) about what a HIWS production system means in comparison to traditional production systems. The laboratory enables people to “live” the experience of HIWS production and confirm through their experience the improvement in performance and well-being. Secondly, to be a space where research can be carried out by handling variables in a controlled environment and analyse their effect on the results (well-being and performance).

The Kiribil laboratory is designed to represent companies that follow a tailored production strategy. It consists of three sections: (i) rolling, (ii) cutting and painting and (iii) assembly. The work team involved has to fill customer orders and deliver within the required deadline. Each product has a level of personalisation that makes it unique (Figure 8 shows an example of the products manufactured at Kiribil).

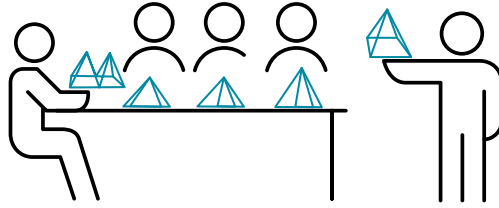
Figure 8.
example of Kiribil
products



The laboratory simulates two types of production: (i) classic production where the person responsible assumes the commitment to coordinate the three sections and attend to the customer's requirements, and (ii) a HIWS where people carry out shared coordination of the activities to attend to the customer. The first production system is known as the “traditional” one due to the fact that it is organised so that a manager is responsible for customer service and for coordinating activities between the three sections. Meanwhile, the second simulation is known as the HIWS simulation due to the fact that the person responsible takes charge of the customer, although they do so by making their requirements known to the team and offering information and autonomy to make decisions to the workers. In other words, the person responsible is the one that encourages the workers to coordinate with each other to assist with the response to their customer.

Figure 9.

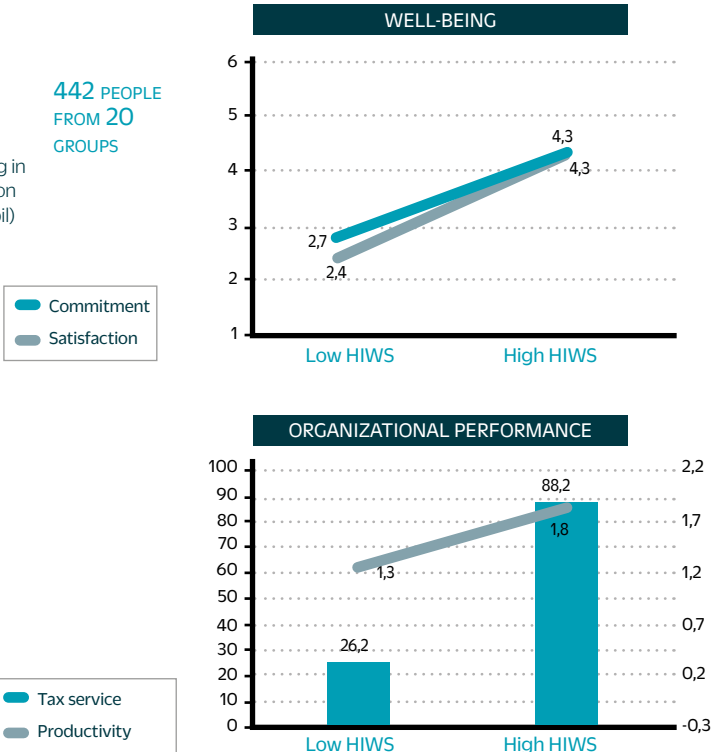
Visual representation of the Kiribil laboratory sessions



The training sessions carried out (with various groups of both students and company workers) show that HIWS, in a logic of mutual coordination, have better results for (i) well-being and (ii) organisational performance. Figure 10 shows the average results accumulated after 20 work sessions involving 442 people. The improvement in well-being and organisational performance of the HIWS production system is significantly higher than the traditional production system.

Figure 10. Differences in performance and well-being in two production systems (Kiribil)

442 PEOPLE FROM 20 GROUPS



The laboratory results confirm the evidence found in the Database. In other words, the HIWS simulated in the laboratory also offers better results in terms of occupational well-being (measured in terms of work satisfaction and organisational commitment) and better organisational results (especially in service rates; a highly-sensitive indicator for the strategy of personalisation/service simulated in this laboratory). This is partly due to the fact that in the traditional work system, the person responsible is a central node for communication and information. When customer requirements start to become demanding, this person becomes a "bottleneck" limiting the response capacity of the production system, due to the fact that the decisions "have to be run by them". On the other hand, the HIWS production system achieves a greater capacity for flexibility and response from the production system to attend to the customer's changing requirements due to the fact that the everyday operational decisions are made by the group involved in the work (without necessarily running them by the person responsible). In short, the HIWS production system is more flexible, more capable of attending to the changing needs of the market and contributes to people becoming empowered and taking responsibility for the changing demands of the customer. All of this leads to increased well-being of workers and higher organisational performance.

In conclusion, the **Kiribil laboratory** is capable of reproducing the empirical evidence accumulated from the observational research carried out in the field that studies strategic people management. This involves a **considerable advance in the generation of knowledge to be able to "reproduce" the improvement in well-being and improvement of performance** through the HIWS in the company.

5

WHAT ARE THE
CONCLUSIONS OF THE
INTERVENTIONS IN
COMPANIES?

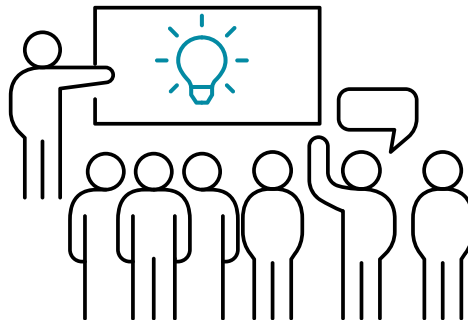
Based on the evidence from the Database and the “reproducibility” achieved in the Kiribil laboratory with 20 different groups of people (students, company professionals, etc.) the next challenge is to answer the following questions: **How can HIWS be transferred to the reality of an industrial company?** Are HIWS equally effective in different organisations with different production strategies (e.g. cost vs. quality-service)? What are the resistances and difficulties when it comes to introducing HIWS in industry? How can the gains in well-being and performance be maintained over time? To be able to answer these questions, the Bateratzen work team has advised and supported several industrial companies in the introduction of HIWS by carrying out different interventions in companies.

Figure 11 shows a representation of the scene when the management is presenting the visual information management panel to the group. This panel offers people **information to support mutual coordination of activities and decision-making in everyday life**. This is the first step in supporting greater personal autonomy and gaining agility or capacity for response (organisational flexibility). The HIWS has been introduced in several types of company: both in series production companies and in tailored production companies. Most of the experiences involve small-to-medium companies (between 20 and 80 workers) except in one case that took place in a multinational with over 500 people (in the Euskadi plant). In this last case the experience took place in a section with 80 people.

The experiences of change offered a positive result during the first year of activity in all cases without exception. As can be observed in Figure 12 the response from the groups involved is not the same in every case. However, the trend is a

Figure 11.

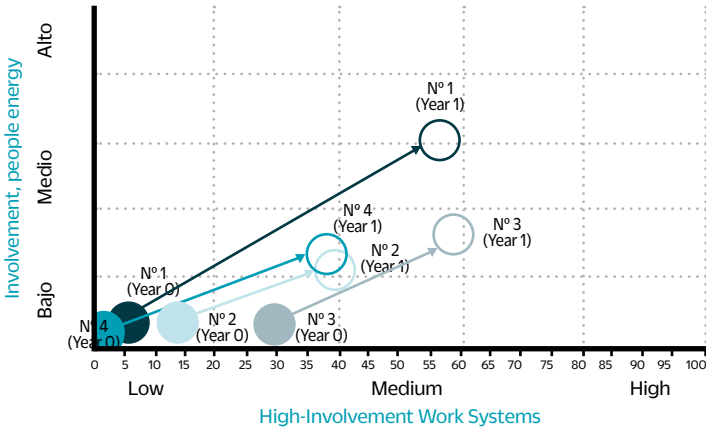
Representation of people making decisions in front of a panel in a HIWS setting.



significant improvement in people's well-being/motivation in every case. All management involved in the change processes stated that they had **gained in speed of response, flexibility, predisposition to change, etc.** All of these are factors that over time **will have a positive influence on the competitiveness of the organisation and/or organisational performance.** Therefore, the conclusion that has been obtained from the cases of intervention is that in the short term an improvement is achieved in the involvement of people and organisational performance.

Figure 12.

Development of the involvement of people one year after the introduction of HIWS

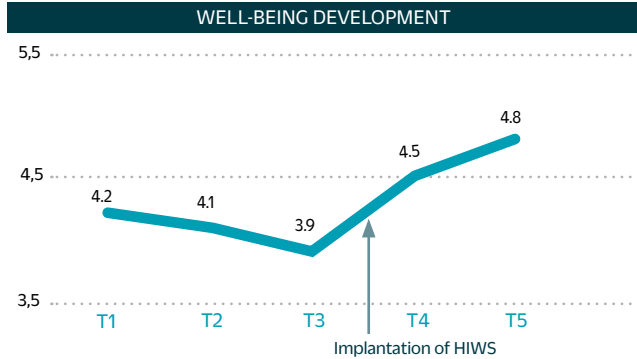


However, monitoring of the cases of intervention sustained over time offers a more varied perspective. Companies that have introduced HIWS show three different patterns of behaviour over time: (i) some companies maintain the HIWS and their results, (ii) other companies maintain the HIWS but after an improvement over several year their results fall (especially in well-being and involvement), and (iii) finally, companies that abandon HIWS and return to traditional organisation. Each of them is briefly described below.

Companies that sustain themselves over time. These are companies that maintain HIWS and maintain the level of people's involvement and well-being, gaining agility, capacity for response (which leads to improvements in service and productivity). Figure 13 shows an example of the development of this type of company over time.

Figure 13.

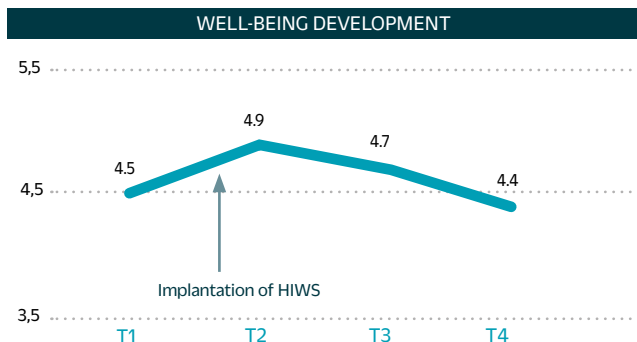
Example of the development of well-being of the workforce of a company that maintained the HIWS and results. [Data based on a company participating in the Bateratzen initiative]



Companies that maintain HIWS over time but well-being/motivation levels fall. These are companies that maintain HIWS. However, HIWS require the revision of certain human resources management policies within the organisation. The management is aware of this and people expect this change in the policies to support the HIWS but after some years (for various reasons) this change does not take place. Figure 14 illustrates the pattern of development over time of a company that continues with this pattern of behaviour over time. The conclusion obtained from these cases is that the introduction of a HIWS usually (over time) requires changes to other parts of the system (normally to human resources management policies) to gain organisational consistency (adjusted between different organisational initiatives). The management must be willing to address these organisational changes since otherwise these organisational imbalances may cause internal contradictions that eventually have a negative effect on people's response.

Figure 14.

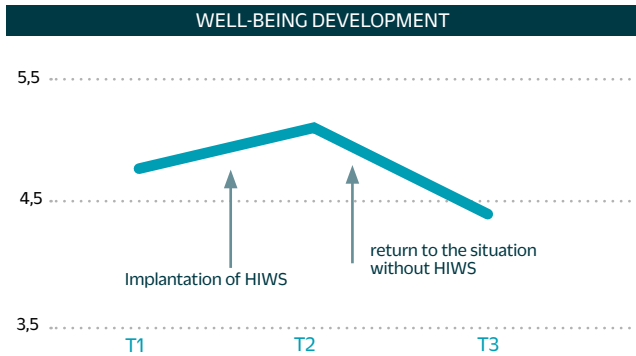
Example of the development of the well-being of the workforce of a company that maintained the HIWS but the results have fallen [Data based on a company participating in the Bateratzen initiative]



Companies that abandon HIWS. These are companies that after one or two years (at most) of operation under the principles of the HIWS have returned to a traditional production system. The introduction of HIWS involves a change to: (i) the management/leadership methods of the organisation and to (ii) the content of the work of the management. If people exercise their autonomy, they become empowered and responsible, and the management cannot continue to carry out the same functions as it did in the traditional production system. For HIWS to be maintained over time, the management (and middle management structure) must assume a change in its function and in the content of its work. In some cases, the management structure does not assume this change of role and of work content and over time the HIWS introduced becomes diluted and eventually disappears, with the traditional production system being reinstated. Figure 15 illustrates the pattern of development over time of a company that continues this pattern of behaviour over time.

Figure 15.

Example of the development of the well-being of the workforce of a company that has reversed the changes and returned to a traditional system. [Data based on a company participating in the Bateratzen initiative]

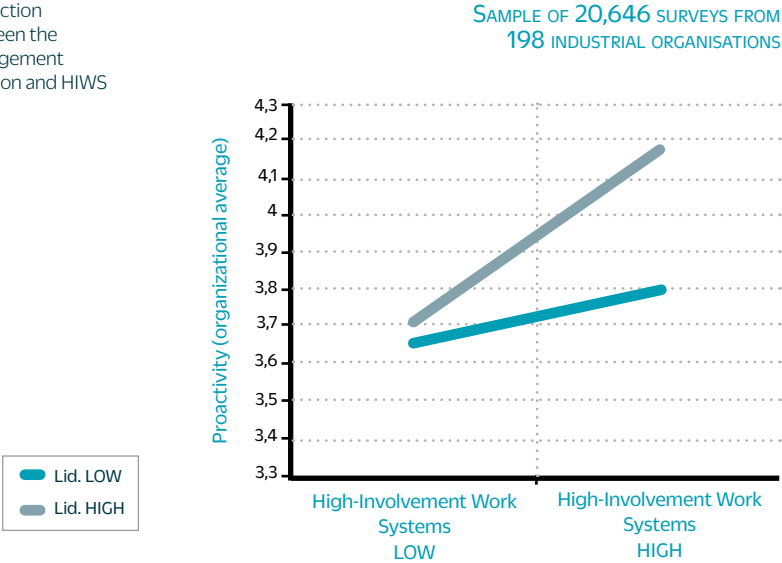


In short, the experiences of intervention in companies show that:

- In all cases, there is a **positive effect on people in the short term**.
- Frequently, the introduction of the HIWS **requires changes to other parts of the system** (especially to human resources management policies). For example, changes to overtime policies, or changes to salary policies, or changes to profit-sharing policies, etc.
- In all cases, changes are required to the role and content of the work of the management. When these changes do not take place, the system declines over time. Therefore, the challenge is a dual one: on the one hand to introduce HIWS and on the other to accept that this involves another way of carrying out the management function. Therefore, supporting HIWS with a change of role and content according to the management.

The data compiled in the Database corroborates this conclusion (see Figure 16) and confirms that the introduction of a HIWS produces very limited results (in this case on people's proactiveness) when it is not accompanied by a change in the management function. "Low leadership" represents a traditional way of carrying out the management function (based on mistrust, with the assumption that people do not want to work and therefore without changing their traditional supervision function) while "High leadership" represents a different way of carrying out the management function: based more on trust in people, in the belief that people want to do their job well and grow in their job and therefore reducing the traditional supervision function. Figure 16 shows that when the HIWS is introduced (without a change taking place in the function and role of the management) the improvement that takes place in people's proactiveness is very limited. However, when the HIWS is accompanied by a change in the traditional management function, the result (people's proactiveness) is significantly higher than in the previous case.

Figure 16.
Interaction
between the
management
function and HIWS





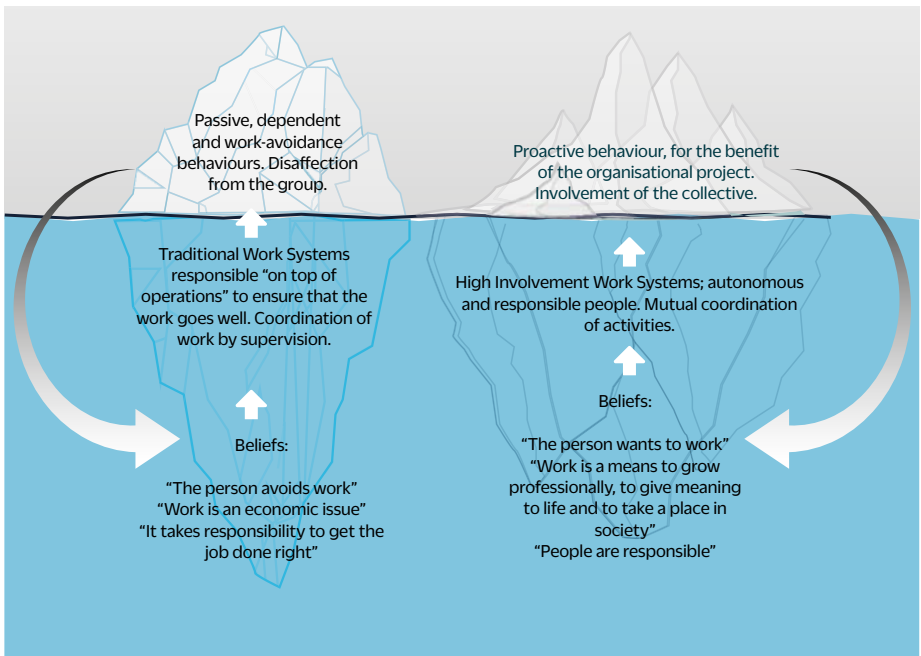
6

ORGANISATIONAL CULTURE AND HIWS

The different patterns over time shown by the companies make it possible to conclude that the most visible (tangible) part of the change is the HIWS. However, the introduction of a HIWS involves a more profound change in the management of the organisation. A change which, if it does not take place, will make the introduction of HIWS (and their effect on well-being and performance) more difficult to sustain over time.

If we apply the image of an iceberg, all work systems (both the traditional one and the HIWS) are around the middle of the iceberg (see Figure 17). On the one hand, they are conditioned by the basic beliefs and underlying principles in the management of the organisation (the base of the iceberg) and, on the other hand, they influence or condition people's behaviours (the tip of the iceberg, its most visible part).

Figure 17.
HIWS require
revision of the
underlying beliefs



The icebergs in Figure 17 represent different Organisational Cultures. The first case represents an organisation with a traditional culture where the internal dynamics (having to “be on top of things” to ensure that orders are filled correctly) show glimpses of beliefs such as: *“people will try to avoid work”, “work has an economic value”, “someone has to be in charge so that things turn out well”*. These underlying beliefs end up taking the form of work systems that coordinate everyday activities within the logic of “direct supervision” from a manager or coordinator. They are work systems where leaders or managers assume responsibility for operations and adopt a role of “being on top” of everyday activities, since not knowing the situation and status of an order is a symptom of lack of control/responsibility by the chain of command. However, these highly responsible figures in a dynamic of “being on top of things” (or supervising the work) produce over time a “responsibility vacuum” in the workforce as a collateral effect. The workforce’s “lack” responsibility (since there is already a manager who takes responsibility) leads to its detachment/lack of motivation (as shown in the iceberg on the left in Figure 17). In turn, this detachment of the workforce ends up being displayed in behaviour showing little proactiveness by the workforce which, seen from the positions of responsibility, constitutes an argument that reinforces their need to “have to keep on top of things” and thus consolidates the underlying beliefs that people *“will avoid work whenever they can”*. In this way, the organisational culture consolidates itself into a continuous cycle.


Meanwhile, the iceberg on the right represents a different organisational culture based on different beliefs and principles. Beliefs of the management, such as *“people want to work”, “they want to grow and develop in their work”, “they are seeking through their work an identity and a place in society”*. Therefore, work is not understood as a mere economic commodity, but as a means of personal growth, offering a purpose in life and a place in society. This leads the organisation to introduce work systems that are characterised by high levels of autonomy in contexts of trust (e.g. the HIWS). These work systems induce a proactive response in people, in favour of the organisation, which contributes to increasing organisational performance. These proactive behaviours reinforce the management’s beliefs that people want to get involved and to develop in their work, thus reinforcing the initial beliefs and once again closing the circle (see iceberg on the right in Figure 17).

HIWS require these beliefs among management. They will not be sustained over time if the management does not question the beliefs and principles with which it operates on an everyday basis. In other words, a change in the human resources management strategy is required: from the traditional strategy of “control or supervision” based on the belief that people will avoid work, towards another human resources management strategy of “commitment–trust” based on the belief that people wish to grow and get involved in their work. When HIWS are introduced without this other more profound change of “looking at people” there

is a risk of following the third pattern of behaviour shown in Figure 15 and ending up reversing the changes made. In these scenarios, there is a risk of generating disappointment in people and even making the starting scenario even worse.

Therefore, the experiences of change show that it is important to **assess** (within the company management) whether **the appropriate conditions** for introducing HIWS are being met and, if not all the conditions are being met, not to promote a change with these characteristics and thus avoid possible damage (to people and to the organisation) in the medium term.

Table 2.
Scenarios prior to
the introduction of
HIWS

		Beliefs of formal leaders (management, middle management, etc.)	
		Type X: “people will avoid work so you have to stay on top of them”	Type Y: “people want to do a good job and feel fulfilled”; “the workplace is a space for development and growth”
Perspective on people management	Strategy of “commitment–trust” in people	Scenario 4: Organisations that require a change in beliefs (culture). If it does not happen, the HIWS initiatives will fail.	Scenario 2: Natural tendency; organisations with more participatory management (e.g. through HIWS)
	Traditional strategy of “control–supervision”	Scenario 1: Natural tendency; organisations with traditional management.	Scenario 3: Organisations where the conditions for change are met; the challenge is to visualise a new way of understanding and coordinating organisation. 

The matrix in Table 2 proposes a way of classifying organisations before starting to introduce initiatives such as HIWS. Four different scenarios are classified:

- **Scenario 1:** the natural tendency is that organisations that follow a strategy of “control–supervision” figures are organisations that operate under the type-X traditional beliefs: “people will avoid work and it is therefore important to stay on top of them”, “offering money and incentives is what motivates people”, etc. In these cases, the organisation will be run under traditional management principles. The conditions for introducing HIWS are not met; nor will the management of the organisation be seeking to do so.
- **Scenario 2:** It is also natural for a company that follows a human resources strategy of “commitment–trust” to operate on an everyday basis under type-Y beliefs: “people are responsible; they want to do their job well and be fulfilled by it”, “work is a medium for a person to grow, develop and be motivated”, etc. In these cases, the organisation will be interested in HIWS and will want to seek further knowledge and perfect their development. This is a scenario where all conditions for developing HIWS are met (although it is most likely that the organisation has already been moving in this direction).
- **Scenario 3:** these are organisations managed by leaders who have some beliefs tending towards type Y, but their management is traditional (due to the fact that they are not familiar with other forms of management beyond the traditional methods). In these cases, favourable conditions for introducing HIWS are in place. The introduction will be relatively simple because the main debate is to visualise (and introduce) a new method of organisation more in line with the underlying beliefs. The arrow in Table 2 shows the natural path of this type of organisation developing towards scenario 2 as HIWS are introduced.
- **Scenario 4:** these are organisations managed under type-X beliefs and their management is looking to follow a strategy of trust in people. They are organisations that run the risk of introducing HIWS, but without combining this introduction with a change in the management function/management of the organisation. They are the cases that can most likely lead to the pattern of behaviour illustrated in Figure 15 causing disappointment for people in the medium term. In these cases, the conditions necessary for introducing a HIWS are not being met.

7

CONCLUSIONS

The Bateratzen experience –including the empirical collection of information, its analysis, summary and reproduction in the *Kiribil laboratory*– confirms, not only the relevance of a tool such as HIWS for contributing to the well-being of workers, but also shows its extensive benefits for the company. This win-win between person and company has an impact on organisational performance and can easily be measured and quantified through the various indicators mentioned in this text.

However, the data analysed in this project over the last ten years highlights the need for a deeper change, which makes it possible to develop and consolidate the transformative potential of HIWS. A change of perspective in how we understand human relations in the workplace or, in other words, a change of perspective in how we understand –and give meaning to– employment.

A need which, echoing a growing social demand, has already been subject to extensive research worldwide. Studies that drive us to rethink some of the shared rules and beliefs –that take away our organisational efficiency– promoting, in turn, leadership styles that are more aware and enabling. A considerable challenge, and at the same time an inspirational one, in the interests of a shared benefit.



8

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