Dialectical View on HPWS and Its Outcomes

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Purpose: The article aims to define the concept of HPWS and identify possible outcomes.

Study design/methodology/approach: The study is designed to analyze the concept of HPWS and identify its possible outcomes of HPWS. Method of scientific, systematic literature review.

Findings: New forms of HRM and HRM systems are broadly discussed in various scenarios but mainly focus on positive outcomes such as performance-enhancing, employee engagement, affective organizational commitment, etc. Nevertheless, all novelties can have as many negative outcomes as positive, but they can be addressed, measured, and assessed only after some time.

Originality/value: HPWS entered the field in the '90s, and now it is about time to start applying a critical approach to understand that HPWS is not universal; it has many variations, many HRM items, and different outcomes.

Introduction

Human Resources Management (HRM) and various HRM systems face many changes and challenges. Modifications in the labor market forced organizations to respond fast by reorganizing the perception of HRM to keep labor sufficient. Workplaces have become a social construct for employees. They are no longer seen as a labor force, and HR managers are no longer just administrators but business partners. Work is a place for generating and implementing ideas, sharing experiences, and solving problems. More and more people prefer remote options for working by seeking autonomy and modern technology and a variety of HRM systems services as a great deal in terms of implementing new working conditions and fulfilling the needs of employees and organizations. Such workplaces 10 years ago were seen as our future, but now, as MacRae and Sawatzky (2020) say, it is today's workplace.

The stimulation of changing workplaces and working conditions comes from our governments and leading organizations as well. The European Commission has prepared the directory "DG HR Management Plan 2021", where such aspects were discussed as requirements to foster modern and high-performance labor, diversification in HRM, ethical and engaging work arrangements, high-quality talents acquisition, etc. (Commission, 2020). The world economic forum also stresses the necessity of flexibility in work arrangements (Schwab, 2019). Countries are trying to make new legislation to help businesses adjust faster and provide necessary support by creating guidelines for organizations on what steps they must take. And as a result, better working conditions are more appealing to employees so that organizations can attract the best talents. These implementations serve as a great competitive advantage.

Managers strive to implement various HRM systems such as high-performance work systems (HPWS) and other innovative HRM tools by following some benchmarks, as they have more resources for experimentation. Unfortunately, lack of knowledge can lead not only to expected results but also to some negative outcomes. This field is still new and quite dynamic, so it requires constant testing to be sure which practices are working well and which should be reconsidered. The desired impact of HPWS is employee engagement, organizational commitment, job satisfaction, increased level of productivity, etc. Still, in the long run, research shows that it can also increase stress levels and burnout and negatively impact job satisfaction and intention to leave the organization.

Conceptual framework of HPWS

A high-performance work system (HPWS) is defined as a series of performance-enhancing human resource management (HRM) practices (Hana et al., 2020). It is a part of strategic HRM that aims to maximize firms' performance and competitive advantage (Po-Chien Chang & Shyh-Jer Chen, 2011). Concerning the definition, HPWS can be seen as a quite established concept. Performance-enhancing HRM practices have been a topic of active research since social and psychological concepts were analyzed in the workplace to understand what effects negative work outcomes. For instance, the notion of alienation came into place along with technological development in the workplace in the XIX century (Maidan, 2011). A feeling of social detachment and alienation led to job dissatisfaction and uncertainty on an individual or collective level as manual labor of employees has been replaced with automatization (Zeffane, 1993). This notion inspired scholars to examine social and psychological factors of employee behavior as it caused negative job performance outcomes. Fundamental change often prompts employee alienation as it is marked by fear, reduced productivity, and a failing commitment to an organization's mission and leadership (Zeffane, 1993). Therefore, the primary task for management is to establish a work environment where employees would feel safe, productive, and creative to bring good results to the organization. And to do so, organizations implementing HPWS with a very high expectation.

Looking retrospectively, HPWS as a scientific phenomenon can be tight to Pfeffer's (1998) seven dimensions for creating value through people:

1. Employment security.
2. Selective hiring of new personnel.
3. Self-managed teams and decentralization of decision making as the basic principles of organizational design.
4. Comparatively high compensation contingent on organizational performance.
5. Extensive training.
6. Reduced status distinctions and barriers, including dress, language, office arrangements, and wage differences across levels.
7. Extensive sharing of financial and performance information throughout the organization.

These dimensions are the starting point leading to HPWS, as this HRM tool is designed to shape high quality, flexible and skillful labor force by fostering best HRM practices. As the concept of HPWS has been developed over a couple of decades and the construct itself has been growing, it is essential to overlook which HRM aspects are taken under the HPWS construct. The main aspects of HPWS are presented below in a map of HPWS (figure 1) by different scholars.
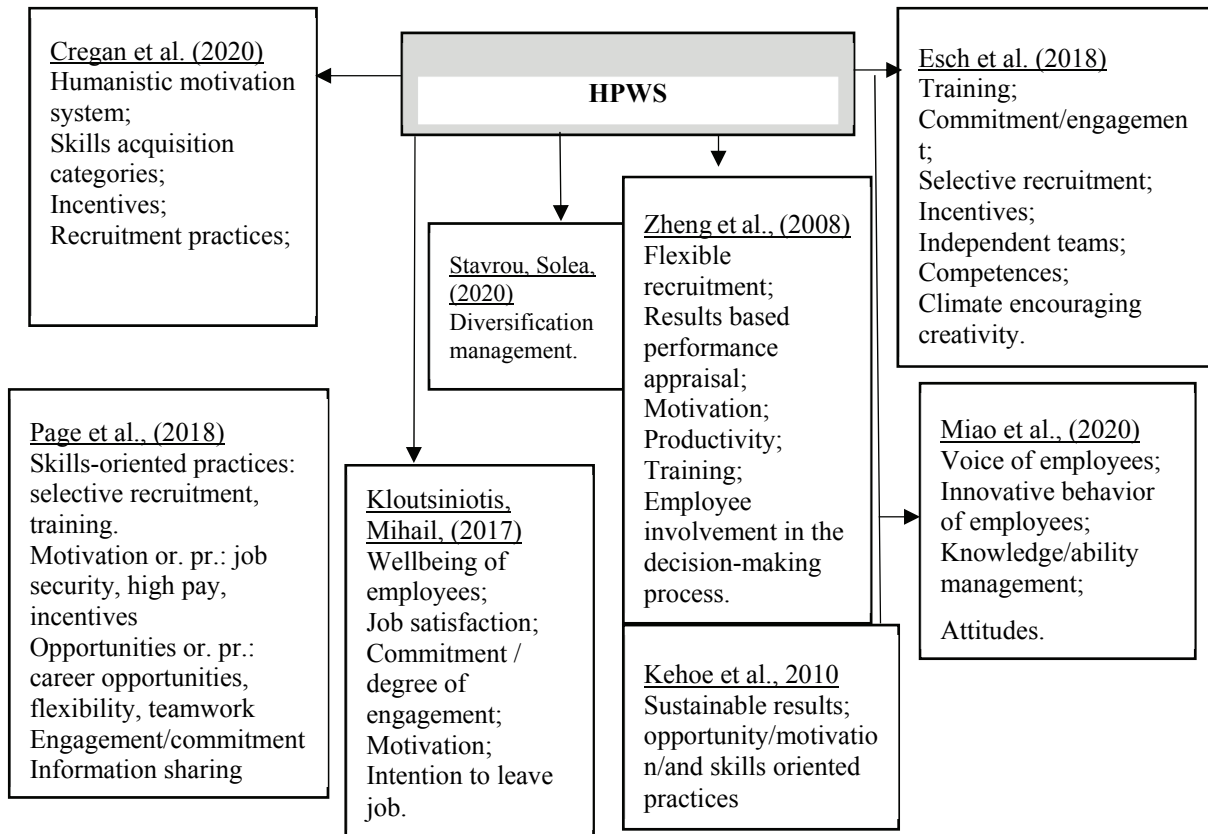
Cregan et al. (2020)
Humanistic motivation system;
Skills acquisition categories;
Incentives;
Recruitment practices;

HPWS

Esch et al. (2018)
Training;
Commitment/engagement;
Selective recruitment;
Incentives;
Independent teams;
Competences;
Climate encouraging creativity.

Stavrou, Solea, (2020)
Diversification management.

Zheng et al., (2008)
Flexible recruitment;
Results based performance appraisal;
Motivation;
Productivity;
Training;
Employee involvement in the decision-making process.

Miao et al., (2020)
Voice of employees;
Innovative behavior of employees;
Knowledge/ability management;

Attitudes.

Page et al., (2018)
Skills-oriented practices: selective recruitment, training.
Motivation or. pr.: job security, high pay, incentives
Opportunities or. pr.: career opportunities, flexibility, teamwork
Engagement/commitment
Information sharing

Kloutsiniotis, Mihail, (2017)
Wellbeing of employees;
Job satisfaction;
Commitment / degree of engagement;
Motivation;
Intention to leave job.

Kehoe et al., 2010
Sustainable results; opportunity/motivation/and skills oriented practices

Figure 1: Map of HPWS

Completed by the author based on Cregan et al. (2020); Page et al. (2018); Kehoe et al. (2010), Miao et al. (2020), and others

Aspects taken under the construct of HPWS (figure 1) are quite different and scattered but at the same time related and similar. For example, the tendency to shape a flexible, responsive, creative workplace by taking into consideration the wellbeing of employees is the key element in every pillar, e.g., humanistic motivation system (Cregan et al., 2022), diversification management (Stavrou, Solea, 2020), the wellbeing of employees (Kloutsiniotis, Mihail, 2017), sustainable results (Kehoe et al., 2010), flexibility, employee involvement into decision-making (Zheng et al., 2008), etc. these are the aspects seen as an aspiration which supposed to create added value to the organization, and this is the main expectation. So, as seen, HPWS is more like a process, not only a tool for shaping an efficient work environment, and it is not entirely universal.

Items used to describe HPWS come from the scales developed by scholars who tested this phenomenon empirically to prove the relationship between HPWS and positive outcomes. Initially, items were created based on strategic HRM perception (scale of 191 items) and after linked specifically to HPWS (24 items) (Becker, Huselid, 1998). Other scholars were developing and adapting the HPWS scale primarily based on Huselid work, e.g., Datta, D. K., Guthrie, J. P. (2005) excluded some items and transformed it to 18 items scale; other scholars were using Datta et al. adaptation, adding two additional items as flexible work arrangements and family-friendly policies (Messersmith et al., 2011), Kehoe, R. R., Wright, P. M. (2013) used only 13 items, Fu, N. B. (2019) and Takeuchi et al. (2007) adapted the scale to Japanese cultural context by using 16 and 21 items scales (example in Fig. 2), newer research also uses pretty much the same base with some adaptation (Andersén, J., Andersén, A., 2019). This overview shows that the construct of HPWS is still under development and can be easily adapted to different cultural contexts.

1. Employees are involved in job rotation.
2. Employees are empowered to make decisions.
3. Jobs are designed around their individual skills and capabilities.
4. Selection is comprehensive (uses interviews, tests, etc.).
5. Selection emphasizes their ability to collaborate and work in teams.
6. Selection involves screening many job candidates.
7. Selection focuses on selecting the best all-around candidate, regardless of the specific job.
8. Selection emphasizes promotion from within.
9. Selection places priority on their potential to learn (e.g., aptitude).
10. Training is continuous.
11. Training programs are comprehensive.
12. Training programs strive to develop firm-specific skills and knowledge.
13. The training programs emphasize on-the-job experiences.
14. Performance is based on objective, quantifiable results.
15. Performance appraisals include management by objective with mutual goal setting.
16. Performance appraisals include developmental feedback.
17. Incentives are based on team performance.
18. Compensation packages include an extensive benefits package.
19. Our compensations include high wages.
20. The incentive system is tied to skill-based pay.
21. Our compensation is contingent on performance.

Figure 2: HPWS items

Source: Takeuchi et al. (2007)

Positive outcomes of HPWS

HPWS is a set of various HRM practices that are supposed to create a feeling for an employee that he can create value as an inherent part of an organization (Agarwal, Farndale, 2017). Obviously, this is an expectation of every organization. Studies have shown that HPWS's favorable outcomes enhance employee intrinsic motivation, perceived competence, ability to execute creative ideas, psychological safety, higher level of commitment, and organizational performance (Agarwal, Farndale, 2017). Other studies link HPWS outcomes to supportive culture and work climate, motivation to work, organizational coordination (Fu et al., 2019), innovation, creativity implementation, human capital, wellbeing, flexible work programs, autonomy, self-efficacy, enhanced employee knowledge (Wattoo et al., 2020; Chas et al., 2019; Zhao et al., 2019). All these positive outcomes look like a panacea to organizations struggling with finding the best way to maximize job performance while keeping employees productive and happy. HPWS might look like a tool that perfectly balances the need between organizations and employees, so managers implement this tool fearlessly without hesitation.

Scholars compare practices of HPWS to a black box where HRM tools are used to enhance job performance (Messersmith et al., 2011). Their study based on a large sample of employees suggests that there is an influence of HPWS on department performance through job satisfaction, organizational commitment, psychological empowerment, and organizational citizenship behavior (Fig. 3).
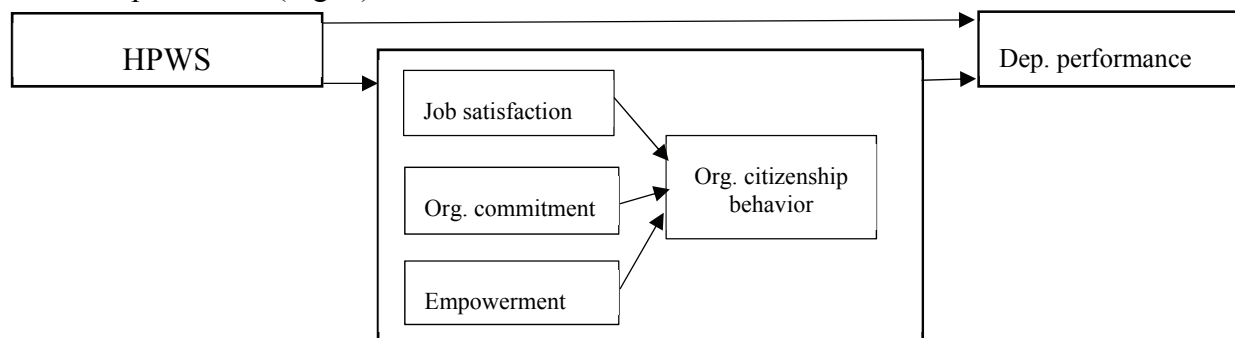

Figure 3: Theoretical model linking HPWS to department performance

Source: Messersmith et al. (2011)

The theoretical model represents the influence of HPWS through a black box of employee attitudes and behaviors on department performance. This case model states that HPWS impacts black box items, and those items influence department performance. It is important to strike that the study was focused on finding the only positive impact of HPWS on department performance.

As with every novelty in business, HPWS needed some time to test long-term impact, and when the desired outcomes were still not reached, scholars and practitioners started to question the tool. To get a more profound understanding of this phenomenon, a dialectical approach must be employed, which assumes that HPWS can have negative and positive outcomes. The dialectical view suggests that the social world constantly changes; therefore, all arrangements are processual and interactive. People's efforts to transcend their limits eventually conflict with the established arrangement and generate social change (Hana et al., 2020, *based on Benson, 1977*).

Negative outcomes of HPWS

First of all, there are some doubts about the measurement of HPWS, its validity, and causality. It was noted that it is incorrect to state that HPWS generates those positive outcomes without specifying which practices were tested and recommended to use in specific cases because different studies tested different items of HPWS (Gerhard, 2012). Second, according to Peccei et al. (2013), it is hard to assess more or less positive effects and work experiences of HRM systems in a simple way. It is rather complex, highly context-specific, and contingent. Relevant effects are likely to vary depending on many factors. Such aspects as the historical context of an organization and other control variables must be considered (Peccei et al., 2013). There are also doubts that HPWS is a valuable retention tool, and the study again proves that HPWS is not universal (Stirpe and Zarraga-Oberty, 2016). Following these arguments, researchers are now starting to test the negative effects of HR systems as well as positive ones to have a better view (Elorza et al., 2022).

So, what kind of negative outcomes can HPWS bring? One of the reasons HPWS can have a negative effect is a so-called *job intensification* related to the implementation of HPWS, which can lead to increased job stress and burnout (Page at el., 2018). As the primary focus of HPWS is to enhance job performance, it might seem like an overwhelming and never stopping process of pushing employees to do more. As Paškvan & Kubicek (2018) noted, *working faster and working more seems to have become a dictum of daily activities at our jobs, making work intensification a global issue.* Employees' wellbeing and work-life balance are at stake, which is related to emotional exhaustion when an employee cannot switch his focus on his personal life after work (Mariappanadar, 2016). HPWS can also be related to workplace bullying, which affects employee retention, as the study showed (Page et al., 2018). Organizations can better understand and assess these possible consequences by employing a *stress-management model of job strain* (Karasek, 1979). The model predicts that mental strain results from the interaction of job demands and job decision latitude. As Kasasek (1979) stated, even long before HPWS took place, the consistent finding is that it is the combination of low decision latitude and heavy job demands associated with mental strain. This same combination is also associated with job dissatisfaction. *"The model postulates that psychological strain results not from a single aspect of the work environment, but from the joint effects of the demands of a work situation and the range of decision-making freedom (discretion) available to the worker facing those demands "*– this implication perfectly reflects the concept of HPWS.

Possible negative outcomes do not make HPWS an ineffective tool; in fact, it shows how powerful it can be. However, organizations must consider the level of intensity and always keep

in mind that it is not just a set of HRM tools. It is instead a process, and as a process, it must be under supervision all the time.

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