Dobry den

Good Afternoon

Добри ден
• Every company must design a set of HR policies and practices that make sense for its own strategy and situation. The employee-testing program that works for hiring engineers may not work for a retail store for instance.

• Ford Motor Corp. lost a president in part because he tried unsuccessfully to impose GE’s famous ‘forced distribution’ appraisal process on Ford’s managers. GE’s appraisal system didn’t make sense for Ford.
What is a *High Performance Work System*?

- Also known as ..... 
  
  - *High involvement work systems*
  
  - *High commitment work systems*
  
  - *High investment HRM*
  
  - *Flexible labour systems*
Defining High Performance Work Systems

A set of interrelated HR practices including staffing, performance management and remuneration, training and development, communication and participation.
What does a High Performance Work System mean?

- Intensive recruiting
- Emphasis on internal recruiting
- Promotion based on merit vs. seniority
- Sophisticated/intensive selection procedures
- Routine performance feedback
- Multi-source performance feedback
- Compensation based on skills/knowledge
- Compensation to align interests – based on team, unit, or firm performance
- Extensive communication with employees re: company information
- Self-managing teams
- Extensive training: Depth and breadth
- Use of attitude surveys
- Participatory mechanisms
- Use of grievance procedures
Developing High-Performance Work Systems

Linkages to Strategy

Principles of High Involvement

SYSTEM DESIGN
- Work flow
- HRM practices
- Support technology

The Implementation Process

OUTCOMES
- Organizational
- Employee
Underlying Principles of High-Performance Work Systems
Principles of HPWS

- The Principle of Shared Information
  - A shift away from the mentality of command and control toward one more focused on employee commitment.
  - Creating a culture of information sharing where employees are more willing (and able) to work toward the goals for the organization.
Principles of HPWS (cont’d)

- The Principle of Knowledge Development
  - Employees in high-performance work systems need to learn in “real time,” on the job, using innovative new approaches to solve novel problems.
  - The number of jobs requiring little knowledge and skill is declining while the number of jobs requiring greater knowledge and skill is growing rapidly.
Principles of HPWS (cont’d)

● The Principle of Performance-Reward Linkage
  – It is important to align employee and organizational goals. When rewards are connected to performance, employees will naturally pursue outcomes that are mutually beneficial to themselves and the organization.
Principles of HPWS (cont’d)

- The Principle of Egalitarianism
  - Egalitarian work environments eliminate status and power differences and, in the process, increase collaboration and teamwork.
  - When this happens, productivity can improve if people who once worked in isolation from (or opposition to) one another begin to work together.
Fitting It All Together

- Ensuring Internal fit
  - The situation in which all the internal elements of the work system complement and reinforce one another.

- Establishing External fit
  - The situation in which the work system supports the organization’s goals and strategies.
Implementing High-Performance Work Systems

Build a case for change → Communicate → Involve union → Navigate transition → Evaluation
Building Cooperation with Unions

- Cultivate mutual gains
- Establish formal commitment
- Foster support of constituents
- Adhere to procedures
Benefits of HPWS

● Employee Benefits
  – Have more involvement in the organization.
  – Experience growth and satisfaction, and become more valuable as contributors.

● Organizational Benefits
  – High productivity
  – Quality
  – Flexibility
  – Customer satisfaction.
Evaluating the Success of the System

- **Process audit**
  - Determining whether the high-performance work system has been implemented as designed:
    - Are employees actually working together, or is the term “team” just a label?
    - Are employees getting the information they need to make empowered decisions?
    - Are training programs developing the knowledge and skills employees need?
    - Are employees being rewarded for good performance and useful suggestions?
    - Are employees treated fairly so that power differences are minimal?
To determine if the HPWS program is succeeding in reaching its goals, managers should look at such issues as:

- Are desired behaviors being exhibited on the job?
- Are quality, productivity, flexibility, and customer service objectives being met?
- Are quality-of-life goals being achieved for employees? Is the organization more competitive than in the past?
COMPANIES USING HPWS

Among the successful companies making use of this approach are

Norwest, ServiceMaster, USAA, Wal-Mart, Men's Wear house, Southwest Airlines, Procter and Gamble, Virgin Atlantic Airways.