

Organizational and Employee-Related Outcomes of HR Practices in High-Performance Work System

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In present era of global competition in business environment the high performance work system has emerged in the form of popular organization development strategy to maximise firms, competitive advantage. The present study examined the effect of H-P work systems and practices on organizational effectiveness and employee's job satisfaction and psychological well-being in sample of 200 supervisory & management cadres engaged in some H-P Work organizations. The data analyses of the obtained through psychometrically standardized tools revealed that almost all the H-P work practices significantly positively correlate with organizational effectiveness as well as with participant's job satisfaction and psychological well-being.

Keywords: High Performance Work System, Organizational Effectiveness.

In present era of globalization business environment has become extremely competitive, consequently human resource management has become the most happening and crucial function. In order to survive in these highly competitive environment business organizations need to focus even harder on their competitive strength to develop long term strategies. In fact, people offer unique competitive advantage to firm. This insight has created new paradigm shift as to the way in which people should be managed. This paradigm shift has propelled the expansion of Strategic Human Resource Management (SHRM). The overall purpose of SHRM is to ensure that organization is able to achieve success through people. Today a key task for the researchers has become to understand how human resources can be managed to maximize productivity and enhance creativity while controlling costs.

As a survival or coping strategy in present era of global competition the High-Performance Work System (H-PWS) has emerged in the form of a popular organization development strategy to maximize firms' competitive advantages. H-PWS is a specific combination of human resource practices, work-structure and processes that maximize employees' decision-making ability, knowledge, skills and commitment and leads to flexibility, innovation, and effectiveness in

organizations. The HPWS is an organizations architecture that brings together work, people, technology and information in a manner that optimizes the congruence among them in order to produce high performance (Brown, 2006).

Empirical studies have shown significant linkages between HPWS and measures of organizational performance, including higher productivity and service quality (Huselid, 1995; Subramany, 2009), profit and market value (Wright et al., 2005), customer satisfaction (Nishii, Lepak, & Schneider, 2008), better workplace safety (Berling et al., 2008) workers retention (Subramany, 2009), lower turnover and absenteeism (Datta et al., 2005), higher efficiency (Verma et al., 1999), and team performance (Yang & Choi, 2009). A meta-analytical study of 92 research investigations conducted by Comb, Sui, Hall, and Ketchen (2006) concluded that 20% of the utility available from predicting differences among organizations is resulted from High Performance Work Systems. Thus impact of the HPWSs on organizational performance is not only statistically significant but managerially relevant too (Subramany, 2009). However, varying sample characteristics, research designs, practices examined, and performance measured used have led extant findings to vary dramatically making the size of the overall effect difficult to estimate (Becker & Gerhart, 1996; Ferris et al, 1999; Wood, 1999).