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Edward Lawler is a major contributor to human resources management, compensation, organizational development and effectiveness, and corporate governance. He is a corporate and government consultant, and a professor at the USC Marshall Business School, where he also directs the selffounded Center for Effective Organizations (CEO). Lawler has authored or co-authored more than 300 articles and 35 books, including the recent *Talent: Making People Your Competitive Advantage*. Lawler's awards include distinctions from the Society of Human Resource Management and ASTD, and he has appeared on *The Today Show* and several cable news networks.

**Q: What was your first job, and what lesson did you take away from it?**

A: The most memorable job I've had, in the sense of a nine-to-five, was a summer job while I was an undergraduate in college. I worked as a longshoreman unloading ships in Alexandria, Virginia. We unloaded those big thousand pound rolls of newsprint that they put on the press to produce papers. We took them over to *The Washington Post*, and at that time, *The Washington Star*, which was an evening paper in D.C.

I've always remembered from that how good people are at avoiding work if they don't want to do it, and how pay practices can influence how hard people work. In that particular case, everybody was on hourly pay including me. When there was a possibility of overtime, people would slow down their work pace in order to capture some overtime hours. And when there was no possibility of overtime because the workload was light, people managed to go ahead and finish up, and then hide in various places so that they didn't have to do work for the time that they were going to be there.

**Q: What made you decide to found the Center for Effective Organizations?**

A: It was really a carryover from my days at the University of Michigan where I was a faculty member and also a major researcher at their Institute of Social Research. ISR is a very large, well known contract research organization. I spent a number of years there getting research contracts and seeing how research organizations could operate on soft money (contract or grant money). I liked that lifestyle and the opportunity and flexibility it gave me to pursue projects and to get more involved with companies.

Then when I came to USC, I found no such operation. So I chose to start something; a little bit of a different design which was more dependent upon company money than the one at the University of Michigan. Basically it's the same model, a center that's dedicated to doing useful research and that's engaged in the external environment of companies and workers.

**Q: What do you find rewarding about consulting that isn't there with teaching?**

I most enjoy the contact with people and the problems they face in running organizations. I think it's too easy as an academic to lose perspective on what I'm doing in terms of what's happening in the world. Consulting is a great opportunity to find out what's going on in the real world.

**Q: In your new book, *Talent*, you discuss two approaches to talent-focused management: The high-involvement approach and the global competitor approach. Could you briefly summarize the ideas behind the two?**

The global competitor [model] is a management approach, and within that, an evolving approach to talent management. I refer to it as “traveling light,” meaning that you make minimal commitments to your employees, in terms of long-term employment opportunities. You want to be able to jump into new situations and close down old situations quickly because of market and technology changes.

Even there, in those organizations, there's a relatively small core part of the organization that has a deeper involvement, a longer-term commitment, perhaps a stock investment, and other reasons to attach themselves to the organization. But the majority of the workforce is not quite temporary or contract employees, but they also aren't the lifetime employees that we think of when we look at older traditional U.S. organizations.

The high-involvement or high-performance model offers more stability and commitment to training and development, and looks to a more involved workforce to facilitate those conditions. This model certainly has been around for awhile, and it's still popular and present.

But the fastest growing one is the global competitor model. The economy is becoming more global, and organizations are experimenting with how to staff themselves; how to recruit talent in the face of globalization; and how to deal with rapid changes in wages and currency evaluations, among other things that make it more or less expensive to do business in different places.

**Q: Do you think there are any major effects of globalization on change management?**

Obviously, globalization has changed where work is done, how work is done, and the cost of doing work—all three of the most important features of work. It's also caused organizations to rethink their management approaches; how they coordinate work across functions as well as across geographic boundaries. It's becoming increasingly popular to move products and processes around the world for their production or completion. There are new sources of labor and skill sets available with different challenges.

If we continue down this road, we're going to see more and more truly globally centric corporations, not just U.S.-centric organizations. I was talking recently to people at Cisco, a technology firm. They say they're actually establishing a second headquarters

overseas because of the difficulty of recruiting the right kind of technical talent in the United States. They feel as though they need a second major concentration of technical and management expertise in India and also potentially in China to serve their customers effectively and keep themselves on the forefront of technology. At this point for them, it's not as much a cost-saving issue as just an availability of the right technical labor.

**Q: Have you noticed any positive developments in the field of human resources management over your career? Are there any major issues that have remained unaddressed?**

One [development] that I've been interested in for a long time is organizations allowing people more individualization of their work arrangements; more free choice in how, when, or where they work, and how they're rewarded. That one's moving a little slower than I might have expected, but with information technology being more present, even that seems to be gaining speed.

We're also seeing a situation of the different demographic changes (i.e., seniority of practices and retirement practices). For about 20 years now, I've been studying the degree to which HR has significant inputs on business strategy, and it changes much less than I would have expected when I started monitoring it. All too often, HR is bogged down in administration, and doing service activities for people in the organization. While it calls these functions being a business partner, it sacrifices the kinds of strategic input work that it should be capable of doing.

**Q: Do you think there are any common misconceptions or underused strategies in the field of organizational effectiveness?**

The biggest thing that organizations have trouble doing is putting all their pieces together so that they are moving the organization in a consistent way. They tend to pick a practice here or there that they hear somebody's doing, instead of developing an overall integrated effective management strategy. The problem is that many organizations are designed around principles of stability and execution, when in fact, we're rewarding the agile and adaptive ones.

Particularly in developed countries like the United States, human capital a potential source of competitive advantage. If you don't manage and train your human capital well, you're unlikely to survive very long or be a very effective organization.

**Q: Have there been any findings that have surprised you over your career?**

A: Lately I've been studying corporate boards, and what surprised me is how little HR expertise is present on them. When boards meet, they often don't invite the senior HR executive for the firm in to talk to them. It's a hangover from when HR was not a critical strategic issue for many corporations; but now that it is, it's something that needs to change rather quickly and significantly.

**Q: Are you currently working on any new projects or books?**

A: We [at CEO] have a major research project on identifying the characteristics of organizations that tend to lead to adaptability and agility. That's certainly one major focus.

I'm continuing to look at the evolution of the HR function. That would be my next book that I have coming out, probably in about a year. We look at the data, that's been gathered for more than 15 years, of how HR functions are changing and evolving in the United States. It'll be an update of that mine of research.

I continue to work on corporate boards. We do a survey of U.S. corporate board members every year. I'm particularly interested now in to what degree corporate boards are looking at issues of sustainability and what the role of the board should be in respect to sustainability. I'm also interested in how organizations organize their internal structure to deal with external sustainability pressures, and their ability to save money and execute through these efforts.

**Q: How do you enjoy spending your free time?**

A: I'm a huge sports fan so I watch far too many sports on TV. When I have the opportunity, I go to sports events. I'm particularly a football fan. I used to be a big pro football fan, but since Los Angeles lost its professional football team a few centuries ago, today I focus mostly on college football. I'm very much of a "homer" in that I tend to be largely interested in local teams—in this case, USC or LA-based.