

# Integrating Human Resource Management and Corporate Strategy: A Preview of the 3M Story

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*This article describes the initial stages of an endeavor to bring about an integration of strategic management and human resource management in a major manufacturing organization—3M. The focus is on the agenda of the organization's Vice President of Human Resources for bringing about the innovation through a systematic program of cultural analysis, professional development of line managers and human resource specialists, restructuring of the human resource management organization, and creation of a new partnership between line and human resource managers.*

It would be fair to state that, in the typical U.S. organization's strategy-formulation process, the human element has taken a back seat to such other factors as logistics, economics, and technology. In essence, such organizations have tended to treat the human element more or less as "given" in formulating their strategic plans and in preparing to implement those plans. Often, organizations seem to assume that, when their strategies are implemented, the right mix of the right kinds of people, in the appropriate numbers, will be available; furthermore that they will possess the requisite knowledge and the motivation to carry out the organization's intended strategy.

Another "tradition," and one not entirely unrelated to the first, has been a tendency—particularly in large organizations—for line management to overdelegate the care of the organization's human resources to the personnel staff. This tendency was highlighted in Robert Townsend's best-selling book *Up the Organization* (Townsend, 1970) in which he advised that many organizations would be better off abolishing the personnel function altogether. Firing the personnel manager, he implied, would force line managers to face up to their "people problems," rather than shunting them off to "personnel."

In fairness to the line manager, it may well be that some personnel managers have so relished the professional status their special knowledge

gave them, that they were all too happy to relieve the general manager from the burden of "people management." Indeed, during the past two decades the legislative and social environments within which the personnel function has had to operate have become so complex, and the consequences of inattention so serious, that one prominent author characterized personnel directors as "the new corporate heroes" (Meyer, 1976).

The trends Meyer noted in 1976 are, if anything, more salient in 1984. It appears that nearly every sector of society is impacting the management of human resources in today's organizations. On the legal/political front, there has been a surge in regulatory legislation constraining the ways in which organizations manage their employee relations—a surge which has been only partly dampened by the policies and actions of the current administration.

In the economic arena, U.S. organizations have come under harsh criticism for falling behind levels of productivity that earlier generations had come to expect, as well as for alleged deficiencies in quality-based competitiveness in the international marketplace. Remedies offered in the management press suggest that these problems have largely been due to ineffective methods of managing human resources. Also influenced by economics, major changes have occurred in the demographics of the workforce at every level. Economic necessity has brought more and more two-paycheck families into being, which of course adds materially to the proportion of females comprising the full-time labor force. As a concomitant issue, we are only beginning to appreciate the impacts of "dual careers" on such factors as managerial mobility.

Finally, in the social environment, there are reports of a "changing work ethic" (Cherrington, 1980), suggesting rather fundamental differences between the basic work values of today's young employees and those of their counterparts of previous generations. Today's employees have been exposed to more information than ever before, through the electronic media (and even through our formal educational processes). The net result is that, compared to their forebears, these workers have higher levels of aspiration and tend to be more assertive in seeking to fulfill their own values in the workplace.

These changes, among others, are rendering the task of effective human resource management increasingly challenging in the remaining years of this century. In anticipation of these ever-increasing challenges, the Vice President of Human Resources at 3M is attempting to develop a more strategic orientation toward the management of the organization's human resources. This case describes this executive's efforts to build human resource management directly into the corporate strategic management process so that, along with other more traditional factors, the human factor will be taken explicitly into account as the organization makes its strategic choices.

# AN OVERVIEW OF THE TREND TOWARD INCORPORATING HUMAN RESOURCE MANAGEMENT IN CORPORATE STRATEGY

Strategic planning has recently gained good currency with academic researchers and practitioners alike. Schendel and Hofer (1979) have defined strategic management as a process in which general managers co-align their organization with opportunities and constraints contained in the environment. In addition, Tichy, Fombrun, and Devanna (1982) point out that human resource management is one of the core elements required for the organization to function effectively. Yet the literature makes it apparent that human resource issues have not typically been treated as an integral concern of the organization's strategic process (cf. DeSanto, 1983; Harvey, 1983; Leontiades, 1982; Stybel, 1982; Sweet, 1981).

This oversight, however, appears to be on the threshold of correction, as the recent emphasis on strategic planning is providing the opportunity to bring human resource concerns into the "nuts and bolts" of the organization (Sweet, 1981, p. 77). Notably, the academic literature is beginning to recognize human resource considerations as an essential component of the strategic process (e.g., Tichy, 1983a, 1983b; Ulrich, Geller, and DeSouza, 1984), and organizational applications such as the one described here suggest that theory may actually be lagging behind practice.

A brief review of the historical evolution of the status of human resource management in managerial thinking at top organizational levels might suggest the following stages:

**Stage 1.** Organizational strategy formulation is predicated on such "hard" criteria as market position, technological advantage, capital structure and the like. Human resource issues are treated as an afterthought or a side issue in the corporate planning process. For the most part, the human factor is taken as "given" with respect to strategy implementation; i.e., it is assumed that sufficient numbers of the right kinds of people will be available, able, and willing to carry out the necessary steps.

**Stage 2.** Human resource planning is established as a staff responsibility. This planning is conducted, however, in relative isolation from line management and in a somewhat reactive manner—influenced by, but not influencing, the corporate planning process. Time horizons are fairly short.

**Stage 3.** Staff functioning within the human resource management organization adopts a "strategic orientation" toward the establishment and maintenance of human resource systems such as compensation,

etc., but strategic human resource management is not integrated with the corporate strategic process. Fundamental barriers continue to exist between the legitimate subject-matter domains of human resource management and line management (or other staff agencies).

**Stage 4.** Strategic human resource management is somewhat elevated in status and is fully integrated into the corporate strategic planning process. The orientation of human resource managers and planners becomes proactive. Human resource managers operate from the perspective of the organization as a total entity (at their appropriate level). In the overall strategic process, human system considerations are given co-equal status with economic and technical factors.

Our view is that in many (if not most) organizations, human resource management has been stuck in Stage 1. The management literature, on the other hand (along with a relatively few progressive organizations), would probably best be described as resting somewhere between Stages 2 and 3. While the so called "human resource planning" literature has been fairly well developed (cf. Dyer, 1982; Milkovich, Dyer, and Mahoney, 1983), in the past few years the topic has continued to be treated primarily as a staff issue, and given limited apparent recognition in corporate strategic planning.

Nevertheless there is some evidence that the American organizations that are among the performance leaders have made some strides toward integrating human resource functions into the companies' strategic pursuits: i.e., by defining the human resource role in terms of its participating in business decisions; by having line management share the responsibility for human resource programs, etc. (Misa and Stein, 1983). The attention provided to human resource issues in recent best-selling books on such topics as Japanese management (Ouchi, 1981; Pascale and Athos, 1981), corporate excellence (Peters and Waterman, 1982), and environmental change (Naisbitt, 1982), reflects the recently increased status of human resource concerns in the corporate arena. The obviously high level of executive interest in such books would seem to suggest that the time is ripe for an organizational renaissance of sorts. In particular, the evolutionary step to Stage 4, integration of strategic human resource management into corporate strategy, may be at hand—at least for certain forward-looking companies. In this regard, we will now turn to the unfolding situation at 3M.

## **INTEGRATING HUMAN RESOURCE MANAGEMENT WITH CORPORATE STRATEGY AT 3M**

The case we will present in this article is based on two primary sources of data. First, extended interviews were conducted with 3M line and

staff executives, at the senior vice president, program director and division general manager levels. While these interviews occurred both within and outside 3M's human resource management organization, particularly important was a series of interviews with 3M's Vice President of Human Resources, Christopher J. Wheeler, who is the primary change agent behind the integration of human resource management into the corporate strategic process. The other major source of information has been a large set of documents, originating both within and outside of 3M, which has provided further insight into 3M's history and current practices.

In the following discussion we will briefly review some of the more relevant historical events that have led up to the present situation. In this historical overview, we will concentrate in particular on 3M's human resource management history, in order to provide a context within which to address the current effort toward developing a human resource management strategy.

## **A Short History of Minnesota Mining and Manufacturing Company**

"It all started as a mistake in 1902" (Minnesota Mining and Manufacturing Company, 1977, p. 51). Thus reads a self-description of the origins of Minnesota Mining and Manufacturing Company. The "mistake" was the "discovery" of corundum—the world's second-hardest pure mineral—near Two Harbors, Minnesota. To exploit this windfall, five enterprising businessmen invested \$1000 apiece, and what we know today as 3M was born for the intended purpose of providing a supply of abrasive material to Eastern manufacturers of grinding wheels.

As would eventually be discovered, the mineral was not really corundum but, initially unaware of the material's inferior properties as an abrasive, the young company began to extract and sell the mineral. After an initial sale of one ton, however, the markets collapsed. The fledgling company struggled for survival and very nearly failed. Salaries had to be paid out of directors' personal funds, payment of debts became overdue, and shares of stock owned by the board members could not be sold, even at a loss, to raise needed funds.

Doggedly, the company hung on and, after an infusion of new capital and assumption of control by two St. Paul businessmen (Lucius P. Ordway and Edgar B. Ober), 3M acquired a new lease on life. Having moved south to Duluth, 3M began to manufacture sandpaper out of what was still believed to be corundum. Soon the word "Mining" in the company's name became almost meaningless.

The struggle was hardly over, however, at that point. Before it finally became realized that the Crystal Bay mineral was not suitable as an abrasive material, 3M persisted in attempting to sell it until around 1910. True recovery probably began with the fortuitous hiring in 1907 and

1909 of two "refugees from their families' farms," William L. McKnight and Archibald Granville Bush. Promoted to sales manager after three years, the 24-year-old McKnight initiated a practice which has become closely associated with 3M and other well-managed organizations—staying "close to the customer" (cf. Peters and Waterman, 1982). Although the company began to utilize imported garnet, rather than the pseudocorundum, 3M had been experiencing major problems with inconsistency in their manufactured product—variations as high as 1000% in quality. McKnight reasoned that the ultimate user of the product should be the final authority on what 3M's abrasives should be like, and trained his salesmen to get into actual work areas and find out about customer needs. Bush extended this practice, including even third-party distributors' sales personnel in 3M's close-to-the-customer system.

Not out of the woods yet, the young company encountered one more crisis when a mishap at sea resulted in 3M having on hand 200 tons of garnet which had become impregnated with olive oil, making it impossible to bond it to the paper. Efforts to salvage the material led to the founding of 3M's research laboratory and, eventually, to creation of their first truly successful product—a series of coated abrasives called "Three-M-Ite."

From its originally singular venture into abrasives, over the years 3M moved into many different product lines. One of its first notably successful product diversifications was into pressure-sensitive adhesive tape in 1925—a discovery that was originally intended to help automobile manufacturers with two-tone paint finishing.

Today, of course, 3M is a profitable worldwide manufacturing company with 45 major product lines that are sold in nearly all major markets. The company's sector and division research laboratories continue to meet a long-standing 3M objective—25% of each year's sales come from products developed in the previous five years. Since 1981, 3M has been organized into four major business sectors: Industrial and Consumer Products, Electronics and Information Technologies, Graphic Technologies, and Life Sciences.

From an initial startup on \$5000 capital, and an operation employing a small handful of Minnesotans, 3M has evolved into a worldwide organization of some 86,000 people, with operations in 53 countries. The original five investors in a star-crossed mining operation have now expanded to a stockholder roster of about 113,000. Total assets are now valued at about \$5.8 billion dollars, and 1983 sales revenues totalled \$7.039 billion. In the most recent quarter, profits were \$175 million on sales of \$1.87 billion—an all-time record (St. Paul Dispatch, 1984).

As 3M has experienced drastic changes in its business, manufacturing, and financial position, so too its management of human resources is beginning to face pressures for change. Historically, 3M has had a reputation for taking care of its people, and has exhibited many of the attributes of a true internal labor market (cf. Doeringer and Piore, 1971;

Althaus and Kalleberg, 1981). The company has had a corporate policy of hiring-at-the-bottom and promotion-from-within, as well as an ongoing practice of maintaining a high level of job security.

Indeed, 3M's posture toward its employees over the years has tended toward the paternalistic.

When organizational changes cause positions to be eliminated, 3M places a high priority on relocating displaced employees in jobs somewhere else in the company. As a dramatic example, in a recent move of two entire operating divisions from Minnesota to Texas, *every* member of the relocated units was offered the option of either moving (at company expense) with the division or being reassigned to a local job which, whenever possible, would be at an equivalent level!

Perhaps the other most salient historical tradition in 3M's management of human resources has been an informality in dealing with its workforce, which has served as an antidote to the bureaucratic malaise which so often accompanies growth. When 3M was a fledgling concern, William McKnight would eat Saturday breakfast in the employees' cafeteria, rubbing elbows with the grass roots. This tradition was maintained for many years, as 3M grew by leaps and bounds, and has been carried forward by others. One program director noted that Lewis Lehr, the current Chairman of the Board and CEO, continues to manage in the McKnight tradition, sustaining the caring atmosphere; ". . . you just feel it!"

Another executive observed that 3M has been able to sustain a sort of smallness in the face of growth, by continuing to subdivide into manageable units as the overall organization grows ("Grow and divide . . . Grow and divide . . ."). Even so, 3M seems to have been able to avoid the in-group vs. out-group mentality that subdivision often brings about.

3M prides itself on listening to its own people and in permitting them the latitude to pursue their creative ideas. This leeway includes a sort of tacit permission—even encouragement—to, as one executive put it, "work outside the boxes." In other words, people are allowed to cross over the boundaries officially separating subunits, in order to facilitate the cross-pollenization process.

This freedom of expression on the part of 3M employees appears *not*, however, to be granted at the member's own risk. A senior vice president remarked: "At 3M we let people fail," meaning that people are encouraged to practice corporate "intrapreneurship," without jeopardizing their own jobs in the organization. As a case in point, Christopher Wheeler recounts a recent interview where a 3M laboratory employee was asked, "What happens if your [innovation] fails? Would you lose your job?" The response was, in essence, "I never even thought about it . . . It never occurred to me that I might lose my job." Wheeler went on to remark, "I am sure that if you were to ask that employee 'Where did you learn that?' I don't think he could tell you."

Thus, 3M's policy of "allowing failure" seems embedded in the or-

ganization's very culture, rather than merely stated in official prose. Indeed, this policy appears to operate at the level of the basic assumptions which establish members' psychological contracts with their employing organization (Levinson, Price, Munden, Mandl, and Solley, 1962; Kotter, 1973; Schein, 1980).

Central to the policies and traditions described above has been a sense of homogeneity—of a monolithic human resource management culture, in which being a member of 3M has meant pretty much the same thing in one location as in another. Some may argue that what is often characterized as 3M's organizational culture is actually only a manifestation of the Twin Cities' community culture which surrounds the home offices in Minnesota. Insiders are quick to point out, however, that the culture is rather robust, and has been replicated in 3M's operations all over the world.

These global images of 3M's people-management character appear to capture, at least in an abstract sense, some of the likely reasons behind 3M's reputation for innovation and high performance. While many of these characteristics appear to have stayed with the company over the years, in recent times 3M has experienced significant changes in its specific human resource programs and in the chairman's expectations of its personnel function.

## **History of Human Resource Management at 3M**

Christopher Wheeler describes the history of human resource management within 3M as follows: The human resources organization in 3M in previous years was known as "personnel" with its main emphasis, particularly in the 1950s and 1960s, being on labor relations. The company was more heavily unionized than it is today (currently 10.5% of 3M's U.S. employees are unionized), and labor-management relations was a very high priority. In fact, until relatively recently, it was believed that in order to be adequately trained for a position in personnel one needed a labor-relations background. This emphasis stemmed largely from a conviction that the company would have more freedom if it were to become union-free, and that a central function of personnel was to help bring about a union-free labor force.

During this early time period, "personnel" was very compartmentalized, consisting of four relatively independent subunits: an employee relations group, a compensation group, a corporate staffing group, and an education and training group. Individuals within the separate personnel subunits were generally regarded with respect for their acknowledged expertise within their specific functions, but were apparently not expected to transcend functional boundaries. Career mobility across these rather narrowly defined specialties was rare. It is Wheeler's view that,



until the late 1970s, the role of the personnel function was seen as essentially one of maintenance, as opposed to being proactive as to *what* should be done or innovative as to *how* personnel activities were performed.

In the mid-1970s, a gradual transformation of the personnel function at 3M began. Staff were reassigned from their various functional areas to one or more divisions. This represented an effort to align "personnel" with certain segments of the business. The reconfiguration, however, had only limited success. The original functional areas, although reduced in overall size, remained strong, as there was an apparent reluctance to surrender much authority to the decentralized personnel administration elements. Thus, 3M was left with a human resource management organization having a dual structure.

In 1979, 3M changed the title of Vice President of Personnel to Vice President of Human Resources. Christopher Wheeler, the focal person in the analysis presented here, became the third incumbent of that re-named office in August of 1983. While some of the impetus for the changes addressed in this paper began prior to the time he took office, our major focus will be on Wheeler's personal vision for bringing about a significant realignment of the human resource management organization at 3M.

When Wheeler assumed his present office, he experienced a sense of *deja vu*, related to his previous experience as Executive Director of 3M's international human resources. In that capacity, he had observed many trends and patterns, representing challenges to the status quo, which were now beginning to be faced by U.S. operations. While the impetus for social changes had different underpinnings in Europe (essentially initiated by a left-leaning social fabric), many of the results were the same. Furthermore, he had seen some of the same systemic problems (e.g., limited cross-fertilization of ideas) in Europe that were now apparent to him in the U.S.

A second precipitating factor that stimulated his interest in environmental change, according to Wheeler, was his extensive reading, both in the management literature and on global social issues. From his reading and from his own experiences as 3M's senior human resource manager, he enumerated a number of social and environmental changes which he believes mandate adjustments in the way organizations manage their human resources. In particular, he cites such factors as the unprecedented large-scale entry of women into the workforce and the increased educational level of workers which results in a workforce that is no longer satisfied with the old order.

A final factor has been the relatively recent adoption of a strategic planning process at 3M. This process has become a formal part of 3M's annual planning cycle since 1982. In the first year, human resources was not among the topics included in the strategic plan. In 1983, according to the Director of Human Resources for one of the major operating sectors, ". . . we talked about human resources but left it a 'wide-open box' . . .

we didn't put anything in it, and let people put in anything they wanted." During the most recent iteration of 3M's strategic plan, a fairly simple format (developed internally in the human resources organization) was provided to assist the general manager in thinking through the human resource issues in the business plan.

This evolution has made Wheeler realize that significant changes are needed if human resource management is to become more than an afterthought in the strategic planning process. He stated that, in order to manage strategically, a division general manager needs a lot of human resource support. However, the general manager should be actively involved in the process and not just be a passive recipient of human resource decisions that have already been made. Simultaneously, Wheeler reasoned, the human resource management organization needs to become more deeply involved in the concerns of the general manager. Human resource management personnel need to adopt a broader view of the organization as a total business entity.

Put simply, Wheeler is attempting to create a strategic partnership between line managers and human resource managers. To achieve this vision, changes are needed in some basic thought patterns at both ends of the partnership. Not only do line managers need to begin thinking more like human resource managers, but human resource managers need to think more like general managers. The narrow parochialism of subspecialty identification in human resource management needs to give way to a more eclectic orientation.

These concepts thread together into what might be termed Wheeler's vision to bring about the fusion of strategic management and human resource management at 3M. He discussed the plan that is emerging for achieving this, a description of which follows.

### **An Action Agenda**

As indicated above, Wheeler's strategy can be summed up with two statements: (1) "Get human resource managers to think more like line managers" and (2) "Get line managers to think more like human resource managers." With respect to the first aspect of Wheeler's agenda, expanding the horizons of human resource managers appears to involve two "nested" concerns. Not only is he attempting to inculcate an appreciation of 3M as a total organization entity, he is also attempting to increase the general level of understanding of the total human resource management effort among practitioners whose work has heretofore been focused in such areas as compensation, training, staffing, and the like. In a sense, these related objectives are to get human resource management personnel to appreciate more clearly the concerns of the "personnel generalist," as well as those of the line manager.

With respect to the other half of the undertaking, Wheeler aims clearly

at replacing the classic line/staff relationship, between personnel managers and line managers in the operating divisions, with a new spirit of cooperation and teamwork. At the heart of this intervention is an effort to assure line managers that 3M's human resource organization will not impose personnel programs and systems on the operating divisions arbitrarily. On the contrary, the line manager will operate as a full partner and will enjoy a degree of ownership of the programs that are put into place. In meeting the twin goals noted above, Wheeler has articulated an overall program consisting of perhaps four main thrusts:

(1) *Professionalization within human resource management.* An effort is being made to intensify development of human resource managers; to give them a view of human resources in its totality, rather than as a narrow specialization. In this respect, Wheeler initiated a program to expose human resource managers to the gamut of functional skills across the human resources field, and has started a seminar program, bringing in human resources authorities from universities to talk on various topics of interest to human resource management. Wheeler has also begun a mandatory reading program to get human resources people thinking on a much broader basis than their day-to-day responsibilities require. Again, to quote Wheeler, "Today a human resource manager is much like an economist . . . they need to be able to recognize the signs around them . . . If they are not sensitive to their own operating environment, they're as ineffective as a marketing manager who has lost touch with the customer."

(2) *Development of line managers.* Wheeler is also making a concerted effort to educate line managers in human-resources skills. He observed: "Our job is to swing the pendulum back from the tendency for line managers to send their 'people problems' to the human resources manager."

While many organizations devote an enormous amount of classroom time to management education, in the past this has been less true in 3M. As one executive put it, "3M is basically an OJT [on-the-job training] company." There have been a lot of programs available, but there was no requirement that managers attend. Now it will be mandatory, as 3M has instituted a management development program, which all managers will be required to attend.

Beginning in 1985, a specific segment of the program will address human resources skills. However, "you can't teach line managers those skills until you have decided what human resources represents in 3M." Wheeler provides a simple example: "If you ask a line manager to get involved in human resources, and the particular issue is compensation, you have to be able to specify what it is you want to accomplish and what principles you want to follow in establishing compensation practices."

In this respect, much of what 3M will endeavor to teach its executives regarding human resource management will be aided by input from an ad hoc task force, comprised largely of line managers, which is expected

to meet for about six months. This group will be charged with defining "just what is fixed and what is variable about human resource management in 3M."

(3) *Integration of line and human resource management.* An attempt will be made to achieve better integration between human resources and line management, in part by sensitizing managers to the changes taking place in the world around them. Managers know the marketplace, the customer, well; but, according to Wheeler, they are probably the least informed about the people they're managing.

3M has conducted employee surveys for a number of years but usually at the request of particular divisions or locations. A policy change made in 1983 now requires all parts of the company to be surveyed every three years, but Wheeler ultimately wishes to increase the frequency to every year. A national survey of 12,000 employees was completed in August, 1984, to get basic data to profile 3M's workforce. This baseline survey will be used as a source of comparison for surveys of other groups in the future. An important aspect of this effort is to discern important differences, for example, between employees in different divisions, at different income levels, and in different parts of the United States. The survey's purpose is also to highlight any special concerns of 3M employee groups such as single parents, dual-career partners, and various minorities. In essence, this census will provide data similar to a "marketing profile," enabling managers to better understand their employees.

(4) *Reconfiguration of the human resource organization.* Finally—and closely related to the previous point—Wheeler intends to make organizational changes in human resource management wherever they will further assist the integration with corporate strategy. "From the outside, we look very centralized . . . In 3M we have a practice of assigning staff to the operating units, while in other companies they are actually members of those units. I want to get to the point where, from the divisions' viewpoint, it's indistinguishable whether (human resource staff) are reporting to them or are assigned to them . . . We want to impart the functional human resource skills more and more to human resource staff assigned to the divisions."

At the present time, 3M has fewer people in human resources than comparable companies because they support the divisions centrally for many specialized human resource functions from the corporate level. As they reorganize, and as the divisions become more self-sufficient, Wheeler expects to see some increase in the human resources roster while still retaining a lean organization. Any increase in the size of human resources will be contingent upon a regular review of all activities to determine which might be changed, discontinued or, where appropriate, passed to line management.

The adoption of an intermediate strategy between complete decentralization and centralization of 3M's human resource management offers advantages beyond that of optimizing the size of the human resource

organization. There are concomitant advantages for the career development of human resource professionals. "Our objective of providing full human resources support to each division but with the human resource manager remaining part of the human resources organization means that we'll be able to provide a comprehensive career path *within* human resources in 3M."

To sum up, the cornerstone of the human resource management strategy is the cross-fertilization of ideas, both within the human resource organization and across line/staff boundaries. One complete cycle of the program internal to the human resource management organization is expected to require about ten months of monthly colloquia and training sessions. When that initial cycle has been completed, Wheeler anticipates using competency models as a basis for providing more specialized professional development opportunities which will involve such areas as skill-building in methods of effective management presentations and consulting skills.

### **SOME THOUGHTS ON "GIVING HUMAN RESOURCE MANAGEMENT AWAY" AND SOME CHALLENGES FOR THE FUTURE**

In the introduction we alluded to a tendency for specialists to cling to their special knowledge. This is only natural in organizations where expert power is such a perishable commodity. We are reminded, however, of George A. Miller's admonition to his fellow psychologists in his 1969 Presidential Address to the American Psychological Association (Miller, 1969). He suggested that professionals (in that instance, psychologists) must carry out their societal obligations not by behaving as a power elite, but by "giving psychology away" to those who are its ultimate users—everyone—by ensuring that their special knowledge is fully shared.

The parallel to the present situation is striking. By breaking down line/staff barriers and involving line managers directly in the process of managing their human resources, Christopher Wheeler is strengthening the process of human resource management in 3M by "giving human resource management away." This does *not* mean, of course, that he is washing his own hands of 3M's people problems. On the contrary, we use the expression in the sense that it was used by George Miller—giving by sharing. By "demystifying" the human resource management process, Wheeler is bringing the general manager in as a full partner; one who is no longer completely dependent on the special knowledge of human resource experts.

We believe there are two major challenges facing 3M as it attempts to bring about this integration of strategic management and human resource management. The first has to do with the likelihood of an increased pluralism within the organization; the other with institutionalization of change.

While the term "organizational culture" has probably been overemployed for the past few years, organizations do indeed tend to have cultures, and 3M appears to provide an example of what has been termed a "strong culture" (Deal and Kennedy, 1982). Moreover, even though 3M has dispersed its facilities across much of the world, the culture of 3M has been quite homogeneous throughout the organization. Somehow, the coherence of this culture has been sustained through a practice of frequent moves of key personnel and, particularly, by establishing a critical mass of internal role models at new sites during the time that local norms are being established. There is a deep-seated belief among nearly all the 3M executives we interviewed that this culture is robust and fully "transportable."

In a homogeneous culture, such as 3M has enjoyed, human resource management philosophy is uncomplicated by the need to treat various subunits differently. There may be on the horizon, however, two situations that could upset the homogeneity of 3M. One issue involves the ongoing relocation of two entire divisions to Austin, Texas. While approximately 250 managers and employees from St. Paul will make the move, it is expected that some 300 to 400 additional employees will be hired in Austin over the next three years. Furthermore, these relocated facilities will be inserted into a milieu where "the way we do things around here" promises to be drastically different in some respects from what 3M people are used to. Culture shock through contagion is a distinct possibility.

The other potential for cultural disturbance—and possibly the more serious of the two—is the likelihood that more of 3M's future growth may occur through acquisition of intact organizations. In particular, where these acquired firms are in industries or businesses other than those already well represented in 3M, there may be vastly disparate traditions regarding how human resources are managed—especially in such basic concerns as compensation and reward systems. The project in which 3M will be attempting to define what is fixed and what is variable in their human resource programs has great relevance here.

The other major concern for the future regards the challenge of bringing about organizational change that is more than cosmetic. As Argyris and Schon (1974) have noted, significant differences often exist between managers' (and management scholars') "espoused theories" and their "theories in use." It is one thing to "enlighten" line managers and sensitize them to the need to take the human factor explicitly into consideration when doing their strategic planning. As mentioned earlier, the incredible popularity of books such as *Theory Z* and *In Search of Excellence* attests to the fact that large numbers of managers are aware, at an intellectual level, that the human element cannot be taken as "given" in our strategic thinking. It is quite another matter, however, for line managers to behave like human resource managers, under circumstances where all "slack" has run out . . . where there are economic and time constraints . . . where

Gresham's Law seems to have been invoked in full force. Thus, the acid test of the success of 3M's human resource management innovation will be the *actions* of line managers—particularly when they are under pressure.

In order to induce a durable change in the behavior of line managers, and to obtain their commitment to the integration of human resource management and strategic management at 3M, there would appear to be at least two prerequisites. First, there must be a perceived *need* for the change. To “unfreeze” their perspectives (Lewin, 1947), something must trigger an attention threshold. In other words, these line managers must become convinced that the old ways simply don't work anymore. It seems to be a fact of life that gradually deteriorating situations tend *not* to trigger attention or action thresholds (Van de Ven and Hudson, 1985).

Working against this innovation is the rather insidious nature of most of the environmental trends that have convinced Christopher Wheeler that fundamental changes are becoming necessary. Unfortunately, unless dramatic events transpire (for example a class action lawsuit), managers whose principal frame of reference is not human resource management may not be sensitive to the environmental forces which are driving this innovation.

The other prerequisite to commitment may be that of providing a sense of shared ownership in the changes, both within the human resource organization and in the line/general managers who are to be parties to the “new partnership.” Here, timing may become crucial. Thus far, we have been describing the agenda of one man—a man who has thought long and deeply about the issues involved, and who has extended his own thinking by bringing in a number of highly qualified outsiders. However, when asked to designate members of his “innovation team” (i.e., within 3M) so that we might interview others directly involved in the effort, he did so and then remarked with a smile, “On reflection, I've also spent a lot of time talking to myself . . .”

We believe the time has come to begin to involve a diverse cross-section of interest groups in the development of this innovative idea. While, at first, such participation might come predominately from within the human resource management organization, very soon it may need to involve line managers, as well as staff agencies other than human resources.

This, then, has been an overview of an agenda. As we noted, there has been a great deal written about strategic human resource management, of late. The arguments for the need are highly persuasive. Yet, many things that are “necessary” in real-world organizations seem to have a way of being put off, perhaps forever, as reactivity drives out systematic planning. We consider ourselves fortunate to be at the right place, at the right time, to become involved in a major organization's attempt to put theory into practice. We are indeed excited about the prospect of observing and learning from the change effort, as it unfolds over time.

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