



High performance work systems: A case study

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Abstract

In today's highly competitive environment, companies' traditional sources of competitive advantage, such as technology, patents and economies of scale, have been weakened by globalization and other environmental changes (Ulrich and Lake, 1990). As an alternative, a skilled, motivated, and flexible workforce can help develop a company's sustainable core competencies (Levine, 1995). Therefore, HPWS tries to provide an edge to the employees by providing them a competitive advantage over others as it is traditional HR practices are not sufficient in today's scenario.

Keywords: high performance work systems, strategic HRM

Introduction

Defining High Performance Work System

HPWS may be conceptualized as a "bundle of practices" in the tradition of MacDuffie (1995). The different practices are complementary, mutually supportive and together produce system-wide effects, in broad terms commitment and performance. These practices may further be differentiated into work practices (applicable to work system design) and employment practices (applicable to employment relations) (Boxall and Macky, 2009; Godard, 2004). While the latter includes employment security, skill- or performance-based pay and worker-management partnership, the former includes self-managing teams, decentralized decision-making, flexible work assignments and open communications.

Brief overview of the History of HPWS

- Although the concept and measurement of high-performance organizations are relatively new to management theory, they have roots that extend at least back to the beginning of the Industrial Revolution.

- Since the introduction of Industrial Revolution, the employers are striving hard to create a transition in the attitude of employees from craft-tradition mind set to a factory mind set.
- According to successful cotton manufacturer Robert Owen, workers spend time improving machines, specializing labor, and cutting costs, but no investments in were made on workers themselves. Owen said that money spent on improving labor would "increase the return of the company manifold" (Butt 1971).

HPWS is the branch of strategic human resource management (SHRM), where researchers have examined the impact of "bundles" of HR practices on organisational outcomes. Some researches suggests "Universal" HPWS effects whereas other researchers studied that HPWS effects may depend on conditions such as competitive strategy or industry.

More high-performance studies are likely to emerge in the future, because the business environment continues to shift and the science of analysis continues to improve.

Evolution of the concept of "high performance work practices human resources" (HPWP)

Table 1

Year	Authors	Specifications
1995	Huselid	system management, rewards and incentives, employee involvement
1996	Delaney & Huselid	recruitment, training
	Delery & Doty	internal career opportunities, formal training systems, rewards according to performance, employee safety, employee involvement, employee participation in any profit
1998	Jeffrey Pfeffer	job security, selective hiring of new staff, job autonomy in decentralization of decision making, rewards based on performance, extensive training, reduction of various existing barriers, intense exchange of financial and performance information throughout the organization

1999	Harel & Tzafrir Hiltrop	recruitment of staff, training attracting and retaining the most talented employees in the organization
2007	Kepes & Delery	human resource management practices that increase organizational performance
2009	Boselie	specific HR practices that create employee skills: the <i>AMO model</i>

Some Examples of companies that have practiced HPWS

Several organizations have recently implemented HPWS with amazing success in increasing operational performance and productivity due to increases in employee responsibility coupled with more thorough training. Some of these companies are:

- Xerox
- Trinova Corporation
- Met P&C
- Continental General Tire and
- Lockheed Martin

These are the examples of companies experiencing not only financial success, but also improved organizational structure and sustained levels of high performance and productivity.

Not all companies have been able to introduce the concept of HPWS that successfully due to the following reasons:

- It may not be appropriate for all firms, but it is worth the time to evaluate whether a firm would or would not benefit from HPWS.
- Certainly, the type of industry
- The costs of implementing the system
- The likelihood of success and positive productivity gains are all areas that need to be taken into consideration. There are also other avenues to be researched regarding the costs of systems.

Although Government aid is becoming more common in the implementation of HPWS. This is providing an incentive to more firms to adopt this strategy, while breaking down the barriers that prevent some companies from considering it at all. Not only does government funding provide assistance, but government policy also helps to foster economic, political and social environments that reduce the risks and costs of the implementation of HPWS. Governments can also assist in the development of tools, technologies, technical assistance and standards that will enable more and more companies to adopt HPWS.

Outcomes of High-Performance Work Systems

- Employee Outcomes and Quality of Work Life
 - More involved in work
 - More satisfied and find that needs for growth are more fully met
 - More informed and empowered, feel that they have a fuller role to play in the organization and that their opinions and expertise are valued more
 - Have a greater commitment that comes from higher skills and greater potential for contribution
- Organizational Outcomes and Competitive Advantages
 - Higher productivity
 - Lower costs
 - Better responsiveness to customers

- Greater flexibility
- Higher profitability

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