13

High-performance Work Systems

Key concepts and terms

- High-commitment management
- High-involvement management
- High-performance management
- Performance management model
- High-commitment model
- High-performance culture
- High-performance work system (HPWS)

Learning outcomes

On completing this chapter you should be able to define these key concepts. You should also know about:

- The characteristics of a high-performance culture
- The components of a HPWS
- Developing high-performance work systems
- The characteristics of a high-performance work system (HPWS)
- Impact of high-performance work systems

Introduction

Organizations are in the business of achieving sustained high performance. They do this through the systems of work they adopt but these systems are managed and operated by people. Ultimately, therefore, high-performance working is about improving performance through people. The aim is to achieve a high-performance culture as defined in the first section of this chapter. This can be done through the development and implementation of high-performance work systems (defined in the second section of his chapter), which incorporate to varying degrees processes of high performance, high commitment and high involvement management, as described in Chapter 3.

High-performance working can involve the two 'ideal type' approaches to HRM identified by Guest (2007): 1) the 'high-commitment' model – 'a move from external control through management systems, technology and supervision to self-control by workers or teams of workers, who, because of their commitment to the organization, would exercise responsible autonomy and control in the interests of the organization'. The emphasis is on intrinsic control and intrinsic rewards. 2) The 'performance management model' in which management retains much of the control – 'the focus is on the adoption of practices designed to maximize high performance by ensuring high levels of competence and motivation.' The emphasis is on external control and extrinsic rewards.

According to Guest, reconciling these has been attempted through high-performance work systems. These achieve high performance by ensuring that HR practices are adopted 'that lead to workers having high ability/competence, high motivation, and an opportunity to contribute through jobs that provide the discretion, autonomy and control required to use their knowledge and skills and to exercise motivation'. The focus is on performance and not the well-being of employees.

High-performance culture

The aim of a HPWS is to achieve a high-performance culture, one in which the values, norms and HR practices of an organization combine to create a climate in which the achievement of high levels of performance is a way of life.

Characteristics of a high-performance culture

- Management defines what it requires in the shape of performance improvements, sets goals for success and monitors performance to ensure that the goals are achieved.

- Alternative work practices are adopted such as job redesign, autonomous work teams, improvement groups, team briefing and flexible working.

- People know what's expected of them – they understand their goals and accountabilities.

- People feel that their job is worth doing, and there is a strong fit between the job and their capabilities.

- People are empowered to maximize their contribution.

- There is strong leadership from the top that engenders a shared belief in the importance of continuing improvement.

- There is a focus on promoting positive attitudes that result in an engaged, committed and motivated workforce.

- Performance management processes are aligned to business goals to ensure that people are engaged in achieving agreed objectives and standards.

- Capacities of people are developed through learning at all levels to support performance improvement and people are provided with opportunities to make full use of their skills and abilities.

- A pool of talent ensures a continuous supply of high performers in key roles.

- People are valued and rewarded according to their contribution.

- People are involved in developing high-performance practices.

- There is a climate of trust and teamwork, aimed at delivering a distinctive service to the customer.

- A clear line of sight exists between the strategic aims of the organization and those of its departments and its staff at all levels.

High-performance work system defined

There are many definitions of a high-performance work system (HPWS) and high-performance working. In their seminal work, *Manufacturing Advantage: Why high performance work systems pay off,* Appelbaum *et al* (2000) stated that high-performance work systems facilitate employee involvement, skill enhancement and motivation. An HPWS is 'generally associated with workshop practices that raise the levels of trust within workplaces and increase workers' intrinsic reward from work, and thereby enhance organizational commitment'. They define high performance as a way of organizing work so that front-line workers participate in decisions that have a real impact on their jobs and the wider organization.

It is sometimes believed that high-performance work systems are just about HR policies and initiatives. But as Godard (2004) suggested, they are based on both alternative work practices and high-commitment employment practices. He called this the 'high-performance paradigm' and described it as follows.

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The high-performance work paradigm, Godard (2004)

Alternative work practices that have been identified include: 1) alternative job design practices, including work teams (autonomous or non-autonomous), job enrichment, job rotation and related reforms; and 2) formal participatory practices, including quality circles or problem-solving groups, town hall meetings, team briefings and joint steering committees. Of these practices, work teams and quality circles can be considered as most central to the high-performance paradigm. High-commitment employment practices that have been identified include: 1) sophisticated selection and training, emphasizing values and human relations skills as well as knowledge skills; 2) behaviour-based appraisal and advancement criteria; 3) single status policies; 4) contingent pay systems, especially pay-for-knowledge, group bonuses, and profit sharing; 5) job security; 6) above-market pay and benefits; 7) grievance systems; and others.

However, research conducted by Armitage and Keble-Allen (2007) indicated that people management basics formed the foundation of high-performance working. They identified the following three themes underpinning the HPWS concept.

Themes underpinning the HPWS concept

- An open and creative culture that is people-centred and inclusive, where decision 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 innovation through processes and best practice.

Sung and Ashton (2005) defined what they call 'high-performance work practices' as a set or 'bundle' of 35 complementary work practices covering three broad areas:

1. High employee involvement work practices – eg self-directed teams, quality circles and sharing/access to company information.

2. Human resource practices – eg sophisticated recruitment processes, performance appraisals, mentoring and work redesign.

3. Reward and commitment practices – eg various financial rewards, family-friendly policies, job rotation and flexi hours.

Characteristics of a high-performance work system

A high-performance work system is described by Becker and Huselid (1998) as: 'An internally consistent and coherent HRM system that is focused on solving operational problems and implementing the firm's competitive strategy.' They suggest that such a system 'is the key to the acquisition, motivation and development of the underlying intellectual assets that can be a source of sustained competitive advantage'. This is because it has the following characteristics.

Characteristics of an HPWS

- It links the firm's selection and promotion decisions to validated competency models.

- It is the basis for developing strategies that provide timely and effective support for the skills demanded to implant the firm's strategies.

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

Nadler and Gerstein (1992) have characterized an HPWS as a way of thinking about organizations. It can play an important role in strategic human resource management by helping to achieve a 'fit' between information, technology, people and work.

High-performance work systems provide the means for creating a performance culture. They embody ways of thinking about performance in organizations and how it can be improved. They are concerned with developing and implementing bundles of complementary practices which, as an integrated whole, will make a much more powerful impact on performance than if they were dealt with as separate entities.

Becker *et al* (2001) have stated that the aim of such systems is to develop a 'high-performance perspective in which HR and other executives view HR as a system embedded within the larger

system of the firm's strategy implementation'. As Nadler (1989) commented, they are deliberately introduced in order to improve organizational, financial and operational performance.

'High-performance work systems' are also known as 'high-performance work practices' (Sung and Ashton, 2005). Thompson and Heron (2005) referred to them as 'high-performance work organizations' that 'invest in the skills and abilities of employees, design work in ways that enable employee collaboration in problem solving, and provide incentives to motivate workers to use their discretionary effort'. The terms 'high-performance system' and 'high-commitment system' often seem to be used interchangeably. There is indeed much common ground between the practices included in high-performance, high-commitment and high-involvement work systems, as described in Chapter 3 although, following Godard (2004) there may be more emphasis in a high-performance work system on alternative work practices. Sung and Ashton (2005) noted that:

> *In some cases high-performance work practices are called 'high commitment practices' (Walton, 1985b) or 'high-involvement management' (Lawler, 1986). More recently they have been termed 'high-performance organizations' (Lawler et al, 1998, Ashton and Sung, 2002) or 'high-involvement' work practices (Wood et al, 2001). Whilst these studies are referring to the same general phenomena the use of different 'labels' has undoubtedly added to the confusion.*

The term 'high-performance work system' (HPWS) is the one most commonly used in both academic and practitioner circles and it is therefore adopted in this chapter. But it is recognized that high commitment and high involvement are both important factors in the pursuit of high performance. The notions incorporated in these practices therefore need to be incorporated in any programme for improving organizational effectiveness wherever they add to the basic concepts of a high-performance work system.

Components of an HPWS

There is no generally accepted definition of an HPWS and there is no standard list of the features or components of such a system. Appelbaum and Batt (1994) identified six models: US lean production, US team production, German diversified quality production, Italian flexible specialization, Japanese lean production and Swedish socio-technical systems. These systems vary in the degree of autonomy they give the workforce, the nature of the supporting human resource practices, and the extent to which the gains from the systems are shared.

In spite of this problem of definition, an attempt to define the basic components of an HPWS was made by Shih *et al* (2005) as follows:

● 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.

- Training programmes to enhance employee skills – investment in increasing employee skills, knowledge and ability.

- Information sharing and worker involvement mechanisms – to understand the available alternatives and make correct decisions.

- Compensation and promotion opportunities that provide motivation – to encourage skilled employees to engage in effective discretionary decision making in a variety of environmental contingencies.

Many other descriptions of high-performance systems include lists of desirable practices and therefore embody the notion of 'best practice' or the 'universalistic' approach described in Chapter 2. Lists vary considerably, as is shown in the selection set out in Table 13.1. Gephart (1995) noted that research has not clearly identified any single set of high-performance practices. Becker *et al* (1997) remarked that: 'Organizational high-performance work systems are highly idiosyncratic and must be tailored carefully to each firm's individual situation to achieve optimum results.' And Sung and Ashton (2005) commented: 'It would be wrong to seek one magic list.' It all depends on the context.

Table 13.1   Lists of HR practices in high-performance work systems

US Department of Labor (1993)	Appelbaum *et al* (2000)	Sung and Ashton (2005)	Thompson and Heron (2005)
• Careful and extensive systems for recruitment, selection and training • Formal systems for sharing information with employees • Clear job design • High-level participation processes • Monitoring of attitudes	• Work is organized to permit front-line workers to participate in decisions that alter organizational routines • Workers require more skills to do their jobs successfully, and many of these skills are firm-specific • Workers experience greater	• High-involvement work practices – eg self-directed teams, quality circles, and sharing/access to company information • Human resource practices – eg sophisticated recruitment processes, performance appraisals, work redesign	• Information sharing. • Sophisticated recruitment • Formal induction programme • Five or more days of off-the-job training in the last year • Semi or totally autonomous work teams; continuous improvement teams; problem-

Table 13.1 *continued*

US Department of Labor (1993)	Appelbaum *et al* (2000)	Sung and Ashton (2005)	Thompson and Heron (2005)
• Performance appraisals • Properly functioning grievance procedures • Promotion and compensation schemes that provide for the recognition and reward of high-performing employees	autonomy over their job tasks and methods of work • Incentive pay motivates workers to extend extra effort on developing skills • Employment security provides front-line workers with a long-term stake in the company and a reason to invest in its future	and mentoring • Reward and commitment practices – eg various financial rewards, family friendly policies, job rotation and flexi hours	solving groups • Interpersonal skill development • Performance feedback • Involvement – works council, suggestion scheme, opinion survey • Team-based rewards, employee share ownership scheme, profit-sharing scheme.

However, Ashton and Sung (2002) noted that the practices may be more effective when they are grouped together in 'bundles'. For example, the isolated use of quality circles is not as effective as when the practice is supported by wider employee involvement/empowerment practices.

Godard (2004) suggested that that there is a general assumption that the benefit of an HPWS increases with the number of practices adopted. However, it is often argued that high-performance practices are complementary to, and hence interact with, each other, so that their true potential is not fully realized unless they are adopted in combination or as part of a full-blown high-performance system (the complementarities thesis). It is also sometimes argued that these effects are not fully realized unless integrated with or matched to a particular employer strategy (the 'matching' thesis).

It is possible to interpret these descriptions of HPWS activities as in effect incorporating the high-commitment principle that jobs should be designed to provide intrinsic satisfaction and the high-involvement principle of treating employees as partners in the enterprise whose interests are respected and who have a voice on matters that concern them.

Impact of high-performance work systems

A considerable number of studies as summarized below have been conducted that demonstrate that the impact of high-performance work systems is positive.

US Department of Labor (1993)

In a survey of 700 organizations the US Department of Labor found that firms that used innovative human resource practices show a significantly higher level of shareholder and gross return on capital.

King (1995)

King cites a survey of Fortune 1000 companies in the United States revealing that 60 per cent of those using at least one practice, increasing the responsibility of employees in the business process, reported that the result was an increase in productivity while 70 per cent reported an improvement in quality.

He examined the impact of the use of one practice. A study of 155 manufacturing firms showed that those which had introduced a formal training programme experienced a 19 per cent larger rise in productivity over three years than firms that did not introduce a training programme. Research into the use of gainsharing in 112 manufacturing firms revealed that defect and downtime rates fell 23 per cent in the first year after the approach was introduced. His review of 29 studies on the effects of workplace participation on productivity indicated that 14 had a positive effect on productivity, only two had negative effects and the rest were inconclusive.

However, he noted that such work practices may have only a limited effect unless they are elements of a coherent work system. Further research examined changes over time in 222 firms and found that these and other practices are associated with even greater productivity when implemented together in systems.

He concluded that the evidence suggest that it is the use of comprehensive systems of work practices in firms that is most closely associated with stronger firm performance. Yet he noted that 'the nature of the relationship between high-performance work practices and productivity is not clear'.

Varma et al (1999)

A survey of 39 organizations was conducted by Varma et al to examine the antecedents, design and effectiveness of high-performance initiatives. Results indicated that HPWSs are primarily initiated by strong firms that are seeking to become stronger. First and foremost, firms reported that in general their HPWS:

- had a significant impact on financial performance;

- created a positive culture change in the organization (eg, cooperation and innovation);

- created higher degrees of job satisfaction among employees;

- positively influenced the way in which work was designed;

- led to marked improvement in communication processes within the organization.

In particular, the use of team-based and non-financial rewards was closely related to improved performance, as was rewarding people for improving their competencies.

Appelbaum *et al* (2000)

A multifaceted research design was used by the authors in their study of the impact of HPWSs. This included management interviews, the collection of plant performance and data surveys of workers on their experiences with workshop practices. Nearly 4,400 employees were surveyed and 44 manufacturing facilities were visited. The findings of the research were that:

- in the steel industry HPWSs produced strong positive effects on performance, for example, substantial increases in uptime;

- in the apparel industry the introduction of a 'module system' (ie group piecework rates linked to quality as well as quantity rather than individual piecework, plus multi-skilling) dramatically speeded up throughput times, meeting consumer demands for fast delivery;

- in the medical electronics and imaging industry those using an HPWS ranked highly on eight diverse indicators of financial performance and production efficiency and quality.

The impact of HPWS on individual workers was to enhance:

- trust by sharing control and encouraging participation;

- intrinsic rewards because workers are challenged to be creative and use their skills and knowledge – discretion and autonomy are the task-level decisions most likely to enhance intrinsic rewards;

- organizational commitment through opportunity to participate, and incentives that make people feel that organizational relationships are beneficial for them;

- job satisfaction because of participation, perception of fairness in pay and adequate resources to do jobs (inadequate resources is a cause of dissatisfaction, as is working in an unsafe or unclean environment).

They concluded that taken as a whole, the results suggested that the core characteristics of HPWSs – having autonomy over task-level decision making, membership of self-directing production and off-line teams and communication with people outside the work group – generally enhance workers' levels of organizational commitment and satisfaction:

> *HPWSs are generally associated with workshop practices that raise the levels of trust within workplaces and increase workers' intrinsic reward from work, and thereby enhance organizational commitment. Wages are higher as well… The adoption of HPWSs sets positive productivity dynamics in motion.*

Sung and Ashton (2005)

This survey of high-performance work practices (HPWP) was conducted in 294 UK companies. It provided evidence that the level of HPWP adoption as measured by the number of practices in use is linked to organizational performance. Those adopting more of the practices as 'bundles' had greater employee involvement and were more effective in delivering adequate training provision, managing staff and providing career opportunities.

Combs *et al* (2006)

A meta-analysis of 92 studies showed a link between high performance HR practices and organization performance. The three sets of influential HR practices identified were those that: 1) increased skills; 2) empower employees; and 3) improve motivation. HPWSs also improve the internal social structure within organizations, which facilitates communication and cooperation among employees.

Ericksen (2007)

Research was conducted in 196 small businesses to test the hypothesis that HPWSs create a human resource advantage by aligning key employee attributes and the strategic goals of the firm and by adapting their workforce attributes in response to new strategic circumstances. Dynamic workforce alignment exists when firms have 'the right types of people, in the right places, doing the right things right', and when adjustments are readily made to their workforces as the situation changes.

The research showed that there was a strong positive relationship between workforce alignment and sales growth when adaptation was high.

Reservations about the impact of an HPWS

Research conducted by Ramsay *et al* (2000) aimed to explore linkages from HPWS practices to employee outcomes and via these to organizational performance. They referred to the existence of the 'black box', meaning that while the introduction of an HPWS may be associated

with improved performance, no researchers have yet established how this happens. Their research was based on data from the UK 1998 Workplace Employee Relations Survey. They commented that 'the widely held view that positive performance outcomes from HPWS flow via positive employee outcomes has been shown to be highly questionable', a finding that ran counter to most of the other studies. They admit that their analysis was 'perhaps too simplistic to capture the complex reality of the implementation and operation of HPWS', but they note, realistically, that 'there are major limitations to the strategic management of labour which severely constrain the potential for innovative approaches to be implemented successfully'.

Godard (2001) concluded, following his research in Canada, that the actual effects of HPWSs can vary considerably and many have a limited lifespan. Following further research, Godard (2004) commented that:

> *The full adoption of this (high-performance) paradigm may not yield outcomes that are appreciably more positive than those yielded by practices that have long been associated with good management, including professional personnel practices (eg job ladders, employment security, grievance systems, formal training, above-market pay), group work organization, information sharing and accommodative union relations policies… There may be positive effects in some workplaces. However, these effects may be inherently more limited than assumed and, in a great many workplaces, may not be sufficient to justify full adoption.*

Farnham (2008) summed up the reservations about the high-performance or high-commitment model by referring to issues about the direction of the causality in the black box, lack of consistency in the practices included in the bundle, variations in the proxies used to measure high-commitment HRM, variations in the proxies used to measure performance, relying on the self-report scores of HR managers, doubts about how much autonomy organizations have introduced in decision making in practice, and doubts about the universal application of high-commitment HRM as an approach to HR strategy.

These reservations usefully modify the often starry-eyed enthusiasm for the notion of high-performance working and emphasize that it is not an easy option. But it is difficult to argue against the basic concept and there is enough evidence that it is effective to encourage its development as described below, albeit being realistic about what is possible and how well it will work.

Developing a high-performance work system

A high-performance work system has to be based on a high-performance strategy that sets out intentions and plans on how a high-performance culture can be created and maintained. The

strategy has to be aligned to the context of the organization and to its business strategy. Every organization will therefore develop a different strategy, as is illustrated by the case study examples set out in Table 13.2.

Table 13.2   Examples of high-performance working ingredients

Organization	High-performance working ingredients
Halo Foods	• A strategy that maintains competitiveness by increasing added value through the efforts and enhanced capability of all staff • The integration of technical advance with people development • Continuing reliance on team-working and effective leadership, with innovation and self and team management skills
Land Registry	• Organizational changes to streamline processes, raise skill levels and release talents • Managers who could see that the problems were as much cultural as organizational • Recruitment of people whose attitudes and aptitudes match the needs of high performance work practices
Meritor Heavy Vehicle Braking Systems	• Skill enhancement, particularly of management and self management skills using competence frameworks • Team-working skills and experience used on improvement projects • Linking learning, involvement and performance management
Orangebox	• A strategy that relies on constant reinvention of operational capability • Engagement and development of existing talent and initiative in productivity improvement • Increasing use of cross-departmental projects to tackle wider opportunities
Perkinelmer	• A vision and values worked through by managers and supervisors • Engagement of everyone in the organization and establishment of a continuous improvement culture • Learning as a basis for change
United Welsh Housing Association	• Linking of better employment relations with better performance • Using staff experience to improve customer service • Focusing management development on the cascading of a partnership culture

(Source: Stevens, 2005)

Approach to developing an HPWS

The approach to developing an HPWS is based on an understanding of what the goals of the business are, what work arrangements are appropriate to the attainment of those goals and how people can contribute to their achievement. This leads to an assessment of what type of performance culture is required.

The development programme requires strong leadership from the top. Stakeholders – line managers, team leaders, employees and their representatives – should be involved as much as possible through surveys, focus groups and workshops.

The development programme

The steps required to develop an HPWS are described below.

1. Analyse the business strategy

- Where is the business going?
- What are the strengths and weaknesses of the business?
- What threats and opportunities face the business?
- What are the implications of the above on the type of work practices and people required by the business, now and in the future?

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

Use the list of characteristics of a high-performance culture as set out at the beginning of this chapter as a starting point and produce a list that is aligned to the culture and context of the business and a statement of the objectives of developing an HPWS. Answer the questions:

- What differences do we want to make to working arrangements?
- How do we want to treat people differently?
- What do we want people to do differently?

3. Analyse the existing arrangements

Start from the headings defined at Stage 2 and analyse against each heading:

- What is happening now in the form of practices, attitudes and behaviours?
- What should be happening?

- What do people feel about it? (The more involvement in this analysis from all stakeholders the better.)

4. Identify the gaps between what is and what should be

Clarify specific practices where there is considerable room for improvement.

5. Draw up a list of practices that need to be introduced or improved

At this stage only a broad definition should be produced of what ideally needs to be done.

6. Establish complementarities

Identify the practices that can be linked together in 'bundles' to complement and support one another.

7. Assess practicality

The ideal list of practices, or preferably, bundles of practices, should be subjected to a reality check:

- Is it worth doing? What's the business case in terms of added value? What contribution will it make to supporting the achievement of the organization's strategic goals?
- Can it be done?
- Who does it?
- Do we have the resources to do it?
- How do we manage the change?

8. Prioritize

In the light of the assessment of practicalities, decide on the priorities that should be given to introducing new or improved practices. A realistic approach is essential. There will be limits on how much can be done at once or any future time. Priorities should be established by assessing:

- the added value the practice will create;
- the availability of the resources required;
- anticipated problems in introducing the practice, including resistance to change by stakeholders (too much should not be made of this: change can be managed, but there is much to be said for achieving some quick wins);
- the extent to which they can form bundles of mutually supporting practices.

9. Define project objectives

Develop the broad statement of objectives produced at Stage 2 and define what is to be achieved, why and how.

10. Get buy-in

This should start at the top with the chief executive and members of the senior management team, but so far as possible it should extend to all the other stakeholders (easier if they have been involved at earlier stages and if the intentions have been fully communicated).

11. Plan the implementation

This is where things become difficult. Deciding what needs to be done is fairly easy; getting it done is the hard part. The implementation plan needs to cover:

- who takes the lead – this must come from the top of the organization: nothing will work without it;

- who manages the project and who else is involved;

- the timetable for development and introduction;

- the resources (people and money required);

- how the change programme will be managed, including communication and further consultation;

- the success criteria for the project.

12. Implement

Too often, 80 per cent of the time spent on introducing an HPWS is devoted to planning and only 20 per cent on implementation. It should be the other way round. Whoever is responsible for implementation must have considerable project and change management skills.

High-performance work systems – key learning points

The key characteristics of a high-performance culture

- People know what's expected of them – they understand their goals and accountabilities.

- People feel that their job is worth doing, and there is a strong fit between the job and their capabilities.

- Management defines what it requires in the shape of performance

High-performance work systems – key learning points (continued)

improvements, sets goals for success and monitors performance to ensure that the goals are achieved.

- There is a focus on promoting positive attitudes that result in an engaged, committed and motivated workforce.

- Performance management processes are aligned to business goals to ensure that people are engaged in achieving agreed objectives and standards.

- Capacities of people are developed through learning at all levels to support performance improvement.

The characteristics of a high-performance work system (HPWS)

- Links the firm's selection and promotion decisions to validated competency models.

- A basis for developing strategies that provide timely and effective support for the skills demanded to implement the firm's strategies.

- Enacts compensation and performance management policies that attract, retain and motivate high performance employees.

The components of an HPWS

There is no 'magic list' of best practices for an HPWS although they work best if bundled together. The lists that have been produced include sophisticated HR practices in such areas as recruitment, learning and development, performance management and reward processes.

Impact of high-performance work systems

A considerable number of studies have been conducted that demonstrate that the impact of high-performance work systems is positive.

Developing high-performance work systems

The approach to developing an HPWS is based on an understanding of what the goals of the business are and how people can contribute to their achievement. This leads to an assessment of what type of performance culture is required.

Questions

1. You have received an e-mail from your operations director to the effect that he is confused by the terms 'high performance', 'high commitment' and 'high involvement' management. He wants to know what the differences are between them, if any. He would also like your views on how any of them might benefit the company, particularly distribution and customer service. Draft a reply.

2. What has recent research told us about the extent to which high-performance working leads to improved levels of organizational performance?

3. Your managing director has asked you to draft a paper for the board on why the organization should introduce a high-performance work system. Prepare the paper explaining what such as system would look like and how it might be developed.

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