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Darwiportunism

Understanding Modern Work without Job Guarantees

“Darwiportunism” is a conceptional approach of *Scholz* (1999; 2003). It means the combination of Darwinism (the collective-wide mechanism of evolutionary optimization of companies, departments, or employees) and opportunism (the individual motivation to benefit from opportunities). It may be used for descriptions of economies as well as for single organizations of any kind, such as companies, soccer clubs, or universities.

1. Darwinism

Charles Darwin detected the logic of evolution with the mechanisms of “variation – selection – retention“. It is based on the idea of a population, which consists of a major group of independent individuals, who show specific characteristics. Examples of populations include species of animal such as rabbits and horses, but the term population can also apply in the business world to describe enterprises of the same industry, employees, or managers. The competition between different groups of the population and between populations is based on the evolutionary paradigm “survival of the fittest” – a phrase coined by *Herbert Spencer*.

The first step of an evolutionary process is called “variation“. During this step all individuals of a population change their characteristics, so that they will have a better chance to survive in comparison with others. In nature, this variation arises by chance. In the second step “selection“, the environment decides which population has adapted best. In nature, selection means the difference between surviving and not surviving, because those populations, which are not adapted as well as the others, will be eliminated. The third step of Darwinism is called “retention“. Only populations, which survive the selection, are able to reproduce. Consequently, only the best characteristics persist. In Darwinism these three processes alternate.

This evolutionary logic is immanent in any collectives of living creatures, and can also be found in the business world, even if hardly any company openly confesses to use Darwinistic systems. Every day, the fight for market shares takes place in all industries. It influences the whole life within companies, where Darwinism is the explicit or implicit ideological foundation for reconstructions in the direction of “radical market orientation“.

The Darwinistic phenomenon does not only take place between companies, but in every part of the company itself. The dominance of Darwinistic ideas is reflected in several instruments of internal leadership: For example, the positive-sounding term of “shareholder value” means in fact the selection of companies in the capital market. Both “optimization of the value

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chain” and “profit center” means to eliminate weaker parts from the value chain. The “personnel selection” is the intended HRM part, “mobbing” occurs unintentionally. The consequence of these competitive mechanisms for the individual employees is that they no longer have guaranteed jobs.

Companies only survive competition if they focus on their corporate strategy and their core competencies. Thus, only companies that have better capabilities in this respect than the other companies in the industry will be able to survive.

2. Opportunism

A second logic can be found in respect to the behavior of individuals in organizations. Employee behavior is described as “intentionally rational, but limitedly so” (*Simon 1957*) and as “opportunistic” (*Williamson 1975*). The core of opportunism means „do the same as all do: Look for your opportunities and exploit them!” Individuals act in order to maximize their own benefits, using their individual strengths to get ahead in the business world. They give priority to their own advancement, even if their goals are not concurrent with the objectives of the company or even if they may harm other peoples’ interests.

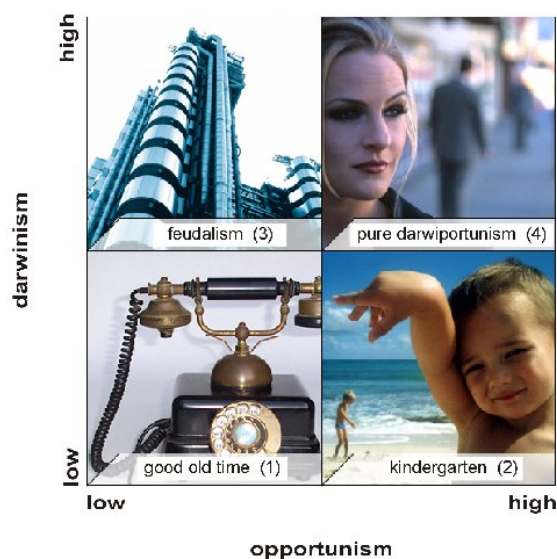
In consequence, there is no longer the assumption that the company’s objectives are the same as the objectives of the employees. Instead of pursuing common interests, individual and egoist needs are met: from maximizing the income to optimizing one’s career. These individuals are characterized by self-motivation and ambition. If they can get another, better paid job, they will seize this opportunity at once, without regard for loyalty to their current employer.

3. Darwiportunism

Darwiportunism is a phenomenon of modern work life. It is composed of the search for individual chances (opportunism) and the collective mechanism of selection (Darwinism). Darwiportunism as a concept assumes that both components influence each other and might even escalate. Although many companies think that this phenomenon would not appear in their work at all, it is real and cannot be easily ignored. But this phenomenon is not necessarily bad but also bears chances to develop the organization.

The core question is: Given the behavioral assumptions of Darwinism and opportunism, what happens, if companies play open or hidden Darwinism and if employees look for open or hidden self-optimization?

Combining both behavioral assumptions in different intensities (figure 1), one receives four basic constellations. They are also called “implicit contracts” for the collaboration in companies (*Scholz 2003*):



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Figure 1: Darwiportunism matrix (*Scholz 2003*)

1. The first contract (“Good old time”) describes the traditional work life: On the one hand, the employees show their loyalty towards the company, on the other hand the company provides the employees with a feeling of job security. It can have both positive and negative consequences. First of all, looking at the positive case, the company will be stabilized. The enterprise and the employees will work together in an atmosphere of harmony without internal competition. The negative case of the “good old time” is characterized by a stagnation resulting from a lack of internal or external competition.
2. The second contract (“Kindergarten”) is characterized by highly opportunistic behavior of the employees. They seek to maximize their benefits and chances, with little concern for the survival of the company in which they work. This behavior is typically found in the New Economy. In the positive case there will be a high level of innovation but in the negative case the individual opportunistic behavior will put the company into a difficult position, characterized by a low capability to survive in competition.
3. In the third contract (“Feudalism”), the employees must accept that the main objective of the company is to survive in competition and that it cannot consider the problems and needs of the employees. The employees know that they must behave in a way dictated by the company. They feel forced to show loyalty towards it and fear for the security of their job if they do not comply. The positive case for Feudalism is the increased efficiency but the negative effects of increased absenteeism from work offset this.
4. The fourth contract (“pure Darwiportunism”) is characterized by an open communication between the two parties. Both know that the other part will only maximize his utility, but they also know that they only can maximize their utility together. The companies give the employees uncertainty and the employees show disobedience towards the company. Both parties accept this, if, on the one hand, the employees will do a good job as long as they work in the enterprise and if, on the other hand, the employees will earn enough money. Furthermore, the employees often change the enterprise, when there is another better paid job, which offers more benefits for the individual. Positively, there will be a better chance for the company to survive in competition, caused by the high competition inside the company. Negatively, employees will change the company again and again.

All four constellations in their openly communicated form can make sense in different contexts. A problem arises when the constellations are hidden: In that case, the communicated position and the really intended position fall apart. For example, if the employees see themselves in the “good old time” or in the “Kindergarten”, but if at the same time the company tries to implement “pure darwiportunism”, a leadership crisis can be expected.

4. Implementation of the Darwiportunism Logic

In its corporate implementation, the concept of Darwiportunism leads to a differentiated management and personnel development. A modern work system as we face it today does not mean that „hire and fire” of the companies or “sign and leave” of the employees should be the normal situation. On the contrary, it means that new rules of behavior have to be defined which improve the range of action of the companies and of the employees, regardless how strong the competition is.

It is based on a clear communication of the behavioral intentions: Companies and employees must accept their opportunism and Darwinism, and they must also reduce all mechanisms, which help to prevent Darwinism and opportunism. To accept means not to feel insulted as a company when employees decide to leave and to follow different objectives. This is still a difference to ultimate tolerance: If an employee refuses to do his work or works less or worse than he should, this special kind of opportunism has not to be tolerated by the company. To accept does also not mean that companies no longer try to keep their employees.

The implementation of the darwiportunism logic in companies is made out of three steps:

- First, the *diagnosis* of the current position of a managerial decision topic in the darwiportunism matrix. It has to be measured what the degree of Darwinism and opportunism is in respect to the individual work place, to the department, or to the company.
- Second, the *target position* in the darwiportunism matrix has to be defined. This leads to behavioral rules for the companies and for the employees. There must be not only one target position, but it is possible to define different ones for different employee groups. Any of the four cells within the Darwiportunism matrix come along with completely different management directions on the same topic. An example is given in figure 2.
- Third, based on the previous steps, specific *actions* can be derived. They consist of a darwiportunistic philosophy like “every employee is completely self-responsible for his success”. Then, rules of behavior are needed which fit to the darwiportunistic philosophy, such as rules for remuneration or for dismissals. Moreover, communication patterns have to be as open as possible to reduce frictions. At last, clear actions with signal character are needed which help to transport the intentions to act to real behavior.

Collective Darwinism	high	Feudalism The companies decide, which qualification activities they would give to the employees or which they would postulate from them, enforcing best the interests of the company.	Pure Darwiportunism Investments in employee qualification must be compensated by assessable performance contributions (win-win-situation).
	low	Good old time Companies train their employees and can expect in return long-term loyalty.	Kindergarten An employee blackmails the company: If he does not receive a specific training, he would immediately leave the company.
		low	high
		Individual Opportunism	

Figure 2: Different darwiportunistic scenarios of personnel development

5. Discussion

The advantage of the darwiportunism concept lies in a realistic view on the world of labor: The employees do not tend to enjoy a job guarantee any longer. And also the companies do no longer have a guaranteed niche in their market or a guaranteed stock of loyal employees (Scholz 2003). This can neither be ignored nor neglected nor reversed: Therefore, companies have to arrange with that new situation. However, the new view brings along the understanding of the dynamics in the interplay between companies and employees. This interplay cannot be completely formed, but to a good deal influenced.

Darwiportunism is controversial, mostly because it is new and uncommon. But it means the goodbye from the illusions of companies, which love to care about their employees, and from employees, which are at any time hundred percent loyal to their companies.

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