

Concept
characteristics
components of hpws
today business essay



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Nowadays, there are a number of factors that contribute to the success of an organization. It is not only the quality of the physical resources or the technology that counts, but the people and their skills also make the difference. Human resource management refers to “ the policies, practices and systems that influence employees’ behavior, attitudes and performance” (De Cieri et al. 2003: 4). This essay will discuss how the practices of human resource management can give an organization the competitive advantage, particularly in high involvement/performance work systems.

High performance management has an impact on the organizational performance and mostly in areas like, productivity, quality, customers’ service, future growth and profitability. Some practices that are used are the selective recruitment, extensive and targeted training incentive paying systems and performance management policies (Armstrong, 2009).

According to Benson et al (2006) : “ High-involvement work practices are a specific set of human resources practices that focus on employee decision making, power, access to information, training and incentives”.

2. Concept-characteristics-components of HPWS

After research, Armitage and Keble-Allen (2007) indentified three main points that could describe the concept of the high-performance work systems.

“ An open and creative culture that is people-centered and inclusive, where decisions taking is communicated and shared through the organization.”

Investment in people through education and training, loyalty, inclusiveness and flexible working.”

“ Measurable performance outcomes such as benchmarking and setting targets, as well as processes and best practice.”

Becker and Huselid (1998), after they described how they perceive a high-performance work system they concluded that the HPWS could be the source of a sustained competitive advantage because it has some specific characteristics.

a. “ It links the firm’s selection and promotion decisions to validated competency models.”

b. “ It is the basis for developing strategies that provide timely and effective support for the skills demanded to implant the firm’s strategies”.

c. “ It enacts compensation and performance management policies that attract, retain and motivate high-performance employees.”

Due to the fact, the HPWS definition may vary from country to country Shih et al (2005) defined the basic components of a high performance work system, which are listed below:

a. “ Job infrastructure- workplace arrangements that equip workers with the proper abilities to do their jobs, provide them with the means to do their jobs and give them the motivation to do their jobs. These practices must be combined to produce their proper effects.”

b. “ Training programmes to enhance employee skills, investment in increasing employee skills, knowledge and ability.”

c. “ Information sharing and worker involvement mechanisms, to understand the available alternatives and make correct decisions.”

d. “ Compensation and promotion opportunities that provide motivation, to encourage skilled employees to engage in effective discretionary decision making in a variety of environmental contingencies.”

3. Objectives

The main objectives according to Appelbaum et al (2000) of the high performance work systems are the employee involvement, skill enhancement and motivation.

The three above main objectives could be briefly described by analyzing the A. M. O. formula.

By developing skill and competencies, a company can achieve increased Abilities for its employees.

By creating willingness to use these abilities a company can achieve employees' Motivation.

By increase employees' involvement and participation, a company creates the necessary Opportunities for the employees to use these abilities.

More specifically by skill enhancing are described all the HR practices that aim to improve the knowledge, skills and abilities of the workforce of a

company mostly through the pre-hiring careful selection and the post-hiring training.

Motivation enhancing are all these functions that affect the motivational forces, which lead to energize, sustain and direct the work behavior.

Involvement enhancing are all these functions that facilitate employees to contribute as much as possible their knowledge, skills and abilities in order to reach the maximum teamwork and further more, company's success.

4. Initializing (Developing) a High performance work system

Just a step before implementing a High performance work system there is another step, the one of the development phase of it. The development phase requires various steps, the most important of which are described below.

Analyze the business strategy

At that step the managerial level of the company should define or identify the business strategy, recognize the strengths, weaknesses, opportunities and threats (SWOT) of the company and finally check how the above will affect the work practices and what type of employees are needed now but also in the future.

Define the desired performance culture of the business and the objectives of the exercise.

At that step, the managers have to answer to the following.

What differences do they want to make to working arrangements?

How do they want to treat people?

What do they want from their people to do differently?

Analyze the existing arrangements

What is happening currently in the forms of practices, attitudes and behaviours?

What should be happening?

How do the stakeholders perceive it?

Identify the differences between, what is and how it should be

Clarify expectations and identify potential areas for further improvement

Make a list of practices that should be introduced and/or improved

At that step, only a list in broad lines should be the output and describing what is needed to be done.

Establish complementarities

Identify which practices can be linked to each other in order to complement and support one another.

Assess practices

At that step, it should be examined if it is worth applying these practices, if they create an added value for the company and in what extend will they contribute to the company's strategic goals achievement.

Are they achievable?

From whom should they be applied?

Are there the necessary resources available?

Set priorities

Priorities are very important and they should be set by assessing the following:

Do they create added value for business?

Are there the resources available?

Estimate possible issues (difficulties) in applying the practice, such as resistance from the employees

In what extend can they create linked and mutually supported practices?

Define project objectives

Develop the broad statement of objectives that was produced at the second step and specifically define what has to be achieved, for which reasons and how it will be achieved.

Organize the implementation phase

Define who will be the leader, usually one from the top managerial level.

Who will manage the whole project and who are involved in it.

Set time schedule for the completion of the project

Calculate the necessary resources, both in terms of money and human resources

Set the success criteria for the project based on which will be evaluated after its completion. (Armstrong, 2009)