

base" where "the essential competitive advantages of the enterprise are created and sustained. It is where a company's strategy is set, where the core product and process technology is created and maintained, and where the most productive jobs and most advanced skills are located." He believes that there are four determinants of competitiveness, which he calls the "diamond of national advantage": factor conditions; domestic demand for the company's product; the presence of supporting industries; and "firm strategy, structure, and rivalry."

Porter's emphasis on national qualities

seems to provide a natural rationale for massive government intervention in the economy, but he favors a restrained, though not laissez-faire, role for government. He suggests that Washington could usefully help launch industrial research and otherwise create specialized resources that yield competitive advantages, but overall he wants government to encourage U.S. business to compete more at home so that it can become more competitive overseas. Governments, he writes, "cannot create competitive industries; only companies can do that."

### *Does Humane Management Matter?*

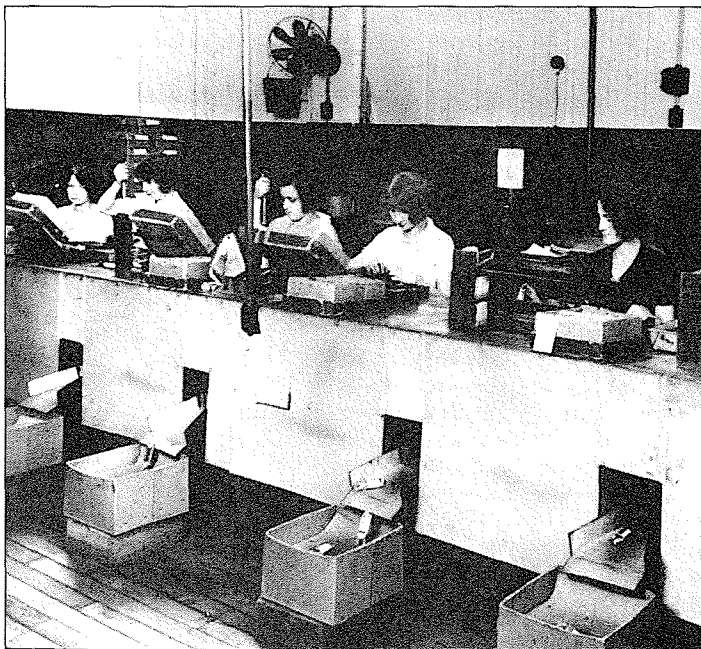
Almost any undergraduate who has taken an introductory social science course during the last 50 years has heard of the famous Hawthorne Effect: The very knowledge that researchers are studying them causes people to change the way they behave.

"Worker Interdependence and Output: The Hawthorne Studies Reevaluated" by Stephen R. G. Jones, in *American Sociological Review* (April 1990), 1722 N St. N.W., Washington, D.C. 20036.

That is just one of the more curious findings that came out of the landmark study of worker productivity in Western Electric's Hawthorne telephone equipment manufacturing plant in Chicago during the late 1920s and early '30s. The Hawthorne researchers began with the simple notion

that varying the intensity of the lighting in the Hawthorne plant might alter the workers' productivity. By the 1930s, however, they were convinced that they had made a revolutionary discovery: The quality of human relationships—among workers, and between workers and their supervisors—is the most important factor influencing performance on the job.

As Jones, an economist at Canada's McMaster University, observes, that was no small matter. The Hawthorne results "changed many ways of thinking about the labor process" in and out of the academic world; it also provided the foundation for new subspecialties in the developing "science" of manage-



*The Hawthorne plant's relay assembly test room during the late 1920s. For five years, measuring devices in the chutes tracked the women's output, while researchers analyzed their relationships.*

### *To the Victors Goes the Sleep*

Darkness reigns in the executive suites of major Japanese corporations after 6 P.M., while subordinates' lights burn late into the night. Just the opposite is true in U.S. corporations, three Japanese researchers were astonished to discover. Their findings are summarized by Wallace H. Offutt, Jr., in *Across the Board* (April 1990).

*Do Japanese CEOs work harder than American CEOs? You might expect them to, based on the enormous success of Japanese corporations and the many stories we hear about how hard everyone in Japan works. But . . . the typical Japanese CEO, in spite of considerably longer commuting time, sleeps on average one hour and 15 minutes longer and has nearly an hour more private time*

*each day than does his American counterpart. Moreover, the American CEO spends almost as much of his day in meetings as does the CEO in Japan—the country where so many decisions are made through nemawashi, the time-consuming process of consensus-building. Perhaps most surprising, U.S. and Japanese CEOs spend about the same amount of time entertaining guests after work . . . In both Japan and the United States, executives spend an average of 6.3 hours per day in meetings . . . The Japanese CEOs found that [meetings with subordinates] produced information most useful for work-scheduling and new product development, while Americans gained knowledge that was most useful for personnel management and evaluation.*

ment: human relations, organizational development, and organizational design.

The subject seemed closed until 1978, when Richard Franke and James Kaul took another look at the Hawthorne data. They argued that the original researchers, lacking sophisticated statistical techniques, had blundered: When they could not find reasons for changes in worker output in their reams of data, they had simply attributed changes to "soft" human-relations factors. In fact, Franke and Kaul said, a new analysis of the numbers showed that virtually all of the changes in output could be explained by external factors, such as workers' fear of losing their jobs as the Depression deepened after 1929, and by plain old-fashioned discipline imposed by management. They even suggested that the famed Hawthorne Effect

was a mirage.

Jones's essay is the latest installment in a running battle that has been going on since 1978. Jones argues that his own complex statistical manipulations of the data from the Hawthorne plant's relay assembly test room between 1927 and 1932, where five women worked, show that "interdependence" was crucial after all. "The human relations approach to industrial sociology," he maintains, "is not controverted by the original Hawthorne data from which it began."

Still, embarrassing questions remain. Why must the original findings be "proved" half a century after they were incorporated into the foundation of social science? Why did social scientists accept for so long conclusions that were actually based on the *absence* of evidence?

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## SOCIETY

### *The Old-Age Crisis*

"The Aging of America: Impact on Health Care Costs" by Edward L. Schneider and Jack M. Guralnik, in *Journal of the American Medical Association* (May 2, 1990), 535 N. Dearborn St., Chicago, Ill. 60610.

Somewhere in America on January 1, 2031, the first baby boomer will celebrate

his or her 85th birthday. Quite possibly in a nursing home.