A Tale of two Career Paths: The Process of Status Acquisition by a New Organizational Unit
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This study examines the process of status acquisition by a new organizational unit in a General Motors (GM) sales and service division. Through qualitative data collection methods, we elicited employees' perspectives concerning the ranking of organizational units, identifying key organizational factors that influence status acquisition. As part of this effort, we discovered a relationship between the status of organizational units and career mobility. We also reconstruct the process by which organizational status was acquired, showing the role of American and GM culture in shaping status outcomes.

A Tale of Two Career Paths: The Process of Status Acquisition by a New Organizational Unit

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Career path selection and planning have been central issues for individual employees and organizations. The stakes are high for both: the individual seeks more challenging work opportunities and their associated rewards, and the organization’s effectiveness, morale, and productivity are likely to suffer if a good match is not found between employee characteristics and job requirements.

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Career development matters become more complex during periods of organizational change. When company reorganizations and downsizings occur, turmoil tends to reverberate throughout the firm’s operations, including its policies and procedures related to personnel management. Implementing personnel processes to ensure stability is critical to the firm’s long-term outlook. However, in the course of restructuring, organizational members may find that their roles and statuses have undergone considerable change. Some may encounter upward job mobility whereas others experience constraints in opportunities or a change which they interpret as significantly worse for their careers.

In this article, we explore organizational change using an anthropological approach. This approach consists of a focus on “native” perspectives in which we compare various employee groups and describe and explain our results and conclusions in a holistic manner. Through our inductive investigation, we hope to shed light on two aspects of organizational change that have not received much attention in the literature. First, we examine the changing structure of the firm as seen in the creation of a new organizational unit, the developing career structure associated with the new unit, and participant evaluations of that career structure. Second, we focus on the topic of organizational inequality by introducing the concept of organizational status. As such, we present a case study of how a new organizational unit acquired status over time, and the way in which this process influenced career paths. Interestingly, this case is an example of unplanned career and status consequences resulting from a largely involuntary corporate reorganization designed to accomplish tasks more efficiently and at a lower cost. This type of restructuring is frequently found in U.S. firms as they attempt to respond to global competitive pressures.

The topic of socioeconomic inequality, both in society at large and in organizational settings, has long interested social scientists. We review this literature briefly because status is associated with socioeconomic inequality. Two paradigms have been discussed at length in the literature—one focused on “individual” variables and the other on “structural” variables (Jencks, 1980; Rosenbaum, 1986; Rosenfeld, 1992; Sorensen, 1986). Whereas the former views individuals as the causal forces in charting their own career opportunities, the latter emphasizes a predetermined organizational structure that either fosters or constrains an individual’s career mobility. Potential structural explanations, particularly those identified with internal labor markets,¹ have been directed at employment practices found in firms. Factors such as firm size, growth, vacancy chains, demography, managerial selection preferences, career ladders, technology, and unionization have been investi-
gated with respect to employment practices (Baron, 1984; Gaertner, 1980; Kanter, 1977; Stewman & Konda, 1983).

Attempts have been made to integrate the individual and structural explanations. For example, Granovetter (1981) suggested that there are three main factors contributing to earned income: the characteristics of the job and the employer, the characteristics of the job holder, and processes that match both factors. Althausen and Kalleberg (1990) argued that mobility is a function of the skill and knowledge acquired by an employee. In Rosenbaum's (1986, 1990) "tournament model," the career selection system is viewed as a "series of implicit meritocratic competitions which progressively differentiate a cohort of individuals" (Rosenbaum, 1986, p. 154). The career system not only fills vacancies on an as-needed basis, but also defines patterns for career advancement.

Structural theories, as well as frameworks that attempt to integrate both individual and structural explanations of inequality, may be critiqued from at least three standpoints. First, organizational structure is viewed as a given, as fixed in time. Such a static view does not lend itself to analyses of organizational change when organizations are redesigned, reorganized, or downsized (Keller, 1989; Tomasko, 1987, 1993). Second, structural conceptualizations do not address or emphasize how change is interpreted by organizational members, Thomas (1994) being one notable exception. Individual or group perceptions of the changing work environment are not viewed as relevant or important to understanding the context in which organizational restructuring occurs, or to outcomes of restructuring (Rosenbaum, 1989; White, 1970). Third, the unit of analysis is restricted to the individual. All focus is directed toward the effect of employment practices on individual employees rather than some larger collectivity that might be uniformly affected by company policies.

Recent work in internal labor market research appears to have taken a somewhat broader orientation toward differences in organizational forms and changes and their impact on career path issues. Kanter (1984) compared structural differences between the "classic functional-line ladder" career and the "high-tech" career. Rather than placing primary emphasis on the internal workings of the firm, some researchers have underscored the key role of the external environment in shaping organizational outcomes (Jacoby, 1985; Rosenfeld, 1992). Others have emphasized the examination of "process" as it applies to organizational change (Jacoby, 1985; Sorensen, 1986). Thomas (1994), in particular, argued that structure should be viewed as a "constructive activity" rather than a "static set of offices or rules" (p. 226).

We build on Thomas' (1994) work on process by analyzing the changing internal labor market as seen through employee's career paths in a particular
General Motors (GM) sales and marketing division. In so doing, we attempt to move away from the overly static analyses of career mobility toward a more dynamic description and interpretation of organizational change. Our study describes the creation of a new organizational unit that set in motion a reexamination of the system of organizational ranking for sales-and-service units. As in many restructuring cases (Davenport, 1993; Hammer, 1990), this restructuring involved the introduction of a new technology—telemarketing techniques such as computers and telephones—for selected sales-and-service employees. Our research focuses attention on the evaluations made by these employees about their work and career paths.

Our research also is aligned with selected literature on the topic of status. Of course, much work has been conducted on the status of an individual, status attainment, and intergenerational mobility in which variables such as education and father’s occupation are viewed as key status determinants (Blau & Duncan, 1967; Goldthorpe, 1980; Sewell & Hauser, 1975; Weber, 1946). Other literature has directed attention to the status of groups, namely ethnic and occupational groups (Feagin, 1978; Slocum, 1974; Trice, 1993; Van Maanen & Barley, 1984; Warner & Srole, 1945). Less well-developed is the literature on “organizational status” in which an organizational unit’s ranking is a by-product of certain material, environmental, and perceptual conditions. A few exceptions come to mind: Talbert and Bose’s (1977) study of department store clerks, referred to as an occupational group although status differences across store departments are later identified, and Thomas’ (1994) description of the status of manufacturing and product engineers.

In this article, we define organizational status as the position or rank of one organization relative to another. Our definition assumes that organizations and their units constitute a status hierarchy (Stinchcombe, 1965) in which various objective and subjective criteria are used to rank groups relative to one another. This definition expands on one proposed by Linton (1936, p. 113) wherein a status is both “a position in a particular pattern” (e.g., based on gender, age, income, education) and “a collection of rights and duties.”

Thus we propose to examine career path development through a focus on both organizational process and organizational status. Based on our case, we outline a four-step model in which a newly created organizational unit acquires status under conditions of organizational upheaval. We also assess the generalizability of this model to other organizational restructurings. As such, our research is aligned with an internal labor market emphasis, albeit in a changing external and internal environment, and directed at organizational status inequality as evident in career path structures. We believe that
an emphasis on status considerations may not only provide insights into the outcomes of organizational redesign processes, but also may enable better understanding of the organizational culture of GM and American work organizations generally.

DATA AND METHODS

Our data collection efforts were targeted largely at employees of the newly created organizational unit known as the Telemarketing Assistance Group (TAG). In the TAG we conducted semistructured and structured interviews with 39 sales-and-service employees (55 percent of TAG employees). Between February and July 1988, we spent many hours observing their work environment and on average 45-60 minutes each in discussions with individual employees. Our discussions were focused on the history and culture of sales-and-service work, individual work histories, current job tasks and working conditions, and future career expectations. We were able to secure such divisional archival documents as newsletters, training materials, employee survey results, and mission statements, and to interview members of the personnel staff. Our findings were validated with information gathered during three presentations of results and recommendations to study participants.

Our TAG respondents were not selected randomly, but rather through a network-based approach. Our initial introduction to the TAG was facilitated by a personnel staff manager who not only asked us to assess the TAG’s culture but whose contacts served as a starting point for our sample; we then sought other TAG respondents on our own. Because our interest was focused on the change in sales-and-service work due to the reorganization, our TAG sample is purposely overrepresented by 33 sixth-level employees (85 percent)—referred to as district sales managers (DMs) and district service managers (DSMs)—compared with the proportion of these employees in the TAG population (68 percent). Sixth-level employees filled entry-level sales-and-service positions, responding to dealership matters; their day-to-day work was impacted most directly by the technological and organizational changes that took place in this unit. It was these employees who previously had the greatest face-to-face contact with dealerships and, following the reorganization, interacted with their dealerships via telemarketing technology. Other TAG employees in our sample included five higher ranking branch and area managers and one clerical support employee.

The analysis consisted of separating the data into two periods: Phase I (winter 1988) and Phase II (summer 1988). Table 1 shows the distribution of
our sample by phase and previous employment. The variable—previous employment—refers to employee work experience in a sales-and-service "zone" (administrative unit) somewhere in the United States. We will see that previous employment emerges as a variable critical to our identification of organizational status; the proportions in our sample on this variable were approximately equivalent for the TAG population during both Phase I and Phase II. We used both content and statistical analysis techniques with our data. Content categories and their subcategories associated with the interviews from Phase I and Phase II were developed by one of us using an inductive approach. We then compared and contrasted the data from these content categories across the two periods.

BACKGROUND PERIOD

During the mid-1980s, in an effort to increase competitiveness in the American automobile industry, this GM division began to review the effectiveness and efficiency of its sales-and-service operations. To compete more effectively, the division had two goals: to increase the sales volume in its low volume dealerships—those which sold fewer than 200 vehicles per year—and to reduce employee-incurred costs, including the use of company-owned vehicles and expense accounts associated with coordinating sales and service. It was anticipated that the newly available telemarketing technology would achieve both aims. No downsizing in the form of a headcount reduction was planned.

Faced with these motivators, the division restructured its operations through the consolidation of a number of U.S. sales-and-service zones. It was decided that larger volume dealerships would continue to be serviced through direct contact with zone employees, whereas smaller, low-volume, and geographically dispersed dealerships would be serviced through telemarketing techniques of the newly created TAG unit located at divisional headquarters. The vast majority of new TAG employees were transferred involuntarily from the zones, although some were selected from other divisional units—predominantly from the Purchaser Service Group (PSG) whose responsibilities included addressing specific customer complaints about vehicles via telephone. Consequently, the TAG was staffed by two diverse groups of employees whose prior work assignments, methods, and status were substantially different.

Another dimension of TAG operations was the introduction of a new work organization based on teamwork and participative management, in accordance with the sociotechnical systems approach (Trist, 1981). TAG working
TABLE 1: Sample Distribution by Previous Employment and Phase

<table>
<thead>
<tr>
<th>Phase</th>
<th>Former Zone</th>
<th>Former Non-Zone</th>
<th>Total</th>
<th>Percent of TAG Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase I</td>
<td>16</td>
<td>4</td>
<td>20</td>
<td>28</td>
</tr>
<tr>
<td>Phase II</td>
<td>24</td>
<td>9</td>
<td>33</td>
<td>46</td>
</tr>
<tr>
<td>Totala</td>
<td>30</td>
<td>9</td>
<td>39</td>
<td>55</td>
</tr>
</tbody>
</table>

a. Note that many of those interviewed in Phase I were interviewed again in Phase II. All 39 employees were with the TAG in Phase II, representing 55 percent of the 71 employees at that time.

relationships were designed to be based on information sharing and consensus decision making, in contrast with the individualistic and hierarchical nature of work relations in the zones. Prior to the start of TAG operations in 1987, TAG employees received both a “cultural” orientation to their work and computer training. During these training sessions, it was already evident that employee reactions to a TAG assignment were either very positive, among the PSG transferees, or quite negative, among zone transferees. Whereas divisional management provided information on selected aspects of a TAG assignment (e.g., eventual rotation of all sales-and-service employees through the TAG, assignments limited to 2 years, the promise of a raise at the start of the assignment), other concerns related to the TAG’s place in the division’s career path progression, the eventual use of computer skills for one’s career, and the loss of material benefits such as a company-owned vehicle were not addressed. These mixed signals made it difficult to interpret the relative benefit of a TAG assignment, creating ambiguity that would be continually subject to discussion, examination, and negotiation both by individuals and organizational units within the division.

PRELIMINARY INDICATORS OF ORGANIZATIONAL STATUS

As the TAG operations began, several managerial decisions pertaining to divisional sales and service were crystallized. These decisions focused on both tangible, material aspects of sales and service that would enable the division to implement its TAG objectives, and selected aspects of the newly designed TAG work culture. Decisions were made regarding the relative monetary value of work output in the TAG, the work process, and the TAG reward system; all of these decisions were used by employees in evaluating
and assigning status to the TAG. We discuss these decisions now because chronologically in the process of status acquisition these decisions and their impacts preceded employee interpretation.

One important traditional status indicator was created by the formal division of labor that separated employees on the basis of function and market, and correspondingly, *unit profitability*. Whereas zone employees were responsible for the high-volume dealers who produced the greatest profits for the division, TAG employees were associated with the low-volume dealers who reaped far less profit. Complaints of individual customers, representing the smallest unit of profit (or indeed, loss of profit) were handled by PSG employees.

This division of labor also had implications for other aspects of the job, as traditionally defined, including *classification level*. Prior to the reorganization, the majority of zone employees were sixth-level employees. These employees enjoyed certain *perquisites*, including the use of company-owned vehicles and access to expense accounts for travel. The majority of non-zone employees were fifth-level employees with no such perquisites. With the advent of the TAG, the majority of the TAG positions were classified as sixth-level with no such perquisites.

Another tangible, material factor that differentiated organizational units, but was not part of GM’s traditional pattern of status markers, was the availability of computerized *job tools*. Whereas both TAG and PSG employees routinely used computers in their work, TAG employees’ access to computerized information was more extensive. Although initial employee evaluations of computer training were overwhelmingly positive, it was not yet clear that this factor would ultimately play a role in the status of the TAG.

A second set of indicators relates to factors in the work environments of the three sales-and-service units. The TAG had been predicated on the innovative concepts of *teamwork and participative management*, whereas decision making in the zones and the PSG usually was relegated to higher-ranking employees. During the training sessions, TAG employees indicated strong support for the introduction of these two attributes into their work environment. However, as with the job tools, it was unclear whether teamwork and participative management skills might become valued by the division, adopted in other divisional units such as the zone or PSG, or serve as important future indicators of a unit’s status.

Other more traditional facets of the work environment also distinguished the three units. For example, divisional personnel generally placed a high value on an employee’s *interpersonal skills*, that is, the ability to interact well on a face-to-face basis with clients. This method of conducting business provided the opportunity for an in-depth exchange of information and ideas
that could serve as the foundation for a long-standing professional relationship. Zone employees were positioned to develop and use such skills; TAG and PSG employees were not. Finally, despite the lack of consensus decision making in the zone, the structure of work there enabled zone employees to act autonomously by making quick, local level decisions with respect to their dealerships. They also had the freedom to structure their work activities in an independent fashion. This characteristic of *autonomy* was far less evident in the TAG and the PSG, despite its high value within the division.

On balance, it appeared that the zone was ranked highest overall on five of the seven preliminary indicators of organizational status, the PSG ranked lowest, and the TAG situated somewhere in between. However, two of the indicators—job tools and teamwork/participative management—were such innovative features, and limited to the TAG, that their significance had not yet been established. Nevertheless, TAG employees believed that knowledge of computerized tools and the ability to work as a member of a team in a participative management environment represented the “wave of the future” in business methods and would provide them with a distinct career advantage over other divisional employees. We now turn to a discussion of employee evaluations of the TAG during the TAG’s first phase of operations.

**PHASE I**

**THE CONTENT AND DISTRIBUTION OF EMPLOYEE PERCEPTIONS**

We begin with a discussion of employee perceptions of the TAG during February and March 1988. Employee evaluations of job attributes provided us with further clues about the relationship between individual and organizational status and were assigned either a positive or negative value. Such statements were identified by the use of value-laden words such as “good,” “beneficial,” “desirable,” or “not good,” “not effective,” “not conducive.” To be included in our analysis, each evaluative statement had to fulfill the following conditions: reference the TAG directly, focus on the respondent’s own experience, and provide some explanation for the opinion if the explanation were not implicit. Our content analysis of the field notes yielded 112 evaluative statements.

Next, we identified three major content categories into which these statements could be categorized: job task, work environment, and rewards and incentives. Although these categories were developed inductively based on the field data, they are consistent with categories used in the organizational literature (Gresov, Drazin, & Van de Van, 1989; Herzberg, Mausner, &
Snyderman, 1959; Tushman & Nadler, 1978). The following are our definitions of these major categories.

- *Job task* includes any statement pertaining to the nature or substance of work duties and tasks that were assigned to an employee.
- *Work environment* includes any statement pertaining to work activity excluding the task itself (e.g., day-to-day operational constraints, social relationships, rules pertaining to decision making).
- *Rewards and incentives* includes any statement pertaining to monetary and nonmonetary compensation and other benefits (or lack thereof) associated with a job assignment (e.g., raises, change in classification level).

Many of the statements implicitly or explicitly compared previous job assignments with current assignments in the TAG, or compared TAG assignments with anticipated future assignments. Although employees typically did not use the term “status” in discussing these job attributes, their comments point to distinctions that implied differences in ranking within the division. All evaluative statements were assigned to one of the three categories using the three definitions outlined above. Table 2 shows the distribution of these statements by the number of positive and negative evaluations, previous employment, and type of content categories and subcategories.

Most notable about Table 2 is that former zone and former non-zone employees differed in their evaluations of the rewards and incentives category. Former zone employees described losing their company-owned vehicles as “a big chunk out of our pockets,” because they had to pay for their own cars, car insurance, and maintenance costs previously covered by the division. There were also complaints that the “promised raise had never materialized.” On the other hand, former PSG employees spoke very positively about their move to the TAG. One former PSG employee stated, “I had been trying for a long time to get out of the PSG; this (move) was an actual promotion for me to a level six.”

Interestingly, the evaluations of all of the respondents, regardless of former employment, seemed to be aligned on many other aspects of the TAG assignment. For example, they all seemed to support the teamwork and participative management concepts, associated with the work environment category, and most indicated that these new practices appeared to be working relatively well. One individual remarked:

The team effort at the TAG is good. When anyone is absent, there are other people to fill in for them. This is something that did not happen in the zones at all. There were no teams (nor was there) a team concept in the zones. There was a lot more competition in the zones which is something that is not good for the TAG.
### TABLE 2: Net Difference in TAG Employee Evaluative Statements During Phase I by Content, Value, and Previous Job Assignment

<table>
<thead>
<tr>
<th>Content Categories</th>
<th>Previous Job Assignment</th>
<th>Non-Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Zone</td>
<td>Net</td>
</tr>
<tr>
<td></td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Job task</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computers</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Sales and service</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Perform well/efficient</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Dealer interface</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Hours of work</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Work environment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teamwork/share information</td>
<td>11</td>
<td>0</td>
</tr>
<tr>
<td>Competition</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Participative management/ access to management</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Autonomy/freedom</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Work load</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Costs/sales</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>TAGers’ personal qualities</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Access to sales/service</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Adjustment to TAG</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Management visibility</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Rewards and incentives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company-owned vehicle</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Raise/promotion at outset</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Amount of travel on the job</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Monetary Situation at outset</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Grand total</td>
<td>39</td>
<td>54</td>
</tr>
</tbody>
</table>

Both the emphasis on a "team" working together rather than individuals competing against one another (as in the zone), and the opportunity to participate in decisions related to the management of the unit, were two aspects of the TAG work culture that not only differentiated the TAG from other divisional units such as the zone and PSG, but also appeared to be viewed as superior by TAG employees.

Employees also commented favorably on the computer experience, associated with the job task category, that they acquired in the TAG. One individual stated, "I like it here (in the TAG). I feel this is an opportunity to learn new things and that the computers are very good and very helpful to me..."
in reducing my work load. I am real happy here.” Another indicated that it was an opportunity to gain new skills in “state-of-the-art business procedures.”

Former zone and former non-zone employees also agreed on the increasingly competitive nature of sales-and-service work in the TAG. One employee commented:

The original idea of helping each other goes out the window when things get really competitive during the first days of every week (a time when TAG employees must allocate their weekly allotment of vehicles to their dealers). Very often (TAG employees) seem to be moving away from the initial concept which was to help each other.

Employees clearly were reacting to the apparent growth of competition in the TAG, which, in their view, conflicted with teamwork. Indeed, employees indicated to us that their “culture was slipping” to highlight the development of this unwanted competition. If this emerging aspect of their work culture were to persist, the TAG would stray further from its ideal “cultural” design and, as such, be less distinctive in comparison with other divisional units.

Based on the compilation of the Phase I evaluative statements, it is clear that working in the TAG is associated with both benefits and disadvantages such that the overall evaluation of the TAG assignment remained ambiguous. It was uncertain how the computer and teamwork/participative management features ranked relative to other divisional organizations, in part because the long-term effects of a TAG assignment on an individual’s career and the overall unit’s success were not well known. Nevertheless, there were clear indications of the negative reaction by former zone employees to the loss of certain material and financial benefits or both, concerns which surfaced initially during the cultural training. Whereas the relationship between previous job assignment and the positive or negative value associated with employee statements was not statistically significant, it was in the expected direction; 58 percent of the former zone employee statements were negative, whereas 58 percent of the non-zone employee statements were positive.

DISTINCTIVE CAREER PATH MODELS

This bifurcation phenomenon based on previous employment provided us with two distinct views of the TAG, suggesting an implicit status hierarchy. As we will demonstrate in this section, former non-zone employees viewed the TAG as “up,” whereas former zone employees perceived it to be “down.” Especially important to this conceptualization was the modeling of ideal employee career paths. We asked TAG employees questions focused on their perceptions of their own career paths. Our content analysis of their responses
revealed two distinctive career path models—one for the zone and one for the non-zone—both with important implications for TAG status.

The Career Path Model of Former Non-Zone Employees

Former non-zone employees indicated that they had a "sense of having been chosen" for new and exciting job responsibilities in the TAG. Most, if not all, former non-zone employees experienced a promotion to a sixth level and its associated raise upon arrival in the TAG. They indicated that they were treated "more professionally" than they had been in their previous assignments where they performed clerical/administrative duties and were subject to a constant stream of customer complaints. Accordingly, they positively evaluated their move to the TAG as an upward career progression.

All nine former non-zone employees expected future upward career moves as they became ready to move on to other job responsibilities. These individuals anticipated transfers to the zone as either a DM or DSM. For example, one individual stated, "I would hope to go out into the field (zone). . . . Right now I am enjoying the home office atmosphere, but would like to move up eventually." Several indicated no desire to be transferred until they had acquired sufficient experience and confidence in their TAG jobs. These statements, together with level change and acquisition of knowledge and skills useful for career development, reflect important intervals in an upwardly mobile career path. Figure 1 illustrates these intervals as a "step-up" progression within the sales-and-service career path.

The Career Path Model of Former Zone Employees

By contrast, former zone employees' reactions to the TAG frequently dealt with two distinct types of "losses." First, as indicated previously, former zone employees experienced a financial loss related to the company-owned vehicle and no upward level change or its accompanying raise when they were transferred to the TAG. Second, they also experienced a loss in autonomy and "professionalism" in performing their assignments. Whereas telemarketing techniques require some degree of professionalism and technical skill, the fact that the job was performed over the telephone meant that certain traditional aspects of doing business were sharply reduced or curtailed. Specifically, TAG employees did not have the same types of ongoing opportunities to establish and maintain personal relationships with dealership personnel simply because they did not routinely have the occasion to interact directly with them. Furthermore, TAG employees did not travel outside the
TAG on a regular basis or have as much flexibility with respect to their hours of work as zone employees. As a result of these losses, employees from the zone viewed the TAG as a "holding tank" or a "delay" in their career path. A transfer to the TAG involved a lateral move, but employees perceived it as a "demotion" because its practices and procedures did not compare favorably with those of the zone.

When asked specifically about their next job assignments, 15 of the 23 former zone employees anticipated being transferred back to the zone; use of the phrase "being promoted out to the zone" was common. One individual commented, "I expect that in six to eight more months, I will be moved to a metro district (the highest volume and most prestigious zone assignment)." The eight remaining employees either wanted to leave sales for some other functional area, remain in the TAG as a seventh-level employee, or had no hopes for either leaving the TAG for the zone or moving up to a seventh-level position in the TAG. We illustrated the intervals in their career path graphically by depicting the "holding tank" model (see Figure 2). This conceptualization suggests that the TAG is perceived as a (possibly temporary) step downward in the career path, but a step from which most hope to recover. In
the next section of the article, we examine the development of employee viewpoints regarding the status of the TAG during Phase II.

**PHASE II**

THE CONTENT AND DISTRIBUTION OF EMPLOYEE PERCEPTIONS

Between May and July 1988, we engaged in the second period of TAG fieldwork and followed the same analytic procedures used in Phase I. First, we isolated evaluative statements from the responses to our interview questions. There were 339 evaluative statements—111 positive statements and 228 negative statements. We applied the same three content categories to the Phase II data because the content analysis was conducted simultaneously; nine additional subcategories were created based on the Phase II data and assigned to each of the three content categories.

Employee differences based on previous job assignment became more pronounced during Phase II. Table 3 shows the distribution of employee evaluations of the TAG and their previous job assignment. In addition to the predominance of negative statements from former zone employees associated with the rewards and incentives category, both former zone and former non-zone employees emphasized the TAG's increasing work load. Statements such as "the work load is too much; there's no relief in sight..." reflected the increase in the number of dealerships from 55 to 70 assigned to each TAG employee. By contrast, current zone employees were assigned between one quarter and one third the number of dealers. In general, former zone employees were significantly less favorable to the TAG than were non-zone employees both in Phase II and overall when Phases I and II data were combined ($p \leq .01$).

PERCEIVED TRENDS BEYOND THE TAG

Although we did not have the opportunity to interview non-TAG personnel as part of this study, we did collect TAG employees' perceptions of dealer and current zone employees' attitudes toward the TAG. We examined these perceptions to gauge the extent to which they corroborated or refuted TAG employee evaluations of a TAG assignment, and to identify possible effects of these perceptions on TAG employees. Of the 38 statements made concerning perceived dealer reactions to the TAG, 12 were associated with Phase I and 26 with Phase II. Over that time period, the proportion of positive responses increased from 58 percent to 73 percent and focused on the benefits
related to service, attention, and assistance that TAG dealers received from the new telemarketing system. Clearly, dealership personnel increasingly indicated their appreciation of the quick response time via telephone and computer to dealership queries. There was no relationship between a TAG employee’s previous job assignment and their interpretation of the dealers’ attitudes.

During Phase II, TAG employees also commented on the views about the TAG held by current zone employees. According to TAG employees, 17 of the 18 statements made by current zone employees about the TAG were negative. The largest category of negative responses focused on the perceived status of the TAG relative to the zone. For example, one TAG employee stated, “Zone people really don’t like the TAG. They feel people working in the TAG are beneath them (while) working in the zone is a heavier weighted job even though it’s on the same level as people in the TAG.” Another indicated, “Most of them (current zone employees) feel that they are too good for the TAG.” Former zone employees made all but one of the 17 negative comments.
TABLE 3: Net Difference in TAG Employee Evaluative Statements During Phase II by Content, Value, and Previous Job Assignment

<table>
<thead>
<tr>
<th>Content Categories</th>
<th>Zone</th>
<th>Non-Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+</td>
<td>−</td>
</tr>
<tr>
<td>Job task</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computers</td>
<td>15</td>
<td>5</td>
</tr>
<tr>
<td>Sales and service</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Perform well/efficient</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Dealer interface</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>How the division works</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Hours of work</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Work environment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teamwork/share information</td>
<td>8</td>
<td>15</td>
</tr>
<tr>
<td>Competition</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Participative management/</td>
<td></td>
<td></td>
</tr>
<tr>
<td>access to management</td>
<td>5</td>
<td>14</td>
</tr>
<tr>
<td>Autonomy/freedom</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Work load</td>
<td>3</td>
<td>19</td>
</tr>
<tr>
<td>Costs/sales</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>TAGers' personal qualities</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>Zone rotation into TAG</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>Access to sales/service data</td>
<td>9</td>
<td>0</td>
</tr>
<tr>
<td>Adjustment to TAG</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Management action</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Management visibility</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>TAG career path</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Selection of TAGers at outset</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Rewards and incentives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company-owned vehicle</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Raise/promotion at outset</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Amount of travel on the job</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Monetary situation at outset</td>
<td>0</td>
<td>17</td>
</tr>
<tr>
<td>Incentives/raises/promotions</td>
<td>0</td>
<td>11</td>
</tr>
<tr>
<td>Geographic location</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Anticipated future promotions</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>TAG office design</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Grand total</td>
<td>86</td>
<td>205</td>
</tr>
</tbody>
</table>

Dealer and current zone employees’ attitudes about a TAG assignment diverge. According to TAG employees, the dealership community is favorably impressed with the TAG’s telemarketing capabilities and service. Be-
cause dealerships are directly connected with TAG employees in the organization and structure of work, their views have the potential to send an important message to divisional management about the value of the telemarketing method. On the other hand, current zone employees are reported to confine their remarks to the personal and organizational drawbacks of a TAG assignment; dealer satisfaction or other external factors such as cost savings are not relevant to their assessment of the TAG's work or status.

THE ACQUISITION OF ORGANIZATIONAL STATUS

Based on the analysis of our case study, we now propose a four-part process model focused on the acquisition of organizational status. We use the phrase “acquisition of status” rather than “determination of status” because of the as-yet-unknown effects that computer skills or the ability to work with colleagues in a team/participative management environment might have on the assignment of status to the TAG. We recognize that this model may not be generalizable to all corporate restructurings since it is based on a particular case. For example, there were specific conditions associated with this reorganization (e.g., there were relatively favorable economic conditions in the United States at the time of the reorganization, many TAG transfers were involuntary, many TAG employees perceived their transfers as a demotion) that would not be present in all reorganizations. Nevertheless, in this era of corporate reorganizations and downsizing, we suspect that the staffing conditions and assignment interpretations described in this case study are fairly common in today's business environment—from the standpoint of employee reaction to the change. Future case study research would be useful in testing the applicability of our model to other reorganized work groups under different environmental circumstances.

ENVIRONMENTAL SHIFT/REORGANIZATION

As a first step in our model, we hypothesize that the attribution of status to a new organizational unit often occurs within the context of an environmental shift followed by a reorganization. In this case, the competitive economic climate within the United States was exerting significant pressure on GM generally and on the sales-and-service division specifically. The organizational response to this pressure was to assess sales revenues relative to costs: vehicle sales associated with lower-volume dealerships were viewed as too low whereas divisional costs to coordinate sales and service in those dealerships were perceived as too high. Within the cultural environment of
GM such an assessment often leads to a cost-cutting program. In this case, cost cutting was achieved through a reorganization and the creation of a new, low-cost organizational unit.

MANAGERIAL DECISION MAKING

A second step in the process of status acquisition concerns the impact of managerial decision making on organizational units. Managers make choices about actions that they hope will be most effective; their choices give affected organizational members important clues about status. With these choices, the acquisition of status actively begins. Managerial decisions were made related to the selection of the cost-saving telemarketing techniques, staffing the new telemarketing office, identifying other cost savings, and the training of employees. As indicated, some overt attempts were made to make it appear as though TAG and zone employees were roughly equivalent in status. However, in fact, most indicators suggested that they were not. Based on both the preliminary indicators of organizational status present at the outset of the study and our interview and observational data, we propose four cultural principles manifest in the decisions made by divisional leadership that contributed to employee interpretations of the TAG’s status.

First, size matters at GM (Keller, 1989); big, profitable units are more highly valued than small, less profitable ones—regardless of efficiency. Managers targeted small, geographically dispersed zones for the TAG. Thus the TAG was associated with smallness. Second, cars are symbolic at GM; employees who have regular use of a company-owned vehicle are regarded more highly than those who must purchase their own cars. TAG employees lost their cars, reflecting a lost of status at GM. Third, autonomy and individualism matter at GM (Keller, 1989; Metcalf & Briody, forthcoming); those who appear to be independent operators concerning how and when their work gets done are considered more prestigious than those whose work procedures and schedules are more tightly controlled. Former zone employees lost much of the autonomy to control their own work schedules, and now were confined to an office in divisional headquarters instead of being able to ride about freely in the zone. Fourth, being an active participant in the career mainstream matters at GM; those who remain associated with the traditional work and methods of the organization often are held in higher regard than those associated with or transferred to an experimental or non-mainstream unit (perhaps with some exceptions such as GM Europe). Employees transferred out of the mainstream often are believed to be those who have “plateaued” or reached a “dead end” in their careers (Briody & Baba, 1991; Metcalf & Briody, forthcoming). Taken together, managerial choices about
the TAG and its employees suggest that this new unit was not of primary importance to the division, was not highly favored, and was not part of the mainstream.

EMPLOYEE INTERPRETATIONS

The third step in our model of status acquisition consists of reactions to and interpretations of events by nonmanagerial employees. In this case, TAG employees made note of managerial decisions concerning the TAG and interpreted the status implications of these decisions within the context of GM culture; indeed, these managerial decisions served as important organizational symbols for the employees. Whereas telemarketing technology, for example, may have been viewed as cost-effective for TAG operations, the bias toward traditional face-to-face contact within the hierarchical zone structure persisted. The strong preference for face-to-face contact continued to flourish despite advances in technology and a movement toward a more team-based, participative management work environment in the larger national culture. Although there was some discussion of introducing computers into the zone offices, there were no immediate implementation plans. In addition, most higher-ranking managerial employees did not use computers in their work whereas lower-ranking, nonmanagerial employees (e.g., clerical) did. Furthermore, there were serious doubts, even by TAG employees, that they would be able to sustain their own organizational culture. As conditions in the external environment became even more competitive with further losses in sales and profits, the mandates for work performance in the division increased and the teamwork/participative management elements of the TAG's culture waned. Although former non-zone employees were somewhat more favorably disposed to their TAG assignments in comparison with former zone employees, by Phase II, all TAG employees were able to articulate the ideal sales-and-service work environment in terms of tasks, work methods, work culture, and perquisites.

Similarly, the divisional management group had sent mixed messages to TAG employees about their TAG positions and their relationship with the zone. Prior to the start of TAG operations, promises apparently were made in an effort to address some of the career-path concerns voiced by TAG recruits. However, promises such as zone rotation or a 2-year TAG tenure could not be ascertained immediately. During the first year of TAG operations, the initial uncertainty surrounding these concerns was transformed into disbelief when the promises were not kept. Thus managerial actions that could have balanced these negative status indicators and placed the TAG on a level playing field with the zone were not taken.
COMMUNITY CONSENSUS ON ORGANIZATIONAL STATUS

The final step in our status acquisition process model is the emergence of a general consensus regarding the relative status ranking of the new organizational unit. TAG employees, as a group, ultimately recognized the status superiority of the zone. Even though the low-volume dealership community appears to have been satisfied with the TAG's output, their satisfaction had only limited influence initially in the reckoning of the TAG's status. The differential distribution of material factors to the zone and TAG, corroborated by work environment factors and an overall negative evaluation from current zone employees, contributed to and later confirmed TAG employees' perceptions of their lower status.

Those most heavily affected by this conclusion—former zone employees—came to terms with their TAG assignment in two important ways. First, they appeared to compensate for their loss of organizational status by continuing to emphasize the importance of their telemarketing and work culture skills—skills that could not be obtained anywhere else in the division. Second, they looked forward to their future assignments in the zone. We know that as early as the summer of 1988, TAG employees were being transferred or notified of their pending transfer to the zone—rather than to any other unit.8

A new career progression began to emerge spontaneously within sales and service (see Figure 3). This new career path began with employment in an entry-level position in the PSG, followed by a change in classification level to the TAG, and culminated most often with a lateral transfer to the prestigious zone (although some employees may remain in the TAG, others opt for positions outside of sales and service). Even though the organizational literature has identified alternative patterns of career movement, including lateral movement across functional or technical boundaries, or movement toward centrality or inclusion within the “inner circle or the core” of an organization or occupation (Schein, 1971; Van Maanen & Barley, 1984), our data suggests that advancement up the division's hierarchy is preferred by employees. This new career path reflects both the modal pattern, that is, the actual sequence of promotions observed, and the ideal career progression desired by sales-and-service employees.

It is important to note that consensus regarding a new unit's status may be relevant for only a given period of time until other factors intervene, stimulating a new interpretation and resolution.9 The entire process of status acquisition and change thus reflects an evolutionary process. Furthermore, although organizational participants may not agree on whether or not the conclusions drawn are justified, this process copes with members' uncertainty
regarding the way in which the new organizational unit will be ranked relative to other units.

CONCLUSIONS

In this study, we examined a corporate restructuring that had a profound effect on both organizational status and organizational career structures. Evident at the outset of the study was the changing nature of the corporate environment and associated work settings as the sales-and-service division began to accommodate the new telemarketing unit. Our status acquisition model proposed four steps (i.e., environmental shift followed by a reorganization, managerial decision making, employee interpretations, and community consensus on organizational status) in which organizational units came to be associated with a particular status relative to other units. Once the status was acquired, the ambiguity and uncertainty surrounding organizational
change dissipated. In our case study, the direction and expectations of career-path movement was one of several indicators of organizational status. Career structures were subject to change, particularly when the telemarketing segment of the sales-and-service career path was introduced; its position in the broader sales-and-service career structure was interpreted and reinterpreted over a period of many months. Eventually, a new sales-and-service career path structure was established, incorporating the experience from a TAG assignment.

We believe that our analysis has underscored the importance of three aspects of organizational change, filling gaps in the literature on internal labor markets and organizational status. First, during periods of organizational restructuring, organizational structures are in flux. The dynamic nature of the changes have important implications for business goals, day-to-day operations, a variety of social processes including employee reactions, and future restructurings. Indeed, we found that despite attention to planning and training, and the achievement of the TAG's initial objectives to increase sales and reduce costs, the restructured sales-and-service activities were short-lived. Within 3 years of the restructuring, divisional management already was planning to integrate the TAG's operations with those of the zone. We argue that the continuing importance of traditional sales-and-service culture patterns in the zone—namely face-to-face relationships and individual autonomy—along with selected material factors (such as the symbolic significance of a company-owned vehicle) played a central role in restructuring sales and service back to its more traditional form. As others have discovered (Martin & Siehl, 1983; Trist, 1981), when the larger divisional culture is not aligned with its subcultures, it becomes very difficult for the subculture to sustain its own defining characteristics in the long run.

Second, we focused on the process of organizational change, independent of any restructuring attempts. Althausen and Kalleberg (1990, p. 323) asked what processes "govern movement through sequences of ILM (internal labor market) jobs?" We suggest a broader question: What effects will restructurings have on individual jobs and careers paths, and the ways in which they are evaluated? Interpretations or "sense making" (Louis, 1980) are based both on past experiences and anticipated projections. We found that employees relied on four sources of information to formulate their opinions about the TAG's status: material considerations, conditions in the work environment, other employee and dealer perceptions of the TAG, and the direction and expectations of future career moves. Their initial clues were derived from the material indicators, made somewhat uncertain by aspects of the work environment, then corroborated by non-TAG perceptions, and finally confirmed by the direction of career path transfers from the TAG. Thus interpretations
of organizational change may be quite protracted and, in this case, fluctuate over a period of time until employees' attention is diverted to new concerns.

Finally, as part of our investigation of organizational change, we introduced and discussed the concept of organizational status. Although our sample was comprised of individuals, some of whom might have considered themselves part of an occupational "sales" or "service" culture, both American and GM culture appeared to have had an overriding effect on employee interpretations of their careers. Career paths, rather than some aspect of occupational life or the particular tasks or job status an individual held, turned out to be a defining attribute of employment. Not only was an individual's status based on his or her job mobility, and perceived movements "up" or "down" between units of differential status, but the status of individual units appeared tied to the sequence of job moves as well. Job moves following an upward progression was preferred and consistent with the strong preference for career advancement within American culture generally (Hall & Hall, 1989; Metcalf & Briody, forthcoming). The status associated with an organizational unit mirrored its place in the sales-and-service career path.

NOTES

1. An internal labor market has been defined as "firmwide organizational structures—including administrative or bureaucratic personnel rules, job classification systems with job and salary grades, or simply all the jobs within a firm" (Althauser & Kalleberg, 1990, p. 322).

2. We use the term employee to include both managers and nonmanagers.

3. We define organizational culture as an enduring system of ideas and related behavior distinctive of a particular organizational setting or settings.

4. To check the reliability of our content categories, one of the authors independently categorized a 5 percent sample (N = 23) of the 451 employee evaluative statements into these content categories. The reliability was 91 percent. This same individual also reviewed the subcategory labels in conjunction with the statements associated with them; she recommended relabeling three of the 28 subcategories. In addition, the authors decided to move one of the subcategories, hours of work, from the rewards and incentives to the job task category.

5. The telemarketing approach consists of the use of computer databases containing information on dealership automobile inventory, financing, and other quantitative information. An employee has the ability to access information quickly via computer while simultaneously discussing the information with dealership personnel over the telephone. Use of the databases enabled employees to have accurate, up-to-date information on the exact number and type of automobiles that each dealer had in stock, thus facilitating sales-and-service exchange negotiations.

6. During Phase II, zone employees had 70 percent negative statements, whereas overall they had 67 percent negative statements. Former non-zone employees had 48 percent negative statements during Phase II and 46 percent negative statements overall.

7. Because only a few TAG employees commented about other divisional employees during Phase I, we were not able to compare them with our Phase II results. For additional analyses of
other divisional employees’ reactions to a TAG assignment, see Briody, Baba, and Cooper (1991).

8. Indeed, the flow of transferees was unidirectional (e.g., TAG to zone but not zone to TAG) in which “you could count on one hand” the number of zone transfers to the TAG. By the late 1980s, most new TAG employees either transferred in from the PSG and selected manufacturing facilities, or were newly hired college graduate employees.

9. Since the completion of this study in 1990, some significant changes have occurred at the division. In large part due to the strong positive dealership assessment of the TAG’s telemarketing methods, sales-and-service work was restructured once again. High-volume dealers reportedly heard about the telemarketing system’s capabilities and efficiency and wanted to benefit from it. At the same time, the division reevaluated the role of face-to-face contact in conducting divisional/dealership business. A decision was made to employ the face-to-face method with both high- and low-volume dealerships, while simultaneously making available lap-top computers to all sales-and-service employees. At the time of this writing, the TAG was in the process of being dissolved, with all personnel circulating to zone positions. Although further study would be required to determine whether either computers or teamwork/participative management became an integral part of the zone’s status system, we speculate that computer knowledge and use was folded into the traditional set of status markers for zone personnel.

REFERENCES


