

High Performance Working: Case Studies Analytical Report

Executive Summary 21
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Introduction

This evidence report is a key output from the Skills Utilisation project led by the UK Commission for Employment and Skills. This project has looked at how High Performance Working (HPW) can help to ensure skills are better used in UK workplaces. In the report HPW is defined **as a general approach to managing organisations that aims to stimulate more effective employee involvement and commitment to achieve high levels of performance.**

The report builds on the knowledge gained from existing research to explore the implementation of HPW through the experience of eleven case study organisations. Specifically, the study tests the suggestion in recent literature that the interpretation of HPW by line managers, and the experience and perceptions of employees are vital in the translation of HPW to business benefits.

Literature in the field shows that HPW systems are crucial to success, yet organisations often struggle to understand how to implement them. Although there is

a widespread recognition in the academic literature that strategic alignment of bundles of HPW practices is key, what actually happens within organisations does not always reflect this.

Case studies are an obvious means to understand in real-life the adoption of HPW, and explore what influences the beliefs and actions of managers in different circumstances. Case studies also enable us to explore how plans fare in practice and to see the results of the adoption of different practices or systems. They also help us to understand what influences the behaviour of managers and Human Resources practitioners, what determines success, what problems are faced and how they are overcome and how the 'story' of HPW is told and heard in different contexts.

Specifically, this research set out to: understand how decisions by employers to engage with HPW are made and how managers and leaders shape and influence practice; to explore the practices themselves and how they affect the experience of work; and to identify barriers to the take-up of HPW and how they are resolved.

Drivers of HPW

The findings strongly suggest that the importance of **leaders** in making HPW the approach of choice is critical. The willingness and desire of leaders to make a difference, to produce excellence and to do this through people, are the hallmarks of HPW. Human Resources (HR) colleagues and operational managers then help to put these ambitions into practice, a process that can be greatly assisted a coherent HR strategy. HR functions can help in a range of ways but especially in terms of helping to resolve problems and issues in people management, building the right organisational culture and supporting the business strategy.

New business strategies were also important drivers for change in many of the case study organisations. Further down a chain that stretches from strategy to practice, shifting structures can themselves help drive the implementation of HPW, especially when organisations seek to create greater flexibility of response (which brings new demands in terms of skills and empowerment). Other key drivers at the more ‘tactical’ end of the chain include a need to deal with specific issues and problems that organisations may

be facing. These include poor employee relations, high levels of competition, trying to secure and retain talent, and cost pressures.

The experience of adopting HPW

The organisations we have studied were operating within a declining economic climate, but rather than reduce their commitment to HPW, this situation seems to have strengthened their resolve as organisations saw HPW as a means to survive and even prosper.

For the smallest organisations, a key transition in becoming larger was the need to make HPW policy and practice explicit. This more structured, formal and ‘bureaucratic’ approach might be thought to stifle flexibility and creativity, but what is much less frequently publicised is the positive role of a structured approach in creating clarity, and in supporting line managers to behave with some consistency across a larger organisation.

The issue of consistency emerged as a key challenge more generally. A lack of consistency with regards to the application among managers can be highly detrimental

and can cause distress amongst employees: a problem especially in larger organisations in which consistency is difficult to achieve. What helps to achieve consistency are vision, values and vigorous communication, which work to set clear expectations across the organisation.

Not surprisingly, leaders and managers are not only significant in the drive to increase take-up of HPW, but also in its implementation. It is their impact on the culture of the organisation that underpins the successful adoption of HPW. Similarly, the HR function is an important partner for the adoption of HPW. The function's pragmatic approach to creating helpful policy and practice can assist organisations cope with the nuts and bolts of implementation. Smaller organisations tend not to have significant HR resource and seek expertise elsewhere.

HPW in practice

Looking at HPW in practice we can see some overarching approaches. Chief amongst these is a **desire to create higher levels of engagement and empowerment** with communication an essential element of both.

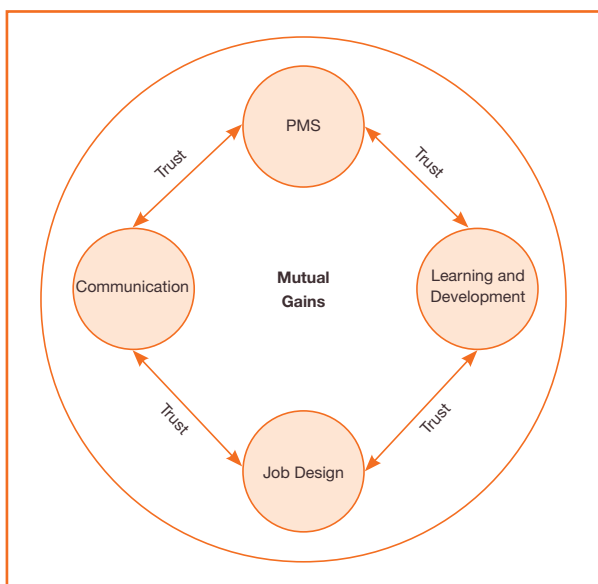
There are also **specific core practices** that are adopted by some organisations that are cornerstones to the implementation of HPW:

- 1 Performance management systems** were critical vehicles of HPW in a number of organisations. These provide data to individuals and feedback on their performance. Communication, consistency and engagement provide the elements of successful implementation of these systems.
- 2 Learning and development processes** were of specific significance in organisations seeking to enhance autonomy and capability across disparate and frequently low-skilled workforces.
- 3 Communication processes** were key to creating a climate of openness, trust and engagement.
- 4 Job design:** considerations of the scope and design of jobs were visible in several case studies as organisations sought to create flexible cultures and ways of working.

These practices are not derived in an ad-hoc manner but the result of strong drivers, individual circumstance and the use of core policies to drive change.

The interplay between these elements forms a coherent whole but adoption can start at any point (see the diagram below). **Each of our case studies focused on a particular block of core practice** as the initial vehicle to effect change. Over time other elements follow and are added to this core all within an environment of trust and mutual gains.

The core practices of HPW



Views on implementation

What is striking about the case studies was the **genuine support** of both line managers and employees for the organisation and its approach. Both groups showed appreciation of what was being achieved and the philosophy that underpinned it. Especially important were concepts such as trust, openness, empowerment and communication. Managers appreciated practices which impact on the clarity with which they can manage others and which enable them to grow and develop people. Employees valued openness and the ability to understand the challenges that confront the organisation. They also appreciated the trust and empowerment that enables them to 'get on with their job' without interference or restriction.

Impact

The case study organisations each reported **positive effects** from their engagement with the HPW approach. These positive impacts can be on performance – illustrated by the wide range of awards for excellence that several of our case studies had acquired.

There was also evidence of higher levels of **employee engagement** and **employee capability**.

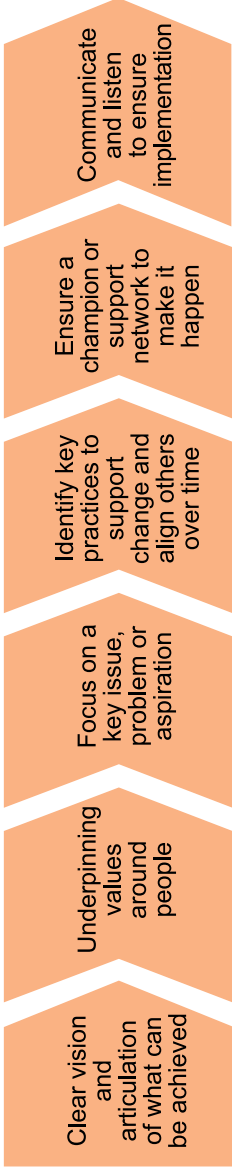
Lessons for employers and policy makers

There are some key steps to creating change and making sure it lasts:

- A **clearly articulated purpose** in many cases acts as a focus for the efforts of the entire organisation.
- A **sense of pride and achievement** is nurtured in the organisation hence a focus on customer and quality.
- **Openness and engagement** are key. There is a philosophy of mutuality, mutual gains and partnership running through these organisations and trust is a common thread.
- **Finding the core HR processes and practices** that can become real catalysts of change, and putting considerable effort into them. This is not about having to do everything all at once, but being clear about what is needed, and what key practices would help drive or reinforce change.

- **Making sure such practices are well designed, aligned and well implemented** is critical and all too often underplayed in organisations. The case study organisations were notable in the care they took to ensure that practices were carefully thought through and introduced. Once the basics are in place, it is important to ensure that new practices support what is there and begin to embed it.
- Core practices amongst the case studies were **performance management systems, learning and development, communication and job design.**
- Awareness of the importance of **line managers** in creating an environment where people can contribute and grow, and investment in them to allow that to happen.

There is no ‘magic bullet’ adopted by these organisations, no one thing that bought about success, and no first step that catalysed everything else. However, we can see that there are a number of generic steps that need to take place:



Getting this right produces real benefits for the organisation but also for those that work in it. It helps create places to work that are enjoyable, productive, innovative, customer focused and autonomous, with a strong sense of responsibility.

Executive Summaries present the key findings of the research and policy analysis generated by the Research and Policy Directorate of the UK Commission for Employment and Skills. More detailed analytical results are presented in Evidence Reports and all outputs are all accessible on the UK Commission's website **www.ukces.org.uk**

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