**High performance management**

*Web version of the chapter included in the 5th edition*

High performance management is a human resource intervention that change agents can use to improve performance by aligning people management practices. It involves developing and implementing a bundle or system of people management practices that are internally consistent, aligned with other business processes, and aligned with the organization’s business strategy. It is argued that this is a much more effective intervention than working to improve separate people management practices, such as training, performance management or reward systems, in isolation.

This chapter opens with a brief review of cost reduction and commitment maximization approaches to managing an organization’s human resources and argues that it is the commitment maximization philosophy that best supports high performance management interventions. Attention is then given to how people management practices can be used to enhance performance by improving employees’ knowledge and skills, motivating them to engage in discretionary behaviours (that draw on their knowledge and skill), and modifying organizational structures in ways that enable employees to improve the way they perform their jobs. Some of the people management practices that can deliver these outcomes are identified.

<Insert UNFig1>

The final part presents two change tools. The first is concerned with external alignment and can be used to assess the extent to which people management practices are aligned with the organization’s business strategy. The second focuses on internal alignment and can be used to assess the extent to which people management practices are aligned with each other. When misalignments are identified, it is possible to intervene to realign practices to improve performance.

High performance management is an approach to improving organizational performance that is consistent with open systems thinking and the concept of ‘fit’ discussed in Chapter 8. It is also consistent with what Paul Simpson has to say in his video (see Chapter 19) about the importance of not relying on changing just one people management practice, such as training, if the intention is to deliver systemic change.

**Soft and hard models of human resource management (HRM)**

Bailey (1993) contends that human resources (HR) are frequently underutilized because employees perform below their maximum potential. Walton (1985) identified two profoundly different approaches to HR: one based on imposing control and the other on eliciting commitment. This distinction is similar to that made by Truss et al. (1997) when they referred to ‘hard’ (control) and ‘soft’ (commitment) strategies when investigating HRM practice in eight organizations in the UK.

**The cost reduction or control approach**

The cost reduction or control approach focuses on the use of controls to reduce direct labour costs and improve efficiency. This is achieved by enforcing compliance through the application of specific rules and procedures. It is an approach that shares many of the assumptions that underpin Beer’s economic change strategy, which focuses on the drive for economic value through tough top-down, results-driven action. Truss et al. (1997) observe that this ‘hard’ approach is based on the economic model of man and McGregor’s (1960) theory X proposition that people dislike work and must be controlled and directed to get them to employ adequate effort towards the achievement of organizational goals. Walton (1985) refers to the kind of situation in which control strategies flourish. He describes a plant in which employees are responsible for fixed jobs and are required to perform up to a minimum standard, and where peer pressure keeps them from exceeding this standard and from taking initiatives to improve performance. Here, because motivation is low, management seeks to secure adequate work effort through close monitoring and supervision, and what MacDuffie (1995) refers to as ‘efficiency wages’.

**The commitment maximization approach**

The commitment maximization approach is based on the assumption that people work best and contribute most to organizational performance when they are fully committed to the organization. There is evidence from a wide range of studies (see Bailey *et al* 2017) that high levels of employee engagement are positively associated with individual morale, task performance, extra role performance (e.g. good citizenship behaviours) and organizational performance. The commitment maximization approach shares many of the assumptions underpinning Beer’s organization development strategy for change (see Chapter 17), insofar as it involves creating the capabilities required to sustain competitive advantage and high performance over the long term. Truss et al. (1997) argue that ‘soft’ HRM has its roots in the HR movement, the utilization of individual talents and McGregor’s theory Y, which proposes that people will exercise self-direction and self-control in the service of objectives to which they are committed. It focuses on developing committed employees who can be trusted to use their discretion to work in ways that are consistent with organizational goals. This approach assumes that commitment is generated when employees are trusted and allowed to work autonomously. It assumes that individuals can work hard and smart without being controlled through sanctions and other external pressures. This commitment maximization approach underpins high performance management practices.

**Theoretical foundations: how commitment strategies work**

Huselid (1995), building on the work of Bailey (1993), argues that people management practices can affect an individual’s performance by:

*  improving employees’ knowledge and skills
*  motivating them to engage in discretionary behaviours that draw on their knowledge and skill
*  modifying organizational structures in ways that enable employees to improve the way they perform their jobs.

Some examples of the practices that contribute to these outcomes are listed below.

**Improving employee knowledge and skills**

A number of practices can enhance employee knowledge and skill. These include:

*  *Recruitment practices that provide a large pool of qualified applicants:* It may be possible to improve recruitment practices by focusing attention on what the organization does to attract appropriately qualified individuals and how this affects the kind of people who present themselves for selection.
*  *Selection practices that identify those individuals who possess the required competences:* It may be possible to improve selection practices by focusing attention on how the organization goes about selecting new employees and what steps it takes to identify and validate its selection criteria. Pfeffer (1998) argues that emphasis should be placed on screening for cultural fit and attitudes rather than skills. He makes a case for ‘selecting’on those attributes that are important and difficult, or impossible, to change, and ‘training’ people in those behaviours or skills that are more readily learned.
*  *Induction practices that affect the way people are socialized into the organization:* It may be possible to improve induction practices by focusing attention on what happens to new employees after they join the organization and how this affects the development of competences. Induction might also be considered as a practice that affects employees’ motivation to engage in discretionary behaviours and influence their motivation to work harder and smarter.
*  *Training practices that develop knowledge and skills required by organizational members:* It may be possible to improve training practices by focusing attention on the kinds of issues considered in Chapter 22 and questioning whether sufficient attention is given to the development of those competences that are critical to the achievement of the organization’s purpose. Pfeffer (1998) argues that training is an essential component of high performance work systems because these systems rely on frontline employees exercising their skill and initiative to identify and resolve problems, introduce changes in work methods, and take responsibility for quality. However, some organizations fail to invest sufficiently in training and many more are too quick to cut training budgets when times are hard

because training budgets often fluctuate with company economic fortunes, a perverse, procyclical training schedule typically develops: training funds are most plentiful when the firm is doing well. But, when the firm is doing well, its people are the busiest and have the most to do, and consequently, can least afford to be away for training. By contrast, when the firm is less busy, individuals have more time to develop their skills and undertake training activities. But that is exactly when training is least likely to be made available. (Pfeffer, 1998, p. 89)

*  *Other development activities that develop the knowledge, skills and job behaviours required for effective performance*: Consideration might be given to whether these practices, such as coaching, mentoring, on-the-job learning, secondments and job rotation,are as effective as they might be and whether there is an appropriate balance between these practices and more formal training activities. Performance appraisal is listed below as a practice that affects employees’ motivation to engage in discretionary behaviours, but it can also provide a vehicle for developing competences.
*  *Retention practices that encourage valued employees to stay with the organization:* Do these motivate those most likely to be poached away by competitors to remain with the organization?
*  *Attendance practices:* Do these encourage employees to attend regularly and work their contracted hours so that they can learn from others and help others to learn from their own knowledge and experience?
*  *Information-sharing practices* *that provide employees with knowledge about immediate job-related issues and wider business matters they require in order to perform effectively:* Consideration might be given to how and when information is provided and whether it is the right kind of information.

**Motivating employees to engage in discretionary behaviours**

Huselid (1995) argues that the effectiveness of even the most highly skilled employees will be limited if they are not motivated to perform. A number of people management practices can encourage organizational members to work harder and smarter. These include:

*  *Employment security:* Consideration might be given to whether employees are regarded as a variable cost or a valued asset and how this affects their commitment to the organization.
*  *Redeployment and severance:* When workers are no longer required in their current roles, how does the organization manage this situation and how does this affect the motivation of those who are to be redeployed and their colleagues?
*  *Performance appraisal:* It may be possible to improve the benefits from appraising performance by considering questions such as: What are the objectives of the performance appraisal system? What does it measure? Are individuals or groups appraised? Who does the appraising? Is the process perceived to be fair?
*  *Incentives:* A wide range of factors can affect the link between incentives and performance (see Chapter 15), but some of the questions under this heading include: How are individuals compensated? Are rewards linked to the acquisition of skills or the achievement of performance targets? If they are linked to performance, is compensation based on individual, group or organizational performance?
*  *Internal promotion systems:* How are people identified and prepared for promotion?
*  *Status distinctions:*Thesecan affect motivation, so it might be useful to review thekinds of status distinctions that exist and the effects they have on performance.

**Enabling motivated employees to engage in discretionary behaviours**

Bailey (1993) notes that the contribution of highly skilled and motivated employees will be limited unless their jobs are structured in ways that allow them to apply their knowledge and skills to improve the way they perform their jobs. A number of interventions enable employees to engage in such discretionary behaviours. These include:

*  *Organization structures:* How is the organization structured and how does this affect the ability of individuals to improve the way they do their jobs? For example, does the organization have a functional structure with people working in silos, or is it process based?
*  *Parallel and temporary structures:* Does the organization use structures such as quality circles and awaydays to facilitate the sharing of ideas about performance improvement?
*  *Job design:*Are people employed to perform narrowly defined tasks that require little skill or does job design emphasize a whole task and combine doing and thinking? Do people work on their own or in teams?
*  *Locus of decision making:*Is decision making concentrated high up in the organization or is it decentralized and delegated?
*  *Employee voice:*Is employee input encouraged? Is it allowed on a narrow agenda or a wide range of issues?What methods are used to facilitate upward, lateral and downward communication?
*  *Self-managed teams:*Is decision making delegated to self-managed teams? Pfeffer(1998) advocates the adoption of self-managed teams and delegated decision making as the guiding principles for organizational design. He argues that teams can substitute peer-based control for hierarchical control, encourage people to pool ideas and come up with better ways of addressing problems, and provide a framework within which workers can more readily help each other and share their production knowledge (Shaiken et al., 1997).

**Other benefits from high performance management practices**

Pfeffer (1998) argues that high commitment work practices can produce savings by reducing administrative overheads. Delegating more responsibility to people further down the organization eliminates the need for many supervisory roles. High commitment work practices can also reduce many of the costs associated with having an alienated workforce that is engaged in an adversarial relationship with management.

**The alignment of people management practices: the essence of high performance management**

Many attempts to improve performance through the introduction of new people management practices fail because changes are introduced piecemeal and are focused on particular practices, such as selection, performance appraisal, compensation or training. Investing more resources in just one practice, such as training, may have little effect if other practices remain unchanged. For example, the potential benefits of training may be wasted if jobs are not redesigned in ways that give workers the freedom to apply their new knowledge and skills. People management practices need to be aligned with each other if employees and the organization are to benefit from what MacDuffie (1995, p. 197) refers to as ‘multiple, mutually reinforcing conditions’.

Some view alignment as the defining feature of high performance management systems and do not believe it is necessary to prescribe the kinds of practices that are applied so long as they are internally consistent. However, there is a strong body of opinion that the most effective way of securing high performance is through high commitment. Those who subscribe to this school of thought advocate a configuration of practices that support the commitment rather than the control approach to management (see Pfeffer, 1998, p. 56). The theoretical foundation of the three-pronged approach to improving performance outlined above is based on the assumption that people management practices should be targeted at increasing commitment in order to elicit discretionary behaviour. Pfeffer’s (1998) seven practices that characterize systems that produce profits through people – employment security, selective hiring, self-managed teams and decentralized decision making, high compensation contingent on performance, extensive training, reduced status distinctions, and extensive sharing of information – are all high commitment management practices.

Implementation is not always easy. Moving from a control- to a commitment-oriented set of management practices can be difficult because many managers are wedded to a control philosophy. Pfeffer (1998, p. 29) refers to ‘the one-eighth rule’, which states that only about half of all senior managers believe there is a possible connection between how organizations manage their people and the profits they earn. Of these, only about a half will do more than attempt to change a single people management practice, not realizing that the effective management of people requires a more comprehensive and systematic approach. In those organizations where managers do make comprehensive changes, only about a half will persist with these changes long enough to derive any economic benefit.

The introduction of a commitment-based high performance management system often requires a paradigm shift in the way some managers think. Pfeffer argues that if managers see their staff as costs to be reduced, as recalcitrant employees prone to opportunism, shirking and free riding, as people who can’t be trusted and who need to be closely controlled through monitoring, rewards and sanctions, then any attempt to introduce high performance management practices is likely to fail. Successful implementation requires a mindset that regards people as fundamentally trustworthy, intelligent and motivated.

**Results from high performance management systems**

Pfeffer (1998) presents an impressive review of studies that provide evidence of substantial gains from implementing high performance management systems. This includes a study of five-year survival rates of initial public offerings (Welborne and Andrews, 1996); studies of profitability and stock price in a large sample of companies from multiple industries (Huselid, 1995); and detailed research in the automobile industry (MacDuffie, 1995), apparel (Dunlop and Weil, 1996), semiconductors (Sohoni, 1994), steel (Arthur, 1995), oil refining (Ricketts, 1994) and service industries (Schneider, 1991; Johnson et al., 1994). These findings suggest that high performance management can produce economic benefits in a wide range of settings, including low- and high-tech, manufacturing and service industries.

**Diagnosing the alignment of people management practices**

Pfeffer (1998) describes the two-part ‘alignment diagnosis’, which is an essential part of any high performance management intervention. The first is concerned with external alignment and involves diagnosing the extent to which management practices are congruent with the organization’s business strategy. The second is concerned with internal alignment and involves diagnosing the extent to which people management practices are aligned with each other.

You might find it useful to use Change tools 23.1 and 23.2 presented below to assess the alignment of people management practices in your organization. If you are a student with little or no work experience, you could still practise diagnosing

external alignment by investigating an organization’s strategy online (some companies publish their strategy on their website) and then brainstorming the competences and people management practices you think would have to be in place in order to achieve this.

*Change tool***23.1*Diagnosing external alignment***

Diagnosing external alignment involves four steps:

**1** Reviewing the organization’s strategy

**2** Identifying the critical behaviours and related competences required to achieve the strategy

**3** Identifying practices the organization uses to manage people

**4** Assessing the alignment of each people management/HR practice with the competences and behaviours required to achieve the organization’s strategy. Does each practice support the availability and application of critical competences and behaviours?

Each step will be considered in turn.

**1** *Specifying the organization’s strategy*

Strategy is a statement of purpose that indicates how the organization will match its resources with the opportunities, constraints and demands in the environment. Implicit in this statement are the value propositions the organization offers to stakeholders.

Summarize your organization’s strategy in the space below.

|  |
| --- |
|  |

**2** *Identifying the critical behaviours and related competences required to achieve the strategy*

If the organization’s strategy is premised on the provision of excellent customer service and the majority of staff are customer facing, then the organization needs people who have the competences necessary to support this value proposition. If, on the other hand, the strategy is premised on being first to market with innovative products, then a different set of competences will be required. Pfeffer recommends that attention is restricted to the six or so behaviours and related competences that are the most important. These can be entered at the head of the columns of the external alignment matrix presented below.

**3** *Identifying practices that the organization uses to manage people*

The external alignment matrix is divided into three parts in line with Bailey’s (1993) model of how HR practices can affect performance. The first part relates to the policies and practices that affect the ‘availability and development’ of the competences necessary to deliver required behaviours. Examples of these practices include recruitment, selection, induction, training, other development activities, attendance, and information sharing.

The second part relates to practices that affect employees’ ‘motivation’ to engage in discretionary behaviours that involve applying critical competences in order to improve performance. These practices include employment security, redeployment and severance, performance appraisal, incentives, internal promotion systems, and status distinctions.

The third part relates to practices that ‘enable’ motivated employees to engage in discretionary behaviours that lead to performance improvements. These practices include organization design, parallel and temporary structures, job design, locus of decision making, and employee voice.

Review your organization’s people management practices and amend the list included in the external alignment matrix below to reflect your organization’s current approach to HRM. You might also amend this list to include additional practices that, if applied appropriately, could contribute to high performance.

**4** *Assessing the alignment of each people management practice with the competences and behaviours required to achieve the organization’s business strategy*

This involves assessing the extent to which each of the people management practices listed in your external alignment matrix is likely to promote the competences and behaviours you identified as critical for the implementation of the strategy. Pfeffer suggests using a three-point scale, where +1 indicates that the practice is aligned with the organization’s business strategy and will support the development of required competences and behaviours, 0 where the practice has a neutral effect, and –1 where it is misaligned. This procedure is a useful way of identifying where there is substantial misalignment and a clear need for action to develop and implement a revised people management practice.

Pfeffer (1998, p. 111) identifies some of the most common alignment-related problems. Two of these involve the link between training activities and competences, and the link between compensation and the achievement of key performance targets:

*  With regard to training and required competences, in many organizations training activities are focused on generally useful topics, such as negotiating skills and time management, but neglect the crucial competences that are tightly linked to the achievement of strategic objectives.
*  With regard to compensation and key performance targets, Pfeffer highlights the problem with an example of a firm rewarding managers for ‘making budget numbers’, when the really important targets had to do with being innovative, fast and customer focused.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **External alignment matrix** | | | | | | | |
| **Practices that affect:** | **Critical behaviours/competences required to implement the organization’s strategy** | | | | | | |
| 1 The development and availability of competences |  |  |  |  |  |  |  |
| Recruitment |  |  |  |  |  |  |  |
| Selection |  |  |  |  |  |  |  |
| Induction |  |  |  |  |  |  |  |
| Training |  |  |  |  |  |  |  |
| Other development |  |  |  |  |  |  |  |
| Information sharing |  |  |  |  |  |  |  |
| Other |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| 2 Motivation |  | | | | | | |
| Employment security |  |  |  |  |  |  |  |
| Performance appraisal |  |  |  |  |  |  |  |
| Incentives |  |  |  |  |  |  |  |
| Internal promotion systems |  |  |  |  |  |  |  |
| Status distinctions |  |  |  |  |  |  |  |
| Other |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| 3 Ability to use competences to improve performance |  | | | | | | |
| Organization structures |  |  |  |  |  |  |  |
| Job design |  |  |  |  |  |  |  |
| Locus of decision making |  |  |  |  |  |  |  |
| Employee voice |  |  |  |  |  |  |  |
| Other |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |

*Change tool***23.2*Diagnosing internal alignment***

Diagnosing internal alignment involves assessing the internal consistency of people management practices. One way of doing this is to list the management practices identified as part of the external alignment exercise across the top as well as down the left-hand side of a matrix and taking each practice in turn and reviewing it for alignment against each of the other practices. For example, in terms of job design, if work is allocated to self-managed teams, are employees given training that supports this practice? Also, is performance appraisal focused on individuals or teams and is compensation based on individual or team performance? Again, the three-point scale can be used to signal the degree of alignment and highlight potential problems.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Internal alignment matrix | | | | | | | | | | | | | | | |
| Practices that affect: | Management practices | | | | | | | | | | | | | | |
| 1 The development of competences |  | | | | | | | | | | | | | | |
| a | b | c | d | e | f | g | h | i | j | k | l | m | n | o |
| a. Recruitment | - |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| b. Selection | - | - |  |  |  |  |  |  |  |  |  |  |  |  |  |
| c. Induction | - | - | - |  |  |  |  |  |  |  |  |  |  |  |  |
| d. Training | - | - | - | - |  |  |  |  |  |  |  |  |  |  |  |
| e. Other development | - | - | - | - | - |  |  |  |  |  |  |  |  |  |  |
| f. Information sharing | - | - | - | - | - | - |  |  |  |  |  |  |  |  |  |
| 2 Motivation |  | | | | | | | | | | | | | | |
| g. Employment security | - | - | - | - | - | - | - |  |  |  |  |  |  |  |  |
| h. Performance appraisal | - | - | - | - | - | - | - | - |  |  |  |  |  |  |  |
| i Incentives | - | - | - | - | - | - | - | - | - |  |  |  |  |  |  |
| j. Internal promotions | - | - | - | - | - | - | - | - | - | - |  |  |  |  |  |
| k. Status distinctions | - | - | - | - | - | - | - | - | - | - | - |  |  |  |  |
| 3 Use of competences |  | | | | | | | | | | | | | | |
| l. Organization structures | - | - | - | - | - | - | - | - | - | - | - | - |  |  |  |
| m. Job design | - | - | - | - | - | - | - | - | - | - | - | - | - |  |  |
| n. Locus of decision making | - | - | - | - | - | - | - | - | - | - | - | - | - | - |  |
| o. Employee voice | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

This kind of alignment diagnosis can help change agents to identify the system of people management practices that an organization uses to achieve its strategic objectives and identify any misalignments between them. If misalignments are identified, it is possible to intervene to realign practices to improve performance.

If you are in employment, you might find it useful to reflect on the extent of external and internal alignment in your organization and the areas where alignment problems might arise.

**Summary**

High performance management is an intervention that change agents can use to improve performance by aligning the organization’s people management practices with the organization’s business strategy and aligning all people management practices with each other.

High performance management aims to improve performance by developing and implementing a bundle or system of people management practices that are internally consistent, aligned with other business processes, and aligned with the organization’s business strategy rather than by improving separate people management practices such as training, performance management or reward systems.

Cost reduction and commitment maximization approaches to managing an organization’s HR were reviewed and it was argued that it is the commitment maximization philosophy that best supports high performance management interventions.

People management practices can enhance performance by:

**1** improving employees’ knowledge and skills

**2** motivating them to engage in discretionary behaviours that draw on their knowledge and skill

**3** modifying organizational structures in ways that enable employees to improve the way they perform their jobs.

Attention was given to some of the people management practices that can help to:

*  *improve employee knowledge and skill:* such as recruitment, selection, induction, training, coaching, mentoring, on-the-job learning, secondments, job rotation
*  *motivate employees to engage in discretionary behaviours:* such as employment security, redeployment and severance policies, performance appraisal, incentives, internal promotion systems and status distinctions
*  *enable motivated employees to engage in discretionary behaviours:* includes designing appropriate organization structures, implementing parallel and temporary structures, job design, pushing decision making down the organization and facilitating upward communications so that employees can voice their concerns and contribute to organizational learning.

The final part presented two change tools that can be used to assess the extent to which people management practices are aligned with the organization’s business strategy and each other. When misalignments have been identified, it is possible to intervene to modify the misaligned practices to improve performance.

Diagnosing external alignment involves four steps:

**1** Reviewing the organization’s strategy

**2** Identifying the critical behaviours and related competences required to achieve the strategy

**3** Identifying practices the organization uses to manage people

**4** Assessing the alignment of each people management practice with the competences and behaviours required to achieve the organization’s strategy. Does each practice support the availability and application of critical competences and behaviours?

Diagnosing internal alignment involves ensuring that all people management practices are aligned with each other. For example, the potential benefits of training may be wasted if jobs are not redesigned to give workers the freedom to apply their new knowledge and skills.

Alignment is the defining feature of high performance management interventions.

In terms of the typology presented in Figure 16.3, high performance management is an HRM intervention.

**References**

Arthur, J.B. (1995) Effects of human resource systems on manufacturing performance and turnover, *Academy of Management Journal*, 37(3): 670–87.

Bailey, C., Madden, A., Alfes, K. and Fletcher, L. (2017) *International Journal of Management Reviews,* 19, (1): 31-55.

Bailey, T. (1993) Discretionary effort and the organization of work: Employee participation and work reform since Hawthorne, working paper, Columbia University, New York.

Dunlop, J.T. and Weil, D. (1996) Diffusion and performance of modular production in the US apparel industry, *Industrial Relations*,35(3): 337–8.

Huselid, M.A. (1995) The impact of human resource management practices on turnover, productivity, and corporate financial performance, *Academy of Management Journal*,38(3): 635–72.

Johnson, R.H., Ryan, A.M. and Schmit, M.J. (1994) Employee attitudes and branch performance at Ford Motor Credit, paper presented to the ninth annual conference of the Society of Industrial and Organizational Psychology, Nashville, TN, April.

MacDuffie, J.P. (1995) Human resource bundles and manufacturing performance: Organizational logic and flexible production systems in the world auto industry, *Industrial and Labor Relations Review*, 48(2): 197–221.

McGregor, D. (1960) Theory X and theory Y. In D.S. Pugh (ed.) *Organization Theory: Selected Readings*. London: Penguin.

Pfeffer, J. (1998) *The Human Equation: Building Profits by Putting People First*. Boston, MA: Harvard Business School Press.

Ricketts, R. (1994) Survey points to practices that reduce refinery maintenance spending, *Oil and Gas Journal*,4 July, p. 38.

Schneider, B. (1991) Service quality and profits: Can you have your cake and eat it, too?, *Human Resource Planning*,14(2): 151.

Shaiken, H., Lopez, S. and Mankita, I. (1997) Two routes to team production: Saturn and Chrysler compared, *Industrial Relations*,36(1): 17–45.

Sohoni, V. (1994) Workforce involvement and wafer fabrication efficiency. In C. Brown (ed.) *The Competitive Semiconductor Manufacturing Human Resources Project: First Interim Report*.Berkeley, CA: Institute of Industrial Relations.

Truss, C., Gratton, L., Hope-Hailey, V. et al. (1997) Soft and hard models of human resource management: A reappraisal, *Journal of Management Studies*,34(1): 53–73.

Walton, R.E. (1985) From control to commitment in the workplace, *Harvard Business Review*,63(2): 77–84.

Welbourne, T. and Andrews, A. (1996) Predicting performance of initial public offering firms: Should HRM be in the equation?, *Academy of Management Journal*,39(4): 910–11.