STRATEGIC ASPECTS OF PERFORMANCE

In our opening chapters we described the shift in emphasis away from the contract of employment towards the contract for performance. Even before the development of Taylor's scientific management methods a century ago, getting the most out of the workforce has always been a predominant management preoccupation, and the management literature is full of studies on the topic. Psychologists have studied motivation and leadership, ergonomists have dismantled and reconstructed every aspect of the physical environment in which people work, industrial relations specialists have pondered power relationships and reward, while sociologists discussed the design of organisations and their social structure, and operations experts have looked for ways to engineer process improvements. In 2001, Caulkin asserts:

> more than 30 studies in the US and UK leave no room for doubt; how organizations manage and develop people has a powerful – perhaps the most powerful – effect on overall performance, including the **bottom line**. (Caulkin 2001, p. 32)

A CHANGE IN PERSPECTIVE: FROM EMPLOYMENT TO PERFORMANCE

The traditional HRM approach to enhancing individual performance has centred on the assessment of past performance and the allocation of reward – rewards were provided in exchange for performance. This has been powerfully influenced by the industrial relations history, as trade unions have developed the process of collective bargaining and negotiation.

The prime purpose of trade unions has always been to improve the terms and working conditions of their members; the union has only one thing to offer in exchange for improvements in terms and conditions, that is, some opportunity for improvement in productivity or performance. With the steadily increasing influence of unions in most industrial countries through most of the twentieth century, it was inevitable that performance improvement was something of direct interest only to management. Performance therefore became stereotyped as something of no intrinsic interest to the person doing the work.

The influence of trade unions has altered and collective bargaining does not dominate the management agenda as much as it used to. This is the most significant feature in the general change in attitudes about what we go to work for. Managements are gradually waking up to this fact and realising that there is now scope for integration in a way that was previously unrealistic. Not only is it possible to say, 'Performance is rewarded', one can now begin to say, 'Performance *is* a reward.' The long-standing motivational ideas of job enlargement, job enrichment, and so forth, become more cogent when those at work are able to look for the satisfaction of their needs not only in the job, but also in their performance at the job.

Although it may seem like playing with words, this subtle shift of emphasis is fundamental to understanding the strategic approach to performance.

WINDOW ON PRACTICE

Mavis has worked in a retail store for 18 years and has recently attended a training course in customer care. She says:

> I always regarded the customer as some sort of enemy; we all did. In our coffee breaks we chatted away about the customer from hell, who was never satisfied, or who always put you down. Also I used to feel that I had to grin and bear it in trying to be nice to these enemies in order to earn commission.
>
> Since the course I feel much more in control and have more self-respect. I really feel that most customers will respond positively if I approach them in the right way. It is my performance that largely affects how they behave. I actually enjoy what I am doing most of the time (and I never thought I'd say that!), because I can see myself doing a bit of good as well as selling more than I used to.

INFLUENCES ON OUR UNDERSTANDING OF PERFORMANCE

The Japanese influence

In the 1980s the success of Japanese companies and the decline of Western organisations encouraged an exploration and adoption of Japanese management ideas and practices in order to improve performance. Thurley (1982) described the objectives of personnel policies in Japan as performance, motivation, flexibility and mobility. Delbridge and Turnbull (1992) described type 'J' organisations (based on Japanese thinking) as characterised by commitment, effort and company loyalty. A key theme in Japanese thinking appears to be people development and continuous improvement, or 'kaizen'.

Much of this thinking and the specific management techniques used in Japan, such as JIT (just in time), have been adopted into UK organisations, often in an uncritical way and without due regard for the cultural differences between the two nations. It is only where the initiatives are developed *and modified* for their location that they appear to succeed.

The American literature

Key writers from the American 'excellence' school, Peters and Waterman (1982), identified eight characteristics that they found to be associated with excellent companies – all American. These companies were chosen as excellent on the basis of their innovativeness and on a set of financial indicators, compared on an industry-wide basis. The characteristics they identified were:

- a bias for action – rather than an emphasis on bureaucracy or analysis;
- close to the customer – concern for customer wishes;
- autonomy and entrepreneurship – the company is split into small operational units where innovation and initiative are encouraged;

- productivity through people – employees are seen as the key resource, and the value of the employees' contribution is reinforced;
- hands on, value driven – strong corporate culture promoted from the top;
- stick to the knitting – pursuing the core business rather than becoming conglomerates;
- simple form, lean staff – simple organisation structure and small HQ staffing;
- simultaneous loose and tight properties – company values strongly emphasised, but within these considerable freedom and errors tolerated.

Peters and Waterman identified a shift from the importance of strategy and structural factors to style, systems, staff and skills (from the hard 's's to the soft 's's). In a follow-on book Peters and Austin (1985) identify four key factors related to excellence as concern for customers, innovation, attention to people and leadership.

However, there are problems with the research methodology used; for example, no comparison was made with companies not considered to be excellent. We do not, therefore, know whether these principles were applied to a greater extent in excellent organisations. In addition, a number of the companies quoted have experienced severe problems since the research was carried out, and there remains the problem of the extent to which we can apply the results to UK organisations.

Whatever the reservations, the influence of this work on strategic thinking about performance remains profound. Even the use of the term 'excellence' means that there is a change of emphasis away from deadpan, objective terms such as profitability, effectiveness, value added and competitive advantage towards an idea that may trigger a feeling of enthusiasm and achievement. 'Try your best' becomes 'Go for it'.

More recently there has been considerable quantitative research in the USA that aims to identify HR practices which lead to high organisational performance, for example Huselid (1995) and Pfeffer (1998). The HR practices identified are termed 'high performance work practices' and have encouraged similar investigations in the UK to determine 'high commitment work practices'.

HRM and the strategy literature

The HRM strategy literature provides different ways to understand the contribution of HR policies and practices to organisational performance. We noted in Chapter 2 that three distinct approaches to HR strategy can be identified. The universalist or best practice approach presupposes that certain HR policies and practices will always result in high performance, and the question is to identify exactly what these are. The contingency or fit approach suggests that different HR policies and practices will be needed to produce high performance in different firms depending on their business strategy and environment. Finally the resource-based view of the firm suggests that neither of these approaches is sufficient, but that every organisation and its employees should be considered as unique and that the set of HR policies and practices that will result in high performance will also be unique to that firm. From this perspective no formula can be applied, and the way that people processes contribute to organisational performance can only be understood within the context of the particular firm. These three perspectives have resulted in different investigational approaches to understanding the impact of people management on organisational performance, as will become clear in the following section.

DO PEOPLE-MANAGEMENT PROCESSES CONTRIBUTE TO HIGH PERFORMANCE?

The investigations to date have had a dual purpose, the first being to seek to establish a link between people-management practices and organisational performance. In other words, does the way that people are managed affect the bottom line? The second one follows logically from this, and is: If the answer to the first question is yes, then which particular policies and practices result in high performance? Both these questions are usually investigated in parallel. A variety of different definitions of performance have been used in these studies. These range from bottom line financial performance (profitability), through productivity measures, to measurement of outcomes such as wastage, quality and labour turnover (which are sometimes referred to as internal performance outcomes). Sometimes the respondent's view of performance is used, on the basis that bottom line figures can be influenced by management accounting procedures. The studies have generally used large datasets and complex statistical analysis to determine relationships.

Some researchers argue that the performance effects of HR policies and practices are multiplicative rather than additive, and this is often termed the 'bundles' approach (*see*, for example, MacDuffie 1995), and this highlights an emphasis on internal rather than external fit. In other words, a particular set of mutually reinforcing practices is likely to have more impact on performance than applying one or just some of these in isolation. Pfeffer (1998), for example, identifies seven critical people-management policies: emphasising employment security; recruiting the 'right' people; extensive use of self-managed teams and decentralisation; high wages solidly linked to organisational performance; high spending on training; reducing status differentials; and sharing information; and he suggests that these policies will benefit *every* organisation. In the UK the Sheffield Enterprise Programme (Patterson *et al*. 1997) has studied 100 manufacturing organisations over 10 years (1991–2001) and used statistical techniques to identify which factors affect profitability and productivity. It has been reported that aspects of culture, supervisory support, concern for employee welfare, employee responsibility, and training were all important variables in relation to organisational performance. Also in the UK, Wood and de Menezes (1998) identify a bundle of HR practices which they term high-commitment management, and these comprise recruitment and selection processes geared to selecting flexible and highly committed individuals; processes which reward commitment and training by promotion and job security; and the use of direct communication and teamwork.

This avenue of work has a very optimistic flavour, suggesting that not only are people-management practices related to high organisational performance, but that we can identify the innovative and sophisticated practices that will work best in combination. On a practical level there are problems because different researchers identify different practices or 'bundles' associated with high performance (*see*, for example, Becker and Gerhard 1996).

There have been many criticisms of this approach, partly based on the methods used – which involve, for example, the view of a single respondent as to which practices are in place, with no account taken of how the practices are implemented. A further confusion is that some studies are at establishment level, some at corporate level, some are sector based and some are cross-sector. Each of these approaches has inbuilt problems and creates extreme difficulties for any meta-analysis of the studies

so far. A further problem is causality. It could be that profitable firms use best practice people-management methods, because they can afford to since they are profitable, rather than that such methods lead to profitability. A further issue concerns the conflict between different aspects of the bundle. Such contradictions are, for example, between individualism and teamwork and between a strong culture and adaptability. Lastly, this approach ignores the business strategy of the organisation.

The work we have described so far comes from a universalist/best practice perspective and an alternative way forward is to use the contingency or fit point of view (*see*, for example, the work of Wright and Snell 1998), asking the question, 'Which people-management policies create high performance in which different organisational circumstances?' This approach does bring the integration with business strategy to the fore, and draws attention to sectoral differences; for example Guest (2001) has suggested that 'high performance work practices' may be effective in producing high performance in manufacturing rather than services. However, it fails to provide a more useful way forward. Attempting to model all the different factors that influence the appropriate set of HR policies and practices that lead to high performance is an extremely complex, if not impossible, task. In addition to this Purcell *et al*. (2000) argue that the speed of change poses a real problem for the fit approach.

In summary, the extent to which all the statistical work that has been done proves the relationship between people-management practices and organisational performance continues to be hotly contested. Reviewing the academic literature Richardson and Thompson (1999) come to the conclusion that the evidence indicates a positive relationship between innovative and sophisticated people-management practices and better business performance. Guest *et al*. (2003), however, recognise that although the statistical work so far provides some associations between people management and organisational performance there is a lack of convincing evidence. Guest (2000), Hall (2002) and particularly Purcell (1999) all provide detailed expositions of the problems with the above approaches.

Purcell (1999) suggests that a more useful approach is to focus on the resource-based view of the firm, which is the third perspective on HR strategy that we considered in Chapter 2. From this perspective each organisation is a unique and complex whole, so we need to look beyond lists of HR policies and practices to explain organisational performance. We also need to consider long-term performance capability and not just short-term performance improvements. From this perspective Paauwe and Richardson (2001) argue that the move to longitudinal studies and case study work is useful, and suggest that organisational context and institutional arrangements need greater attention; Becker and Gerhart (1996) suggest that it is more likely to be the architecture of the system, not just a group of HR practices, that results in high performance, and Purcell suggests that it is how practices are implemented and change is managed that makes the difference. Hutchinson *et al*. (2000) term this 'idiosyncratic fit'. The work of Purcell and his colleagues from Bath University, which forms part of the CIPD's research in this area, attempts to address some of the deficits in large sample statistical work. They have investigated 12 case study organisations on a longitudinal basis, collecting the employees' view and concentrating on the line manager's role in implementation.

They collected data on 11 HR policy/practice areas identified from previous research as being linked to high organisational performance. In testing the link between people management and performance this study differs from others in that the measures taken were ones that were the most meaningful to each organisation.

Also the organisations were each visited twice over a two-and-a-half-year period so comparisons could be made over time. Their results are not clear-cut, but a major conclusion is that it is the way policies are implemented and the role of line mangers which are critical. They also acknowledge that it is difficult to disentangle the performance impact of HR policies from the performance impact of changing environmental circumstances and other changes such as technology. They do argue, however, that those organisations with a 'big idea', which expresses what the organisation stands for and what it is trying to achieve, were more able to sustain their performance over the longer term. For example the big idea in Jaguar is quality and in Nationwide it is mutuality. They also found that such big ideas have five characteristics in high-performing organisations:

- **Embedded** – in policies and practices
- **Connected** – connects relationships with customers, values, culture and the way people are managed
- **Enduring** – stable, longlasting values which survive even in difficult times
- **Collective** – acts as corporate glue
- **Measured and managed** – often through the use of balanced scorecard type approaches

HOW DO HR POLICIES AND PRACTICES AFFECT PERFORMANCE?

We have sufficient evidence to claim that HR policies and practices do affect company performance, although some studies (for example Lahteenmaki and Storey 1998) do not support this. We then need to understand better the processes which link these HR practices to business performance. As Purcell *et al.* (2000) point out, 'what remains unclear is what is actually happening in successful organisations to make this connection' (p. 30). Currently the focus is on commitment in mediating the impact of HR policies and practices on business performance, and we shall consider this in more detail.

Commitment

Commitment has been described as:

- **Attitudinal commitment** – that is, loyalty and support for the organisation, strength of identification with the organisation (Porter 1985), a belief in its values and goals and a readiness to put in effort for the organisation.
- **Behavioural commitment** – actually remaining with the company and continuing to pursue its objectives.

Walton (1985) notes that commitment is *thought* to result in better quality, lower turnover, a greater capacity for innovation and more flexible employees. In turn these are seen to enhance the ability of the organisation to achieve competitive advantage. Iles, Mabey and Robertson (1990) add that some of the outcomes of commitment have been identified as the industrial relations climate, absence levels, turnover levels and individual performance. Pfeffer (1998) and Wood and Albanese

Figure 10.1 A simple model of HRM and performance (Source: D. Guest (2000) 'Human resource management, employee well-being and organizational performance'. Paper presented to the CIPD Professional Standards Conference, 11 July. Reproduced with the permission of the author.)

(1995) argue that commitment is a core variable, and Guest (1998, p. 42) suggests that:

> The concept of organizational commitment lies at the heart of any analysis of HRM. Indeed the whole rationale for introducing HRM policies is to increase levels of commitment so that other positive outcomes can ensue.

Hence we see the adoption of the terms 'high commitment work practices' and 'high commitment management' and their linkage with high performance. Meyer and Allen (1997) argue that there is not a great deal of *evidence* to link high commitment and high levels of organisational performance. Guest (2000) reports analyses of the Workplace Employment Relations Survey (WERS) data and the Future of Work Survey data to show some support for the model that HR practices have an impact on employee attitudes and satisfaction, which in turn have an impact on internal performance outcomes. He is, however, cautious about identifying causal links. In this context Guest uses commitment as shorthand for employee attitudes and values, as shown in his model in Figure 10.1.

Some authors, however, have argued that high commitment could indeed reduce organisational performance. Cooper and Hartley (1991) suggest that commitment might decrease flexibility and inhibit creative problem solving. If commitment reduces staff turnover, this may result in fewer new ideas coming into the organisation. Staff who would like to leave the organisation but who are committed to it in other ways, for example through high pay and benefits, may stay, but may not produce high levels of performance.

As well as the debate on the value of commitment to organisational performance, there is also the debate on the extent to which commitment can be managed, and how it can be managed. Guest (1992) suggests that commitment is affected by: personal characteristics; experiences in job role; work experiences; structural factors; and personnel policies.

WINDOW ON PRACTICE

Rebecca Johnson (1999) reports on performance initiatives at the Holiday Inn, Mayfair. Through a 'back to the floor' experience senior managers realised that front line staff did not have sufficient authority and autonomy to solve routine customer problems and that this was having an adverse impact on customer perceptions. A range of initiatives were thus implemented:

- training to equip front line staff to take greater responsibility in solving customer problems;

- new recruitment and selection strategies to help identify potential employees who are 'focused on going the extra mile', rather than those who have technical skills, which can be learned on appointment. Processes include 'auditions' to identify favourable attitudes;

- demonstrating a genuine commitment to employees. Initiatives included attitude surveys, continued IIP recognition, a training resource centre and a network of mentors and 'buddies';

- encouraging a sense of fun and openness;

- a performance appraisal system which is also geared towards career development, and internal promotions where possible;

- measuring customer feedback through a 'guest tracking system'.

Johnson reports that all these policies are paying off as profits have been increasing steadily for the last five years. She also reports the views of a recently appointed corporate sales executive who claims to have joined the organisation partly because of the training programme, and who noted that 'the commitment is very strong'.

Source: Adapted from a case study by R. Johnson (1999) 'Case 2: Holiday Inn Mayfair', in A. Baron and R. Collard 'Realising our assets', *People Management*, 14 October.

Lastly, it is important to consider whether using commitment as a shorthand for attitudes and satisfaction is sufficient, and whether there are other important dimensions which may be lost, by focusing on commitment alone. Patterson *et al.* (1997) found that in addition to commitment, employee satisfaction was related to organisational performance. Purcell and his colleagues (2003) give equal prominence to job satisfaction and motivation. In their model HR policies and practices are seen to impact on employee ability/skills, motivation and incentive (in that people can be motivated to use their ability productively via intrinsic and extrinsic rewards) and opportunity. In turn these three factors have an impact on commitment, individual motivation and job satisfaction, all of which have an impact on employee discretionary behaviour which in turn impacts on performance. In relation to HR practices they found that:

- job influence, career opportunities, job challenge, involvement in management decisions, training and line manager respect all influence employee motivation;

- job influence, career opportunities, job challenge and teamworking all influence job satisfaction;

- training, career opportunities, job challenge, management leadership, performance appraisal, work-life balance and communication on organisational performance all influence commitment.

MAJOR PERFORMANCE INITIATIVES

We have previously considered some HR policies and practices that have been identified as related to high performance, and have noted the idea of using practices in bundles. Many of the popular performance initiatives that companies have adopted represent similar (but not the same) bundles of HR policies and practices, and we now turn to these. There are many small initiatives every day that help to improve performance, but we are concentrating here on major strategic initiatives although the labels may, of course, mean different things in practice in different organisations. Interestingly, Guest and King (2001) found that many senior managers were not aware of the research on performance, and it is therefore unclear what is informing senior managers' choice of performance initiatives.

This brings us to the concern that too many initiatives in the same organisation will give conflicting messages to employees, particularly when they are introduced by different parts of the business. There may, for example, be contradictions between the messages of total quality management ('right first time') and those of the learning organisation type of approach ('it's OK to make mistakes as long as you learn from them').

The performance research to date focuses very much on the individual, but we agree with Caulkin (2001) who suggests that organisations also need to develop the capability of the organisation as a whole, and to this end we include in Table 10.1 three levels of initiative depending on the primary focus: organisational, team or individual. Some of them partly cover the same ground, and it would be surprising to find them in the same business at the same time.
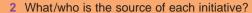
Table 10.1 Some major performance initiatives

Organisational focus	Learning organisation
	Knowledge management
	Organisational development
	Investors in people
	Total quality management (TQM)
	Performance culture
	Lean production
	Business process re-engineering
	Just in time (JIT)
	Standards: e.g. ISO9000
	Customer care/orientation
Individual focus	Performance management
	Performance-related pay
	Self-development/continuous development
	Empowerment
Team focus	High-performance teams
	Cross-functional teams
	Self-regulating teams

ACTIVITY 10.1

1 Identify the main performance initiatives in your organisation.

2 What/who is the source of each initiative?

3 In what ways do they mutually support each other, and in what ways do they conflict?

THINGS THAT GO WRONG

The level of satisfaction with performance initiatives is typically low (Antonioni 1994), so we close this chapter with a summary of the problems most often reported.

The process/people balance

Schemes rarely strike the right balance between a people emphasis and a process emphasis. Concentrating on being brilliant at talking to the people, getting them going and talking them down gently if they don't quite make it will not suffice if there is not a clear, disciplined process that brings in the essential features of consistency and defining sensible goals. Getting the goals and measures right is a waste of time if there is not the necessary input to changing attitudes, developing skills and winning consent.

Getting the measures right

On the basis of what gets measured gets done, it is critical that the organisation selects the most useful measure of performance for the organisaton as a whole and for the individuals within it. Single measures are unlikely to be sufficiently robust. Kaplan and Norton (1992) argue convincingly that the mix of measures which an organisation should use to assess its performance should be based around four different perspectives:

- **Financial measures** – such as sales growth, profits, cash flow and increased market share.
- **Customer measures** – that is, the customer perspective, which looks at, for example, delivery time, service quality, product quality.
- **Internal business measure**s – cycle time, productivity, employee skills, labour turnover.
- **Innovation and learning perspective** – including such elements as ability to innovate and improve.

The focus must be on what is achieved: results are what count. At an individual level a focus on behaviour rather than results achieved can be unhelpful, leading to personality clashes, and misleading. Doing things in the right way is no substitute for doing the right things. For a further exploration of the difficulties with performance measures see case 10.1 on the website.

Management losing interest

A constant axiom with any initiative is the need for endorsement from senior management. With a performance initiative there is the need to go a great deal further. First, senior managers have to accept that the initiative is something in which they have to participate continuously and thoroughly. They cannot introduce it, say how important it is and then go off to find other games to play:

> studies have shown that in organisations that utilise performance management, 90 per cent of senior managers have not received performance reviews in the last two years. Clearly the problem here is that PM is not used, modelled and visibly supported at the top of the organisation. Sooner or later people at lower levels catch on and no longer feel compelled to take the time to make PM work. (Sparrow and Hiltrop 1994, p. 565)

The second aspect is indicated in that quotation. Performance initiatives will not work unless people at all levels either believe in them or are prepared to give them a try with the hope that they will be convinced by the practice.

The team/individual balance

Individuals can rarely perform entirely on their own merits; they are part of a department or team of people whose activities interact in innumerable ways. Trevor Macdonald may read the television news with a clarity and sureness that is outstanding, but it would be of little value if the lights did not work or the script contained errors. Most working people, no matter how eminent, are not solo performers to that extent. Somehow the performance initiative has to stimulate both individual and team performance, working together within the envelope of organisational objectives.

ACTIVITY 10.2

Think of situations in your own experience outside working life, where there has been a potential clash between individual performance and team performance. Examples might be:

(a) the opening batsman more concerned with his batting average than with the team winning the match;

(b) the person playing the lead in the amateur operatic society's production of *The Merry Widow* who ignores the chorus; or

(c) the local councillor more concerned with doing what is needed to earn an MBE than with supporting the collective view of the council.

How was the potential clash avoided, or not? How could it have been managed more effectively to harmonise individual and team performance?

Leaving out the development part

A key feature of managing performance is developing people so that they *can* perform. This is the feature that is most often not delivered. It is often the lack of follow-up on development needs that is the least satisfactory aspect of performance management systems.

Implementing and managing the change

If, as Purcell (1999) identifies, 'our concern should be less about the precise policy mix in the "bundle" and more about how and when organisations manage the HR side of change', then the way that large and small performance initiatives are implemented and managed is critical. While this is well-trodden ground, there is considerable evidence of attempted changes which have failed for a wide range of reasons including: trust is low; change is seen as a management fad which will go away; change has been poorly communicated and understood; change is just a way to get us to work harder for the same money. Changing employee behaviour is also influenced by the culture of the organisation, and for a further exploration of the link between culture and performance initiatives see case 10.2 on the website.

GETTING IT RIGHT

Here are four suggestions for running a successful performance initiative:

1 Develop and promulgate a clear vision for the business as a framework for individual/team goals and targets.
2 In consultation, develop and agree individual goals and targets with three characteristics: (a) what to do to achieve the target; (b) how to satisfy the customer rather than pleasing the boss; (c) targets that are precise, difficult and challenging, but attainable, *with feedback*.
3 Do not begin until you are sure of: (a) unwavering commitment from the top; (b) an approach that is driven by the line and bought into and owned by middle and first-line managers; (c) a system that is run, monitored and updated by HR specialists; (d) an agreement that every development commitment or pay commitment is honoured, or a swift, full explanation is given of why not.
4 Train all participants.

SUMMARY PROPOSITIONS

10.1 Central to understanding management interest in performance is understanding the subtle change in attitudes: not only is performance rewarded, performance is also a reward.

10.2 In the UK our views of performance improvement have been influenced by the US literature, the Japanese experience and the HRM strategy literature.

10.3 There has been considerable research effort devoted to investigating the link between a bundle of people-management practices and organisational performance, and some would argue that the link has been successfully demonstrated.

10.4 Much less clear are the processes by which the link is made, for example how, why and in what context? Commitment as the moderating variable between HR practices and organisational performance is insufficient.

10.5 Things that typically go wrong with performance initiatives are getting the people/process balance wrong, not selecting the right performance measures, management losing interest and getting the team/individual balance wrong.

10.6 Factors likely to produce success relate to a clear, understood vision, effective target setting, full management commitment, training and honouring commitments.

GENERAL DISCUSSION TOPICS

1 To what extent can the American excellence literature be applied in a UK setting?

2 Can commitment, empowerment and job flexibility be pursued together? If yes, how can this be achieved? If no, why not – what are the alternatives?

FURTHER READING

Purcell J., Kinnie, N. and Hutchinson, S. (2003) 'Open minded', *People Management*, Vol. 9, No. 10, 15 May, pp. 30–3
A useful summary of the Bath research to date, if you can't afford or haven't time to read the full report – provided in the reference list below (Purcell *et al.* 2003). Displays the whole people and performance model and discuses the importance of implementation of policies. Provides some detail on the importance of the 'big picture' and the five key attributes of this.

Truss, C. (2003) 'Complexities and controversies in linking HRM with organizational outcomes', *Journal of Management Studies*, Vol. 38, No. 8, pp. 1121–48
An excellent critique of the quantitative approach to establishing the link between people policies and organisational performance. Useful case study of Hewlett-Packard which demonstrates that even high-performing companies do not necessarily follow best practice in all areas of people management. The approach taken in this research is different in that it tracks back from high performance and looks at the people management processes which contribute to this.

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