

Creating High-Performance Work Systems

Managing Human Resources **13e**

Bohlander and Snell

Objectives

After studying this chapter, you should be able to:

1. Discuss the underlying principles of high-performance work systems.
2. Identify the components that make up a high-performance work system.
3. Describe how the components fit together and support strategy.
4. Recommend processes for implementing high-performance work systems.
5. Discuss the outcomes for both employees and the organization.

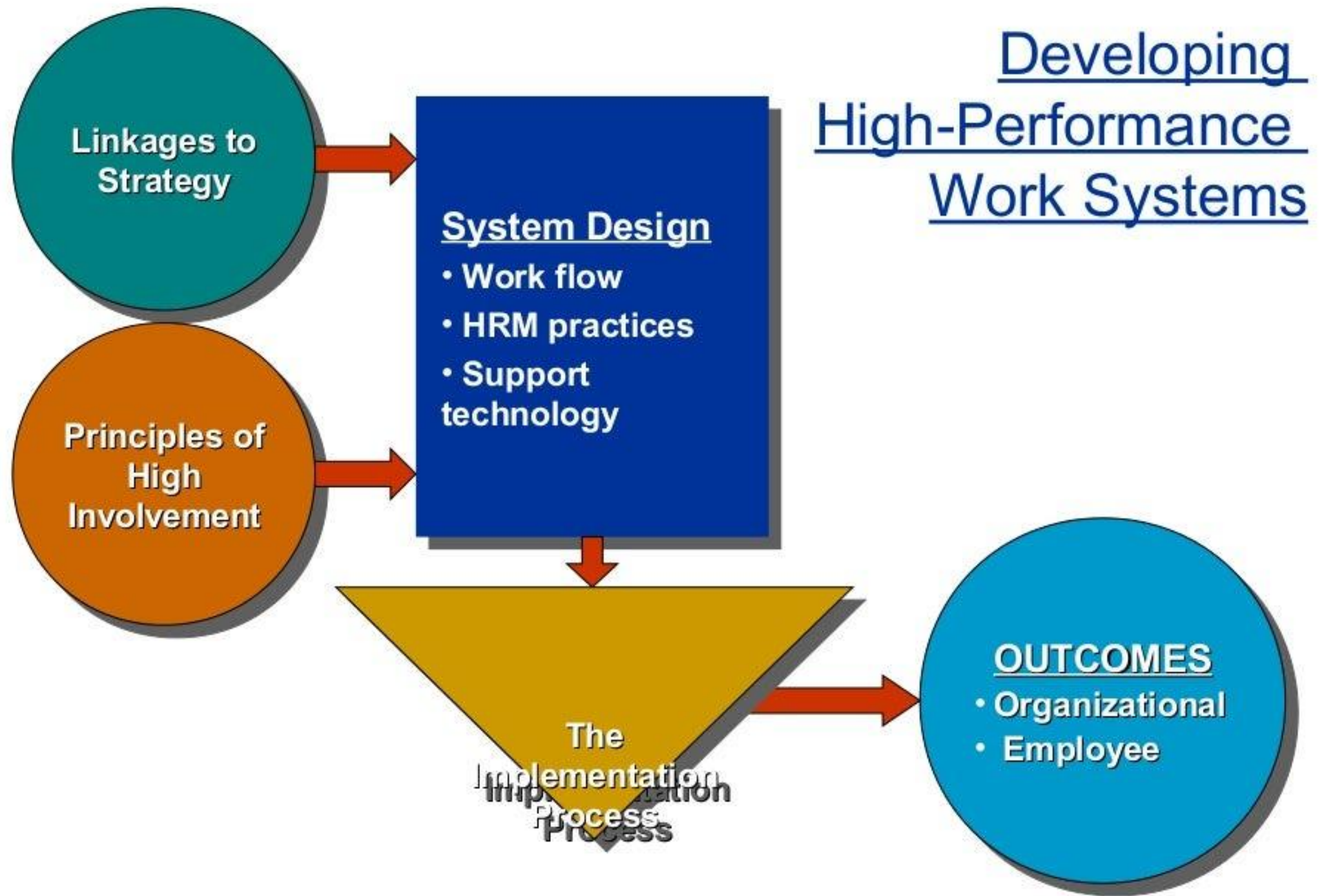
Objectives (cont'd)

After studying this chapter, you should be able to:

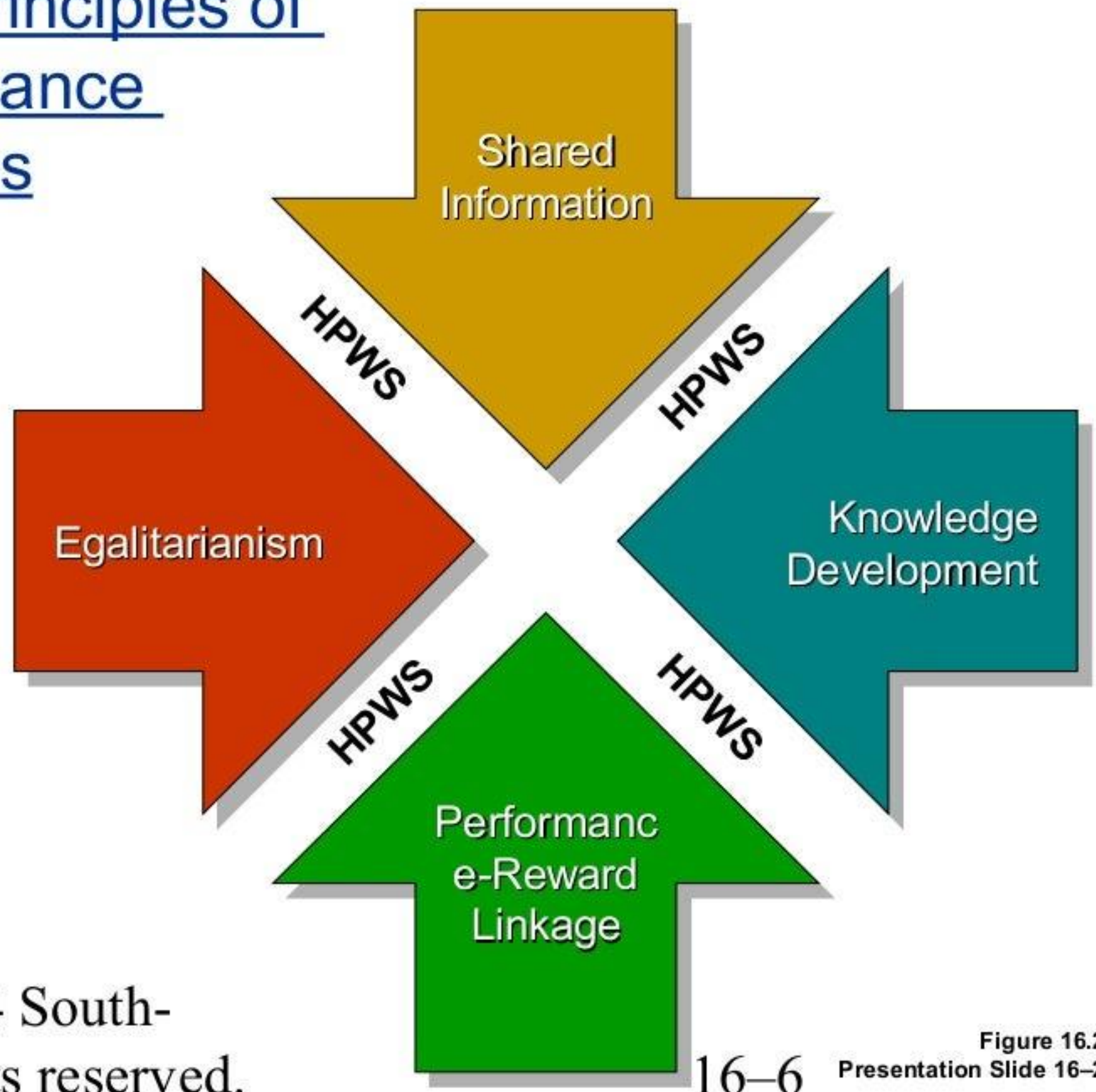
6. Explain how the principles of high-performance work systems apply to small, medium-sized, and large organizations.

High-performance Work System (HPWS)

- A specific combination of HR practices, work structures, and processes that maximizes employee knowledge, skill, commitment, and flexibility.
- Systems composed of many interrelated parts that complement one another to reach the goals of an organization, large or small.



Underlying Principles of High-Performance Work Systems



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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.

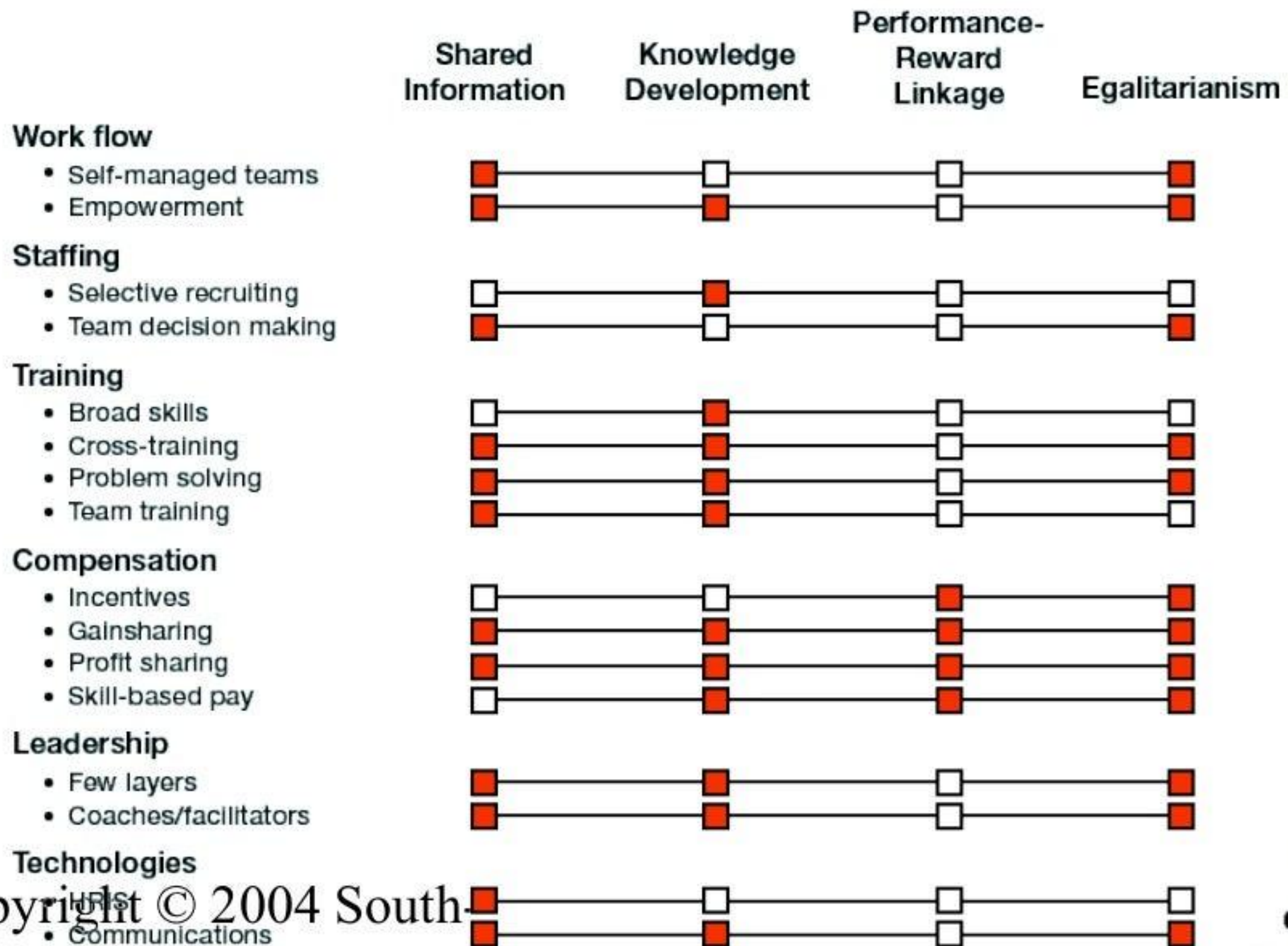
Principles of HPWS (cont'd)

- 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.

Anatomy of High-Performance Work Systems



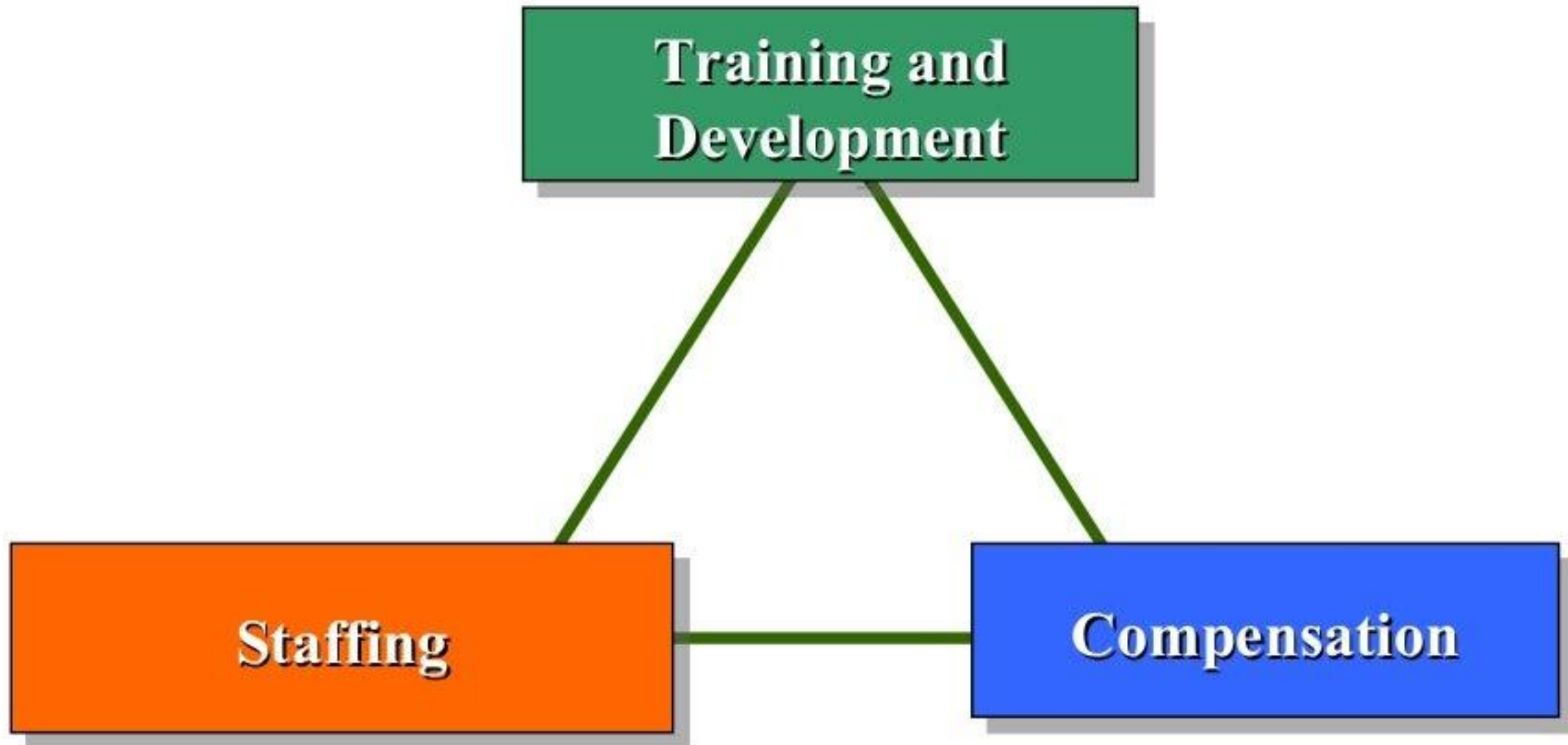
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Figure 16.3

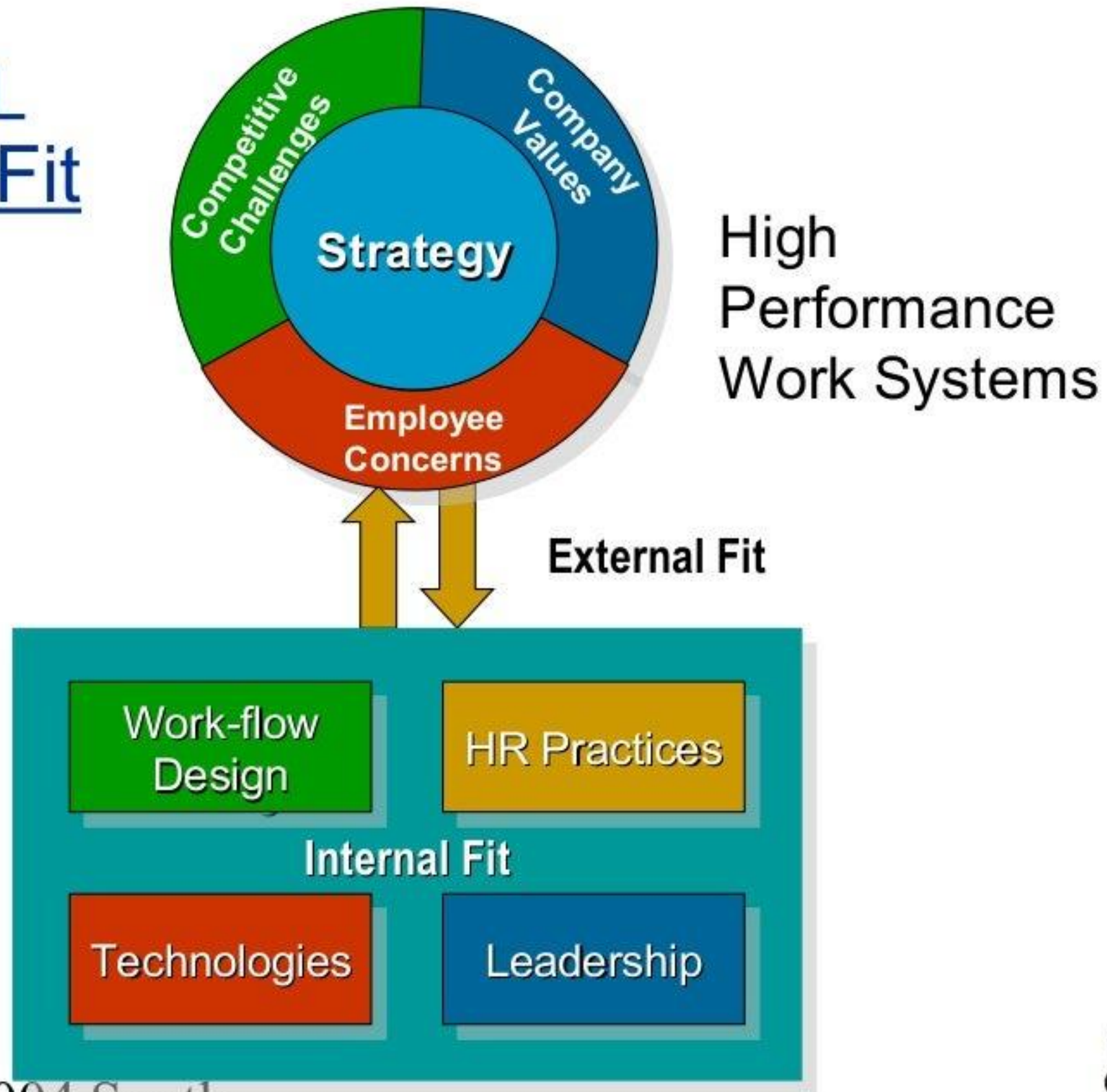
Complementary Human Resources Policies and Practices



Ensuring Fit

- Internal fit
 - The situation in which all the internal elements of the work system complement and reinforce one another.
- External fit
 - The situation in which the work system supports the organization's goals and strategies.

Achieving Strategic Fit



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Figure 16.4

Diagnosing Internal Fit

| | HR Planning | Recruiting and Selection | Training and Development | Performance Management and Appraisal | Compensation and Benefits | Work Organization (e.g., teams) | Communication Systems | HR Performance Measurement Value Cost Creation | |
|--|----------------|--------------------------------|--------------------------------|---|---------------------------------|---------------------------------------|--------------------------|--|-----|
| HR Planning | — | −30 | 0 | −20 | 0 | 0 | 0 | 0 | 0 |
| Recruiting and Selection | | — | 0 | −10 | −20 | −30 | 0 | +30 | −40 |
| Training and Development | | | — | 0 | 0 | 0 | 0 | +30 | −10 |
| Performance Management and Appraisal | | | | — | 0 | −30 | −20 | 0 | −20 |
| Compensation and Benefits | | | | | — | −50 | 0 | +40 | 0 |
| Work Organization (e.g., teams) | | | | | | — | 0 | 0 | 0 |
| Communication Systems | | | | | | | — | 0 | 0 |
| HR Performance Measurement | | | | | | | | — | |

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Source: Brian Becker, Mark Huselid, and Dave Ulrich, The HR Scorecard (Cambridge, Mass.: Howard University Press, 2001).

Assuring HPWS Success

- Necessary Actions for a Successful HPWS:
 - Make a compelling case for change linked to the company's business strategy.
 - Make certain that change is owned by senior and line managers.
 - Allocate sufficient resources and support for the change effort.
 - Ensure early and broad communication.

TESTING ALIGNMENT OF THE HR SYSTEM WITH HR DELIVERABLES

Please indicate the degree to which the following elements of the HR system facilitate the HR deliverables shown, on a scale of –100 to +100. Examples of the extremes and midpoints on that continuum are as follows:

- 100: This dimension is **counterproductive** for enabling this deliverable.
- 0: This dimension has **little or no effect** on this deliverable.
- +100: This dimension **significantly enables** this deliverable.
- DNK: Don't know or have no opinion.

| HR Deliverable | HR Planning | Recruiting and Selection | Training and Development | Performance Management and Appraisal | Compensation and Benefits | Work Organization (e.g., teams) | Communication Systems |
|-----------------------------------|-------------|--------------------------|--------------------------|--------------------------------------|---------------------------|---------------------------------|-----------------------|
| <i>Employment stability</i> | 0 | 0 | 0 | 0 | –50 | –20 | 0 |
| <i>Team-based behaviors</i> | 0 | 0 | –30 | –20 | –40 | 0 | 0 |
| <i>Strategy-focused behaviors</i> | 0 | 0 | 0 | 0 | +40 | 0 | 0 |
| <i>High-talent staffing level</i> | 0 | –50 | 0 | –50 | 0 | 0 | 0 |

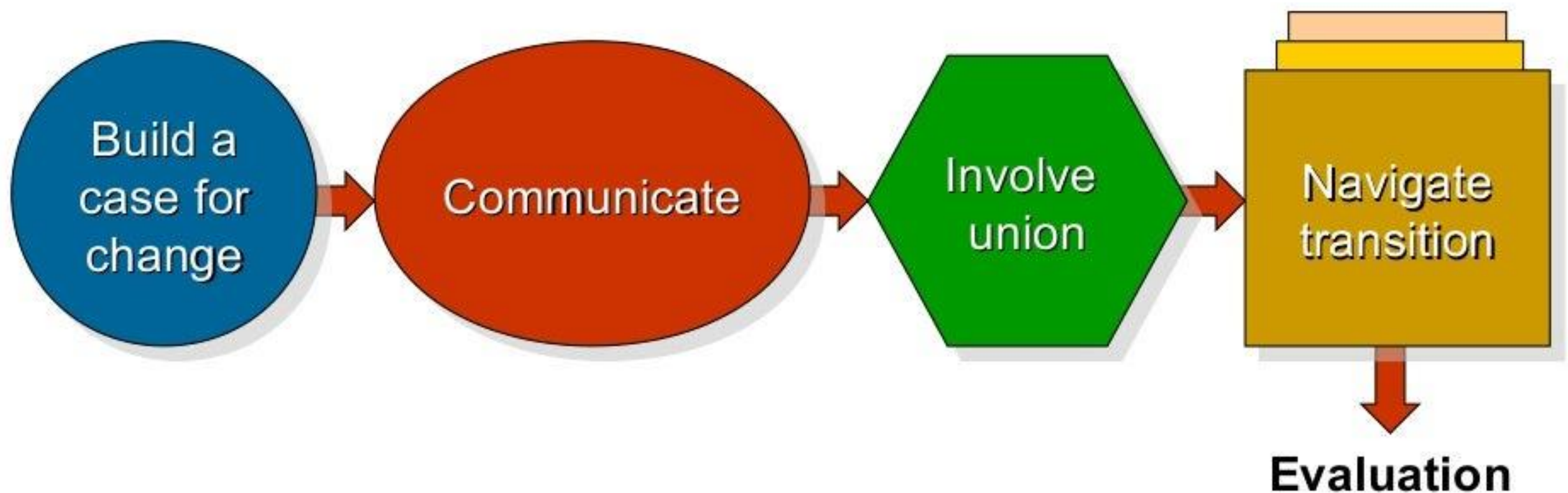
TESTING ALIGNMENT OF HR DELIVERABLES

Please indicate the degree to which each HR deliverable in the chart below would *currently* enable each strategic driver, on a scale of –100 to +100. Empty cells indicate this is not a “key” deliverable for a particular driver. Examples of the extremes and midpoints on that continuum are as follows:

- 100: This deliverable is **counterproductive** for enabling this driver.
- 0: This deliverable has **little or no effect** on this driver.
- +100: This deliverable **significantly enables** this driver.
- DNK: Don't know or have no opinion.

| Strategic Performance Drivers | HR Deliverable | | | |
|---|---|----------------------|------------------------------|----------------------------|
| | Employment Stability among Senior R&D Staff | Team-Based Behaviors | Strategy-Focused Performance | High-Talent Staffing Level |
| 1. Shorten product development times | –80 | –30 | +30 | |
| 2. Enhance customer focus and responsiveness | –20 | | –20 | |
| 3. Enhance productivity | | –10 | –50 | –40 |
| 4. Develop and successfully manage joint ventures | –10 | –50 | | |

Implementing High-Performance Work Systems



Building Cooperation with Unions

