Influence of Higher-Level Contextual Factors on Work Design

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Influence of higher-level contextual factors on work design

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Abstract

This paper reviews the impact of markets, hierarchies, social interactions, and relationships on work design in organizations. To consider their individual and combined effects on work design, this review draws on relevant theories and empirical findings from multiple disciplines. This review proposes that these factors act inseparably, that they can complement, substitute or replace each other, drawing attention to the need to consider relationships between them, as well as direct and interactive effects of each of them in shaping work design in organizations.
Introduction

Among the work-related factors that have a strong impact on individual and organizational outcomes, work design that refers to “the content and organization of one’s work tasks, activities, relationships, and responsibilities” (Parker, 2014, p. 662) can be one of the most consequential. To enhance engagement, satisfaction, performance, and other desirable individual- and organization-level outcomes, work should be designed so that it has motivating characteristics like mastery, job autonomy, and social support, as well as reasonable levels of job demands (Humphrey, Nahrgang, & Morgeson, 2007).

Numerous underlying factors shape work design, including: individual characteristics, such as education and experience; nature of the job; occupational context, industry type; managerial span of control; organizational practices; location; and higher-level contextual influences that span above and beyond the organization. These underlying factors influence individual choices regarding the accomplishment of work tasks and activities, work responsibilities, and work relationships, including integration and coordination.

The focus of this study is on higher-level contextual factors or mechanisms through which integration and coordination occurs, emphasizing how market, hierarchy, social, and relational factors interact in shaping work designs. The objective is to identify and analyze the role played by different combinations of these higher-level factors that are external to organizations in leveraging performance at individual and organizational levels, and the potential to achieve a “right mix” of these factors that optimizes work designs. We search to identify how these higher-level factors influence work designs that stimulate individuals to invest into their work in a way that positively impacts organizations.
Anecdotal evidence suggests that some employees may experience work that is less engaging and less fulfilling, underscoring the importance of research on how to design work that is conducive to higher performance and satisfaction. Still, management and organizational research has preferentially considered work design as an, independent variable, a predictor of individual and organizational dependent variables of interest, such as satisfaction, performance and well-being. As such, existing research tends to explore consequences of work design in organizations, but pay less attention to its antecedents, in the form of factors that can influence work design and, subsequently, may have a magnified impact on organizational dependent variables. Acknowledging the relative paucity of research on factors that precede work design, this research focuses on factors that can cause variation in work design.

While numerous factors related to individuals (e.g., abilities), workgroups (e.g., size), unit or organization (e.g., structure) can influence work design, we explore, in the current research, the influence of higher-level contextual factors on work design. Previous research in this area (e.g., Parker, 2014) observed that higher level contextual factors have both direct and indirect effects on work design. Higher-level contextual factors can shape work designs directly, through the implementation of laws, such as occupational safety that provide employees with safety and protection on the job. Meanwhile, these contextual factors can have an indirect effect, through managerial decision-making routines and practices, on work design. For example, during tight labor markets managers may be incentivized to redesign work so as to make it more fulfilling and increase employees’ motivation, as a means of reducing employee turnover. Last,
but not the least important, higher-level contextual factors can influence employees’ motivation and opportunities, which, in turn, affect informal work design processes. For example, employees may take on more or fewer work responsibilities, according to organizational practices or characteristics of their culture – organizational, national or occupational.

More recently, Parker, Van den Broeck, and Holman (2017) used a framework that includes global, national, and occupational factors, in a review of contextual factors that influence work design. In order to contribute to a comprehensive theoretical framework and set the stage for empirical studies on factors that influence work design, the current focuses on a different grouping of higher-level contextual factors, external to the organization: relationship and trust-base factors, market-related factors, and rules and regulations implemented through hierarchical channels. Adler, Kwon, and Heckscher (2008) observed that nature of work is continuously changing, driving organizations to move from bureaucracies in which work is accomplished mostly individually, according to clearly-defined regulations to networked or relational forms in which work is accomplished through coordination with stakeholders within and across organizational boundaries.

The approach we take in the current research specifically answers the recommendation for future research made by Parker, Van den Broeck, and Holman (2017) to further systematic research on cross-level influences on work design, including the assessment of contextual factors within the same national or occupational framework that can transcend local or regional classifications. For example, work design in multi-national businesses may be influenced by factors related to different national contexts and can be better understood if we consider similarities between factors pertaining to two or more national contexts. This research also aims to add to the existing body of knowledge for an organizational economics theory (Ghoshal &
Moran, 1996). Consistent with suggestions made by Parker, Van den Broeck, and Holman (2017), the current research explores interactions between higher-level contextual factors and searches to identify combinations of these factors, so-called “right mixes” that can optimize work design.

When designing work, organizations tend to make intricacy decisions related to the in-house assignment of work activities, as opposed to buying the corresponding resource from others. These decision usually pose a trade-off between assigning work activities to organizational members that may make work design more intricate, and outsourcing, under conditions of uncertainty and opportunism. The former option suggests an emphasis on internal relationships, based on trust or rules and regulations, and can yield a more convoluted work design, with the potential for significant expansion of the organization. The latter option suggests a preference for outsourcing work activities, and may imply a more simplified work design and potentially a downsized organization. According to Ronald Coase (1937), any organization will expand as long as the company's activities can be performed cheaper within the company, than by outsourcing the activities to external providers in the market. The content and characteristics of work design is likely influenced to a large degree by the interplay of higher-level contextual factors related to social and economic relationships that govern organizations (Blau, 1964).

Contractual or reciprocal relationships are based on the perceived or actual obligations and entitlements associated to work design. The issue of obligations and entitlements in work relationships is grounded in March and Simon’s (1958) inducements-contributions model, which states that the organization offers incentives or inducements in return for inputs or contributions on the part of the employee. If contributions and inducements are not even out (i.e., exchange
inequity), conflict, turnover, and lower organizational commitment can occur (Mayer & Schoorman, 1998).

Consistent to social exchange theory, when social exchanges, defined as voluntary actions motivated by expected returns or benefits (Cropanzano & Mitchell, 2005) have a strong effect, work design is likely to be based on mutuality and reciprocity. Akin to social exchange theory, relationship exchange theory (Macneil, 1980; Poppo & Zenger, 2002; Palmatier, Dant, & Grewal, 2007) emphasize the importance of the relationship as a whole. When relationship impact work design, cooperation based on shared relational norms of flexibility, information exchange, and solidarity may occur. Distinct from social and relationship exchanges, economic exchanges, as quid pro quo arrangements in which exchanges are based on explicit agreements can have a different impact on work design.

**Market-based coordination**

Given its efficiency in governing mutually beneficial bargains (Williamson, 1975), market-based coordination can be effective in designing work, as long as what is exchanged is sufficiently clear. However, when work inputs, outputs, or both cannot be precisely measured, uncertainty and potential for opportunism limit the effectiveness of using markets for work design. The resulting performance ambiguity and variability includes not only the measurement, but also the observation of work inputs and outputs and the link between them (Ouchi, 1979). Nevertheless, when there is little ambiguity over performance, relatively high levels opportunism or goal incongruence can be tolerated. For example, when performance can be measured
accurately and comprehensively using objective indicators of work outputs, incomplete goal
congruence do not limit the applicability of work design based on the market.

Work design based on market coordination can stimulate inputs, in the form of effort and
knowledge, through the objective inducement it provides (Barnard, 1968). Markets are directive,
prompt discipline, and trigger regularity of relations. Galbraith (1973) observes the efficiency of
markets in complex and uncertain situations, where the large number of exceptions overload and
overwhelm non-market structures. Economic relationships, governed by market tend to be the
most common at the initial interaction stage. Market-based coordination can have a comparable
effect with a large number of specific rules addressing work design contingencies. Ghoshal
(1995) concludes that efficiency in the execution of routine tasks is the strengths of markets.

Once its logic becomes dominant in an organization, market-based coordination can push
out bureaucratic and social-based coordination, including well-established procedures and
mutuality. In this regard, Cappelli (1999) argues that new management practices brought the
market – both labor market and market for product – directly inside organizations.

Manifestations of this tendency include employability doctrine that confines organizations’ bond
on job security and career development, and replace individuals’ loyalty by career attachment.

Cappelli (1999) also resembles the work design emerging from these new management practices
to free agency, where legal contracts can be used to govern the work relationship between
individuals and organizations, such as professional sports or contingent work. Still, the market-
dominant paradigm is limited in its applicability to work designs that benefit from accurate
monitoring and measurement of performance.

Hierarchical coordination
Hierarchical coordination is designed to segment participants into areas of functional specialization, shaping their communication and even thought processes into narrow areas of expertise (Barnard, 1968). This kind of coordination emphasizes technical expertise, which encourage skill training, socialization, and commitment. It relies on formal rules, professionalism, and can create an atmosphere of trust more readily than market coordination can. Opportunistic tendencies are reduced because hierarchies stimulate the emergence of similar objectives and long-term individual-organization relationships, favorably influencing work design. Moreover, hierarchical coordination addresses the negative effects of role ambiguity and role conflict, thus, lowering feelings of alienation and favorably influencing well-being. Juillerat (2010) argued that formalization (written rules, procedures, and instructions) does not necessarily imply low job autonomy, simplified work tasks, nor impedes adaptive responses when faced with uncertainty or complex and challenging roles.

However, hierarchies are less efficient when work design is unique, completely integrated or ambiguous for other reasons (Barnard, 1968). Under this circumstances, standards of performance may indicate the value of the output only approximately, performance may be subject to idiosyncratic interpretation, impeding the evaluation of performance. Ouchi (1980) observes that a contract is only a truce, and as such it can be precarious, not self-sufficient, in that it may require extensive and complicated regulations. Furthermore, hierarchical coordination has been associated to inadequate work design that is incompletely safeguarded due to the effects of bounded rationality. Woolthuis, Hillebrand, and Nooteboom (2005) argue that this type of coordination is less binding because it contains fewer contingencies, as well as contingencies that are not observable nor verifiable. Luo (2002) suggests that lack of specific solutions for all contingencies may bring ambiguity and leave space for opportunistic behavior. Cavusgil,
Deligonul, and Zhang (2004) also notice that hierarchical coordination can be mismatched, in that it may contain inadequate contingency clauses, and can ineffectively regulate actions and behaviors in unexpected situations, thus constraining flexibility.

Hierarchical coordination has a significant impact on work design. For example, whether hierarchical coordination boost mechanistic or organic organizational structures influences work designs. Mechanistic design relies on individually negotiated contracts and/or rules and regulations for coordination, and it is characterized by “the specialized differentiation of functional tasks into which the problems and tasks facing the concern as a whole are broken down”; “hierarchic structure of control, authority and communication”; and “a tendency for interaction between members of the concern to be vertical, i.e., between superior and subordinate” (Burns & Stalker 1995, 120). Accordingly, work design tends to be more structured, formalized, and specialized, and allows for less job discretion, variety and task complexity, as well as limited opportunity for skill utilization and development (Adler, Kwon, & Heckscher, 2008). In contrast, designs that are not mechanistic can be more decentralized, informal, and conducive to work characteristics, such as job autonomy and task significance.

Social-based coordination

If we define work as the effortful accomplishment of collective tasks (Okhuysen, Lepak, Ashcraft, Labianca, Smith, & Steensma, 2013), then the development of effective work relationships between individuals involved is a sine-qua-non condition for success. Most likely, work cannot be designed outside the reign of coordination and collaboration of individuals involved, who share a common goal and commitment to the organization. Hogg and Terry (2001) emphasized that shared commitment to an organization serves as a foundation for work relationships. Individual members of the organization may have to synchronize their efforts, and
be committed to organizations in order to effectively and efficiently pursue organizational goals. Meanwhile, the counterpart link is true: social relationships are fundamental to behavior and a primary means by which people become attached to organizations (Kahn, 2007). An important part of work design, work relationships form the foundation of coordination and control in organizational interdependent processes, such as how organizational units interrelate, how managers and employees lead, how individuals manage their careers, how organizations interact with customers, and in relationships that span organizational boundaries, including alliances and partnerships.

Reliance on social coordination is neither completely spontaneous, like markets, nor prescribed, like hierarchies, but, instead, is based on patterns of reciprocity (Powell, 1990). Two different patterns of coordination are pertinent for the accomplishment of collective tasks and common objectives in work design: reciprocity and mutuality. Gouldner (1960) postulated a generalized positive 'norm of reciprocity' stipulating an 'even-out' between obligations and contributions, on one side and rights and benefits, on the other side. The norm of reciprocity can stimulate exchange equity in work relationships. Both economic and social exchange encourage long-term orientation, where reciprocation is likely to occur and transcend egoistic motivations (Blau, 1964). Frequency of reciprocation is directly proportional to the positivity of the norm of reciprocity, in that the more reciprocation, the more positive the norm of reciprocity. In reciprocal interrelating, identities and understanding of the world are formed through our interactions with others. Empirical evidence suggests that managers tend to focus more on intangible terms of the employment relationship, such as humanity and recognition, whereas the workers tended to focus on tangible elements, such as fair pay, safe conditions, and job security, which is analogous to instrumentality (Herriot, Manning, & Kidd, 1997).
Ongoing in nature, mutuality can be understood as in-sync functioning and agreement about the nature of work relationships. The specific terms of mutuality involve both receptivity and active initiative, as well as increasing and shifting interdependence. Mutuality exists, for example, when the organization provides career development opportunities (Dabos & Rousseau, 2004). Mutuality, as shifting interdependence and shared understanding of work relationships suggests the existence of continuous interest, and awareness of and responsiveness to challenges associated to work; ability to assess capabilities, communicate needs and objectives, and assess work-related compatibilities openly and honestly for mutual benefit; and interacting patterns, open to change, in which work accomplishment is the top priority. Mutuality interdependence is more than a balancing act, in which the design of work involves extrinsic motives and instrumental exchange of rights and responsibilities, but a matching of intensity of involvement and interest, a continuous investment in the exchange that has intrinsic value. As an example, work design not only includes a fair balance in the reciprocal inducements and contributions (Blau, 1964), but keeps the doors open to proactive adjustments as new work opportunities occur.

**Relational-based coordination**

Relationship refers to patterns of exchanges and coordination, typically directed at the accomplishment of a common goal (Ferris, Liden, Munyon, Summers, Basili, & Buckley, 2009). Relational coordination, conducive to organic organizational structure, in contrast to the mechanistic organizational structure (Burns and Stalker, 2005) relies on “the adjustment and continual re-definition of individual tasks through interaction with the other”; “a network structure of control, authority and community”; and “a lateral rather than vertical direction of communication through the organization, communication between people of different rank, also,
resembling consultation rather than command” (Burns & Stalker, 1995, 121). While hierarchical coordination relies on contractual relations, relational-based coordination relies on organic solidarity and mutual dependence, where discretion is used appropriately toward the accomplishment of the same goal. Ouchi (1980) notes that this type of coordination is adverse to the market since it achieves efficiency under the opposite conditions: low opportunism, emerging from the existence of a common goal, and high performance ambiguity.

Relational norms refer to shared behavioral expectations that takes time and resources to develop, can be easily destroyed and abused, and is threatened by its ambiguous nature (Canon, Achrol, & Gundlach, 2000). Relationship-based coordination tends to result in high levels of information processing capacity and communication richness. As indicated by Gittell and Douglass (2012), relationships are emergent and informal, not deliberately created or prescribed through formal organizational structures. Relationships tend to be personal, built on close ties among individual participants that emerge through experiences they have shared. The interpersonal nature of these relationships increases the potential for participant engagement, bonding, loyalty, and trust, enabling emotional as well as cognitive connection. Trust derived from social interaction and socially-embedded relationships could be an effective governance and coordination mechanism. Trust is a belief that one can place confidence and have faith in the integrity, honesty, and fairness of another person in a risky exchange relationship (Das & Teng, 1998). Trust implies mutual confidence that the other party will not exploit any adverse situation (Barney & Hansen, 1994). In the presence of trust, work design can offer more discretion and flexibility, facilitating innovation and intrinsic motivation. Trust implies predictability of another’s behavior, and the quiescence associated with such predictability.
Relationship-based coordination assumes autonomy, in that there are no contractual or market-based constraints. Still, relationships can be embedded within some agreed-upon norms that reflect collective formal and informal agreements on business conduit and can shape the rules of exchange. In the absence of norms or rules, relationship-based coordination is prone to unpredictability, diminishing trust. In the presence of norms or rules, Ouchi (1980) observes that the clan form of coordination that works based on reciprocity and social control, resembling social- and relationship-based coordination induces trust-based autonomy based on reputational capital. By contrast to the other forms discussed, relationship-based coordination is characterized by indirect controls, under conditions of high performance ambiguity that minimize risk premiums.

**Multiple coordination modes for work design**

Given the same resources, coordination for work design may be, theoretically, accomplished with any of the four modes of coordination – market, hierarchy, social, and relational. For example, relationships could be the only mode of coordination, in the case of psychological contracts, defined as “an individual’s belief regarding the terms and conditions of a reciprocal exchange agreement between that focal person and another party” (Rousseau, 1989, 123). Arguably, work design that is based on psychological contracts focuses on mutual obligations and explicit description of the exchange relationship between individual and organization, which would make market, hierarchical, and social modes of coordination less pertinent. However, ideal conditions for any one pure mode of coordination are rare. Even in the case of psychological contract, market and hierarchy can still play a role. Therefore, the individual insufficiency proposition states that:
Proposition 1 – Individual Insufficiency: No single mode of coordination is sufficient for work design.

Ouchi (1980) proposes two critical and knowledge-related contingencies that generates preferences for the one or the other of the four modes of coordination: (a) goal congruence or overlap between individual and organization, and (b) ambiguity of the measurement of individual performance that includes not only the performance variability, but also the difficulty in knowing or observing and measuring inputs, outputs, and the link between inputs and outputs (Ouchi, 1979). While the two critical contingencies are not mutually exclusive, their different combinations generates preferences for different modes of coordination: (1) market-based coordination is usually associated to goal incongruity and low levels of performance ambiguity, placing a premium on clarity and accurate measurement of performance; (2) hierarchy-based coordination is more effective in governing uncertainty and, therefore, tolerates relatively high levels of performance ambiguity, as actions can be flexibly selected and adjusted; (3) social-based coordination, working based on reciprocity and social control is effective for high levels of performance ambiguity and goal congruence; and (4) relationship-based coordination maximizes goal congruence and tolerates high levels of ambiguity of performance measurement, minimizing opportunism and risk premiums.

Given these preferences, one or the other of the four modes of coordination may be predominant, but a balance of all modes of coordination, in combination, simultaneously are still needed in order to design work effectively. Fiss (2007) argues that exchange relationships that are subject to uncertainty, opportunism, ambiguity, heterogeneity could be hardly coordinated
using only one mode. Furthermore, it may be that there are more than one combination that achieve functionally similar effects. Accordingly, the equifinality proposition states that:

**Proposition 2 – Equifinality:** Similar outcomes can result from multiple combinations of modes.

While more than one combination may yield similar functional effects, as indicated in the equifinality propositions, some combinations may be more effective than others. Identifying the most effective combinations and outlining the right balance of different modes of coordination may be challenging. Sometimes, one mode of coordination has extended applicability, but limited effectiveness for work design. At other times, no attention is payed to one mode of coordination, which, in turn, stimulate overuse of the other modes of coordination with similar or even lower functional effects. For example, social and relationship-based coordination can be discounted. Granovetter (1985) observes the tendency to overlook social relations, in which economic behavior is embedded and ignore the context of human action. Another example includes the under-socialized view of human motivation and over-socialized view of institutional control. Thus, taking into account potentially harmful restrictions, it is stated that:

**Proposition 3 – Harmful Restrictions:** Paying too much or not enough attention to any mode of coordination limits the functional effects of work design.

Each mode of coordination has its own strengths and weakness. Market-based coordination is simple, encourage discipline and efficiency, and is objective and fair, as a result
of the regularity of relations. On the other side, it has high potential for opportunistic behavior and tends to be rigid when skills are unique to an individual and developed on the job, when tasks are interdependent, and when relationship are open-ended, allowing for the adjustment of obligations. Yet, as markets mature in size and approach a state of competitive equilibrium, they become more sophisticated and adept for coordination.

Hierarchical coordination leads to unified control, attenuates opportunism through the exercise of hierarchical controls, and equalizes through the depersonalized application of rules to situations (Weber, 1958). Nevertheless, hierarchical coordination, based on numerous contingencies-driven rules, multiplied by previously unforeseen exceptions fails to systematically foster horizontal relationships, and, as a result, effective coordination often depends on whether people in different units happen to have personal relationships with each other (Follett, Metcalfe, & Urwick, 1942). It can also fall prey to a vicious, self-destructive cycle, in that the assumption of opportunism can become a self-fulfilling prophecy (Ghoshal & Moran, 1996) and cause pathological spiraling relationships (Enzle & Anderson, 1993), in the form of damaged self-perception, threats to personal autonomy, and decrease in internal motivation. Consequently, extrinsic rewards not only reduce intrinsic motivation and commitment, but makes their restoration challenging if and when the extrinsic rewards are later taken away (Baker, Jensen, & Murphy, 1988), thus shifting from ‘consummate’ cooperation to ‘perfunctory’ compliance (O’Reilly & Chatman, 1986). “Surveillants come to distrust their targets as a result of their own surveillance and targets in fact become unmotivated and untrustworthy. The target is now demonstrably untrustworthy and requires more intensive surveillance, and the increased surveillance further damage the target. Trust and trustworthiness both deereiorate in a pathological spiraling relationship (Enzle & Anderson, 1993, 263). In a similar vein, Williamson
(1985) describes work-to-rule practices, where employees perform the minimum required by the rules of their contract and precisely follow all safety or other regulations, which may cause a slowdown or decrease in productivity.

Social-based coordination draws more fully on the intelligence of participants via the continuous interaction, fostering attentiveness to the situation (Gittell & Douglass, 2012). This mode of coordination is less costly, not subject to time limitations, thus, avoiding depreciation and cost of re-contracting, and lean and flexible, allowing for on-the-fly adjustments to respond to unforeseen changes and complexities (Uzzi, 1997). Still, personal ties do not necessarily emerge at the critical junctures where they are most needed for coordinating work because they are more likely to emerge among those who are similar (Gittell & Douglass, 2012), owing to the existence of occupational cultures, functional thought worlds, communities of practice, or homophily (Rogers & Kincaid, 1980). Social-based coordination can also be subject to time compression diseconomies, as well as complex, highly specific, and, therefore, subject to considerable causal ambiguity (Dyer & Singh, 1998).

Relational-based coordination benefits from a joint interpretation of authority, including separate interpretations, actual interactions, and negotiated scope and limits of action, given rights, duties, obligations, privileges, power (Kahn & Kram, 1994). However, organizations built on personal ties are particularly vulnerable to the abuse of power, favoritism, and inefficiencies arising from behaviors that are driven by the need to curry personal favor rather than by the need to accomplish organizational goals (Weber, 1958). Another limitation is related to the lack of sustainability and scalability (Bigley & Roberts, 2001), as a result of difficulty of forming and preserving personal relationships with more people, who are more different, across time and distance.
Trust, “the single most important element of a good working relationship” (Fisher & Brown, 1988, 107) is likely to mitigate uncertainty, but, on the flip side, can increase opportunity costs and be costly to maintain. Relational-based coordination is contingent on relational capability, including willingness and ability to interact based on trust. It is also subject to the paradox of trust, in that norms and expectations about appropriate actions and behaviors lower perception of risk, but provide opportunities for abuse through opportunism.

Given specific advantages and disadvantages of each mode of coordination, individuals are likely to self-select themselves in network of relationships that emphasize one of the modes of coordination for work design.

*Proposition 4 – Self-selection:* *(Dis)advantages of individuals are often linked to the (dis)advantages of the network of relationships in which they are embedded.*

In a review of factors influencing work design, Parker, Van den Broeck, and Holman (2017) observe a natural tendency in organizations to adopt a Taylorist, i.e., mechanistic approach to work design and design deskill jobs. Eventually, this tendency is corrected to consider the impact of additional higher-level factors that influence work design.

Sometimes higher-level influences act as a constraining force, or an enabling force, leading to interdependencies between different modes of coordination. For instance, one complementarity or enabling mechanism (Huber, Fischer, Dibbern, & Hirschheim, 2013) is described by clearly articulated contracts that can inspire the confidence of cooperative parties in their cooperation, paving the way for the development of the relational way of coordination and control (Canon, Achrol, & Gundlach, 2000). Contracts usually contain terms defining the rights
and duties, long-term commitment, and punishment for opportunism, which, in turn, help reduce information asymmetry and support fair climate to facilitate the relational way of coordination and control (Yang, Su, & Fam, 2012). Malhotra and Lumineau (2011) found that control dimension of rules forces the focus on roles and responsibilities and coordination dimension of rules creates a common knowledge structure, thus facilitating the development of competence trust.

Huber, Fischer, Dibbern, and Hirschheim (2013), also, describe substitutions or replacing mechanisms, caused by functional equivalents, such as contracts that become redundant when trust and relational norms are well-developed and dampening mechanisms, which are substitution cause by pernicious effects of one type on the bases or strengths of the other types, for example, when contracts may signal a lack of trust and harm the development of trust and relations. Accordingly, it is proposed that:

Proposition 5 – Interdependence: the four modes of coordination for work design can interact with each other, enhancing or substituting effects or even entirely replacing effects.

Conclusion

Referring to markets, bureaucracies or hierarchies, and clans, including social and relationship-based coordination, Ouchi (1979, p.840) uses an unexpected analogy, metaphorically noting that "in a sense, the Market is like a trout and the Clan like a salmon, each a beautiful, highly-specialized species which requires uncommon conditions for its survival. In
comparison the bureaucratic method of control is the catfish – clumsy, ugly, but able to live in the widest possible range of environments and ultimately, the dominant species. The bureaucratic mode of control can withstand high rates of turnover, a high degree of heterogeneity, and it does not have very demanding informational needs”. This quote shows how work can be viewed in many different ways, and can drive individuals into different actions and behaviors. Yet, the knowledge about how work design emerges is limited, and what sustains specific work designs. In this review article, drawing on research from multiple disciplines, we synthesized research on work design influences.

Research on higher-level factors that influence work design is still in its infancy. This review is intended to shed light on how markets, hierarchies, social aspects, and relationships can shape work design in organizations. While work design does not result only from these higher-level contextual factors, these factors have direct and strong to-down effects. The impact of these factors are discussed in this review, with an eye toward designing empirical analyses of their consequences.

It is important to recognize that the effects of these modes of coordination are far from pre-determined and can be mitigated by other factors, including managerial decisions and employees’ initiatives. However, organizations are embedded within higher-level systems that shape work design. To consider their effects on work design, this review draws on relevant theories and empirical findings.

In addition to analyzing effects of the higher-level factors, this review proposes that these factors act inseparably, that they can complement, substitute or replace each other, drawing attention to the need to consider relationships between them, as well as direct and interactive effects of each of them in in shaping work design in organizations. Hopefully, this knowledge
can contribute to understanding effects on work design and support fostering the more widespread design of high quality work design.

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