

High performance work systems management essay



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In order for an organization to survive, it must have the capability to adapt. When the environment is turbulent and complex, adaptation becomes more difficult but interestingly more important. Even organizations that have enjoyed stable environments in the past are now facing uncertain technological, economic, political, and cultural changes. Organizational designs must be put in place that allows appropriate adaptation. A powerful organizational design for adaptation is high performance work systems (HPWS). Proponents of HPWS argue that adaptation and responsiveness can best occur when the decision making and authority is given to the person with the most relevant and timely information and skills. HPWS provide employees with a more central role in creating and managing their process. It links people and technology in ways that optimize both potentials (Emery, 1967, Sherwood, 1988, Lawler, 1992). In this essay, we shall be critically analyzing HPWS as ‘best practice’ and why this promise might be false. In order to do this, we explore the concept of HPWS along with its author’s views on its importance on the success of organization and its weaknesses and come to a conclusion as to whether or not the promise is false.

“The High Performance Work System is an organizational architecture that brings together work, people, technology and information in a manner that optimizes the congruence of fit among these elements in order to produce high performance in terms of the effective response to customer requirements and other environmental demands and opportunities.” (Nadler et al, 1992).

HPWS is not a specific design but a set of design principles. An important aspect of the design is that it fits the environment in which it operates

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(Nadler et al, 1992). Variations in organizational design can affect the capability for sense making and consequently appropriate decision-making and actions. Variations in sense making affect enthusiasm, the willingness to sustain complex collaboration, and resourcefulness in the face of setbacks (Weick, 1999).

High Performance Work Systems

The literature on HPWSs can broadly be divided into three streams. First, supporters of HPWS claim that important organizational changes following their introduction (e. g. empowerment, participation in decision-making, the reintegration of conception and execution, increasing control over tasks allocation, and continuous skill improvements), which replace the hierarchical structure associated with traditional forms of work organization, as these systems require workers to have autonomy over their job tasks, to participate in self-directed teams, to be part of problem-solving and other offline teams, and to communicate regularly with employees outside their work groups (Appelbaum et al., 2000; Whitfield and Poole, 1997).

A second strand of more skeptical researchers is critical of the organizational and institutional effects of HPWSs and arguing that they can be used to undermine labour. Ramsay et al. (2000) find that employees enjoy some benefits (e. g. greater discretion) in HPWSs, which are frequently far outweighed by work intensification, insecurity and stress.

A third stream according to Rocha (2010) sees the changes in a more contextual perspective. Vallas (2003) sees the novel citizenship rights, participatory democracy and empowerment (i. e. “ normative” dimensions),

and increasing emphasis on surveillance, performance improvements, market relations, flexibility, etc. (the “ rational” dimension) as entering into the new managerial regimes and simultaneously creating tension in practice, so that there is no stable outcome, but rather a continuous process of alignment and re-alignment between different dimensions of this model.

The promise of the greater utilization of the front line worker has been discussed since the socio-technical studies in the 1950’s (Trist et al, 1963). The promise of the more systemic HPWS has been discussed for more than ten years. Many studies have reported impressive results for those organizations that have experimented with HPWS or one of HPWS’ critical components, self-managed teams (SMT).

Gephart and VanBuren’s (1996) research update of HPWS lists the organizations that have been reported to have outcomes leading to sustainable competitive advantage. These outcomes have translated to increased financial performance. According to them, the successes are not short-term, one-time events but have been sustained in the following organizations for over 5-10 years.

Ames Rubber- 48% productivity improvement, 5 years sustained growth

Ashton Photo – 1% productivity increase, 22% customer growth

Connor Formed Metal Product – Sales increase 21%, new orders 34%, Profit increase 21%

Granite Rock – 88% market share increase, 30% increase on time delivery

Motorola – 131% increase in sales, Reduced cycle times – 4.5 weeks to 1 hour

One Valley Bank – Employee turnover down 48%, productivity up 24%

Tennessee Eastman Division – productivity increase 70% (Gephart and VanBuren's, 1996).

While the benefits of HPWS seem to be well established, the implementation of HPWS is another story. Organizations are still struggling to move to high performance environments. While less complex innovations such as self-managing teams have been implemented, HPWS is still lagging behind. As aptly pointed out by Gordon (1994) it seems the transformation is right around the corner it still remains elusive.

Steckler and Fondas state that corporate America has wholeheartedly embraced the use of self-managing teams, a critical component of HPWS (Steckler & Fondas, 1995), but that is not the case with HPWS, although predictions abound for its increased use (Sexton, 1994, Stewart & Manz, 1990, 1995). Gordon refers to the high performance organization as the 'Camelot' of our time. Everyone wants to be there, but they are not sure whether it is real or a legend (Gordon, 1994). On one hand, HPWS is a deceptively simple concept with major organizational impacts, but on the other hand its implementation has proved to be as elusive as the mythical Camelot.

Recent studies have shown little support for High performance work system, Cappelli and Neumark in a longitudinal data from National Employers

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Surveys in the U. S. A found out that HPP is associated with increased labour costs, weak productivity effects at best and no labour efficiency in manufacturing industries.

HPWS for employees in theory gives improved quality of work life with positive social and psychological outcomes, and higher pay and job security. However, in contrast, Landsbergis et al (1999), Smith (1997) found that HPWS especially alternative work practice is be associated with high levels of work intensity and stress. It is also important to note Barker (1993) analysis of autonomous teams in a US manufacturing plant which suggest that employees felt pressured by strong performance norms which he referred to as 'concrete' control. Hence, these suggest that where HPWS was initially accepted by workers, support diminished over time as experience accumulates (Bruno and Jordan, 1999; Mckinlay and Taylor, 1996, Rinehart et al, 1997).

Harley (2001) and Ramsay et al, (2000) reports based on findings from the 1998 WERS data that employers in workplace a with autonomous team system had no more or less favorable work experiences than those in work place without any form of teams (Godard, 2004).

It is also argued by proponents of HPWS that high performance programs allows unions engage in a new role where they become effective partners with management in the pursuit of mutual gains. In contrast, Fisher (1997), Parker and Slaughter (1998) argues that they may weaken member support for a union due to the fact that they provide workers with alternative individual means of making their voice heard and help to ensure fair

treatment (see Taylor, 1994). The emphasis on corporation may reduce union's essential adversarial role and may create a hostile environment to those with pro-union sentiments. According to (Kochan 1980; Kochan et al 1986 and Jacoby 1997) practices related with high performance paradigm have been used in some if not many cases to avoid unions especially in the U. S. A. Huselid and Rau's (1996) study of US firms and Roche's (1998) study of Irish Firms have found negative association between HPWS and union presence (Godard, 2004).

In conclusion, it is important to note that HPWS having looked at critically tends to have negative implications for the workers and unions especially compared to what the proponents of HPWS has preached. For employers, it is more advantageous for organization to adopt what has been considered as good management work practices and with some alternative work practices included. These practices may not yield high level commitment preached by HPWS but will produce realistic levels of performance. Hence HPWS is as 'best practice' can be seen as a false promise.

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