

**INTERNATIONAL INDUSTRIAL RELATIONS ASSOCIATION
HUMAN RESOURCE MANAGEMENT STUDY GROUP**

**IIRA HRM Study Group Working
Papers in Human Resource Management**

No. 7

**High Performance Work Systems and Employee Outcomes:
Rebalancing the Argument**

MARGARET HEFFERNAN AND TONY DUNDON

September 2004



ISSN 1810-6897

Editors: Prof. Dr. Mick Marchington, Manchester Business School
Prof. Dr. Stefan Zagelmeyer, International University of Applied Sciences Bad Honnef-Bonn
© Margaret Heffernan and Tony Dundon

ABSTRACT

The field of research into High Performance Work Systems has developed over the past ten years and many researchers have presented their own perspectives on HPWS attempting to render the subject more understandable. Two main approaches can be identified: those focusing on beneficial organisational outcomes such as productivity, the other mounting a critique of HPWS outcomes such as stress and work intensification. However, both of these perspectives overlook the key role of the employee as a 'subject' of these HPWS practices. In this conceptual paper, we argue that a 'rebalancing of the debate' is needed in order to understand more fully the role of the worker as an agent of HPWS. We recommend justice theory as a corrective to some of the deficiencies evident in the extant literature. Through the lens of justice theory, it is anticipated that potential linkages between HPWS and employee perceptions and outcomes can be explored and/or their absences exposed, incorporating issues such as trust, equity, voice and satisfaction. Organisational justice can act as a means of understanding why employees perceive, receive and respond to HRM practices in particular contexts without relying on a unitarist bias in the way people are managed.

The **International Industrial Relations Association (IIRA)** was established in 1966 in response to the growing need to develop and exchange knowledge in industrial and labour relations at the international level. The IIRA (<http://www.ilo.org/iira>) provides academics and practitioners in the fields of labour relations and human resource management with a forum for discussion and research. The aims of the IIRA are of a purely scientific character, without regard to political, philosophic or religious considerations. Under the umbrella of the IIRA, 20 specialist study groups represent an integral element of the Association's activities.

The **Human Resource Management Study Group (SG13)** researches and discusses all aspects of human resource management, mainly from comparative or international perspectives. It cooperates with other academic and professional organisations in the field. The group currently consists of around 100 academics and HR practitioners from all over the world. The study group meets at least every two years at all IIRA World congresses and at as many regional congresses as possible. For further information on the activities of the IIRA HRM Study Group, please consult the study group's website (<http://www.iira.fh-bad-honnef.com>) or contact the coordinators of the study group:

Mick MARCHINGTON
Professor of Human Resource Management
Manchester Business School
The University of Manchester
Booth Street West
Manchester M15 6PB
United Kingdom

Phone: +44 (0) 161 306 3415
Fax: +44 (0) 161 306 3505
Email: mick.marchington@mbs.ac.uk

Stefan ZAGELMEYER
Professor of Economics and HRM
Department of Management
International University Bad Honnef
Muelheimer Strasse 38
53604 Bad Honnef
Germany

Phone: +49 (0) 2224 9605 206
Fax: +49 (0) 2224 905 500
Email: s.zagelmeyer@fh-bad-honnef.de

The IIRA HRM Study Group Working Papers in Human Resource Management are edited by the coordinators of the study group. Any opinions expressed here are those of the author(s) and not those of the International Industrial Relations Association (IIRA). The IIRA HRM Study Group Working Papers often represent preliminary work and are circulated to encourage discussion. A revised version may be available directly from the author(s).

HIGH PERFORMANCE WORK SYSTEMS AND EMPLOYEE OUTCOMES: REBALANCING THE ARGUMENT

Margaret Heffernan and Tony Dundon ^a

1. INTRODUCTION

Over the past decade, considerable academic effort has been devoted to describing the patterns of diffusion of work place change; a concept often termed 'high performance workplaces'. In this research, emphasis has been placed on examining the impact of human resource management on company performance in both the US and the UK whereby it is possible to satisfy all organisational stakeholders in a 'win-win' scenario. Some academics and business commentators believe that this can be achieved through new forms of High Performance Work Systems (Appelbaum and Batt, 1994; Appelbaum et al, 2000). The focus of much of the research carried out to date on HRM has been centred squarely on the concerns of management: the fostering of change; the impact on productivity, quality and profitability. This paper argues for a rebalance of the literature by arguing that workers, as the primary agents of HRM, must have their views and reactions considered also as they themselves have an influence on HPWS. The purpose of this conceptual paper is to advance our understanding of the consequences and implications of these work practices in the workplace, with particular reference to the employee. In this paper, we will argue that the role of the employee has been neglected in much of the extant literature surrounding HPWS. Significantly, the employee is often assumed to be an 'object' of organisational outcomes and the theoretical contribution to date fails to provide an adequate understanding of the worker as a 'subject' of the systems under which they labour. Key questions in this working paper that require further investigation include:

- What is the impact of HPWS on worker-related outcomes?
- How do employees, as the subjects of HPWS, react to these practices?
- Why do such reactions occur?

^a Centre for Innovation and Structural Change, National University of Ireland, Galway, IRELAND; Tel: +353- (0) 91-512413; Email: margaret.heffernan@nuigalway.ie; Email: tony.dundon@nuigalway.ie

A research model will be presented. This model will be underpinned by a discussion of justice theory and its application to the study of high performance work systems and employee outcomes. By drawing on employee focused literature, namely organisational justice, and investigating a series of research questions it is believed that the research will assist in re-centering the employee as the primary subject of the HPWS debate.

2. HIGH PERFORMANCE WORK SYSTEMS – DEFINITIONS AND PRACTICE

There remains an ambiguity about people management and performance. Labour process theorists recognised that managerial control was unlikely to grow smoothly via coercive control strategies alone, unopposed and uninfluenced by worker resistance (e.g. Braverman, 1974). Yet employers have, and continue to utilise control techniques to improve performance which treats workers as 'objects'. Combined with intensified competition and external market threats, the search for a more definitive link between the management of people and business performance has overlapped into newer, distinct traditions, emanating in the more humanistic tradition of the Human Relations movement through to panaceas in the name of TQM, lean manufacturing and quality circles.

The term 'high performance work system' has evolved to cover a multitude of meanings and interpretations in search for the 'Holy Grail' of organisational effectiveness (Whitfield and Poole, 1997; Truss, 2001). There is no single agreed definition of a high performance work system; however, existing approaches do share some common ideas (Osterman, 1994; Appelbaum et al, 2000). High commitment management (Walton, 1985), high involvement systems (Lawler, 1988, Pil and MacDuffie, 1996), transformed workplaces, flexible work practices (Osterman, 1994), flexible production systems (MacDuffe, 1995) and high performance work systems (Appelbaum and Batt, 1994) - are all terms used to describe the organisational form held to be the most appropriate for modern competitive conditions (Wood, 1999). Diffusion of these practices is clouded by different interpretations and meanings attributed to these practices (Marchington and Grugulis, 2000). Pfeffer (1998) believes that all labels refer to '*similar ideas about how to obtain profits through people*'. Most writers on the issue emphasise the active participation of employees in the work process through self-managed teams and problem solving groups, together with arrangements for information sharing between management and labour, and employee training and skill development.

Some writers prefer the terms 'high commitment' or 'high involvement' over 'high performance systems' and warn that the latter '*can be misleading in the absence of clear empirical tests of their actual link to economic performance in a give situation*' (Pil and MacDuffie, 1996:423). However, other researchers use the expression 'high performance management systems' in an effort to broaden the focus away from employee attitudes and commitment only, to encompass factors such as skill formation, work structuring, performance management and pay satisfaction. According to these authors, the work systems and employment models seen as supportive of high performance imply a mix of key practices: more rigorous selection and better training systems to increase ability levels, more comprehensive incentives (such as employee bonuses and internal career ladders) to enhance motivation and participative structures (such as self-managing teams and quality circles) that improve opportunity to contribute (Appelbaum et al, 2000). Whilst significant debates exist surrounding the particular mix of high performance work practices, one of the key arguments running through the literature is that the relevant practices work much better when 'bundled' together (Ichniowski et al, 1996; MacDuffie, 1995). The idea is that productivity is best served by the systematic interactions among the practices. Adding only one of the practices is likely '*to have little or no effect on performance*' (Ichniowski et al, 1997:311).

The body of research examining the relationship between HR practices and performance has grown exponentially over the past few years. The work of Appelbaum et al (2000) relies on the 'AMO' theory of performance. This states that performance is a function of employee ability, motivation and 'opportunity'. Using the mathematical notation:

$$P = f (A,M,O)$$

where people perform well when:

- they are able to do so (they *can do* the job because they possess the necessary knowledge and skills);
- they have the motivation to do so (they *will do* the job because they was to and are adequately incentivised);
- their work environment provides the necessary support and avenues for expression (for example, functioning technology and the opportunity to be heard when problems occur) (Boxhall and Purcell, 2003:20)

Appelbaum et al (2000), Boxhall and Purcell (2003) and Purcell et al (2003) see this as a basic theory of performance which offers a structure for identifying the desirable components of HPWS. If practices fostering these variables are enhanced, better use will be made of employee potential and discretionary judgment.

2.1 Criticisms of HPWS research

As a group, previous studies do indicate that HR practices are related to organisational measures of productivity and health. A question raised by Becker and Gerhard (1996) relates to the nature of the HR-organisational performance relationship and the mechanisms by which HR practices exert their impact on organisational performance measures. A key theme apparent in *all* high performance management literature is the synergy between a given set of practices. Although writers place differing emphases on certain practices, these HR practices need to be treated as systems and practitioners need to select measures that fit and support each other and which are characterised as being non-traditional and assumed to be moving away from '*centralized command and control structures*' (Becker and Huselid, 1998: 21). Ambiguity appears when discussing bundles of practices – what should be included? Little agreement exists among the proponents of this approach about what practices should be included within the scope of the term HPWS. Underlying all the studies is a concern for practices that develop either employee involvement or skills, i.e. participation and human capital. Beyond this though, because authors have worked with differing terminology and underlying concepts, there is no consistent relationship between the terms and the bundles of practices used (Wood, 1999). Legge (2001) points out that of 15 high-commitment practices identified in the UK WERS 98 study, only seven appear in US studies. Legge (2001) argues that studies of HPWS show further confusion in their approach, in that individual practices such as contingent pay are measured in different ways by different researchers. She cites the example of Huselid (1995) and Arthur (1992), where Huselid measures it using the proportion of the workforce covered by profit sharing, gain sharing and merit pay, and Arthur uses the percentage of employment costs accounted for by bonus or incentive payments.

Other criticisms have been leveled at HPWS literature including the debate about the linkage between HR policy, HPWS and organisational performance. There remain significant problems or weaknesses in a number of areas, particularly theory and method issues. Some authors have referred to this as the 'black box' problem, noting that the conceptual development of the mediating mechanisms through which HRM has an impact on profitability has thus far eluded empirical testing (e.g. Purcell et al,

2003). To date there is considerable evidence of a strong association between HRM systems of HPWS and organisational level outcomes. However, it seems apparent that the studies reviewed previously have focused largely on generic, macro labels of HRM activities in testing the relationship with performance. Issues surrounding organisational performance are also neglected in research. Most studies and articles adopt one or more measures with little or no justification as to their choice. An immediate concern is that studies may be measuring quite different things under the positive sounding label of 'performance'.

The predominant methodological problems relate to the difficulty of establishing causality, the use of single respondents in questionnaires, the lack of employee opinions, the definition of performance and the time period, or lag, between HR activities and performance outcomes (Purcell et al, 2003). Although much has been made of recent contributions, especially in the American literature, there is still a great deal of uncertainty and lack of precision around the precise nature and direction of these linkages (Mueller, 1996).

Of the HPWS research, a great deal of it has been quantitative and that in order to achieve the large numbers required for statistical analysis many of the surveys rely on one respondent within the organisation to respond to questions about practices that operate throughout the organisation. Thus, Purcell (1999) questions whether one senior manager is in a position to know what practices are used throughout the organisation, especially in firms with diversified structures. Regarding the use of single respondents, Gerhart et al (2000) provided evidence calling into question the reliability of measures of HR practices stemming from single respondents stating that reliability may be close to zero.

3. ARGUMENT FOR REINTRODUCTION OF THE WORKER

The silence of the employees' voice is deafening along this road to emerging HPWS. It is only recently that the effect of HPWS on employees is beginning to be realised as a serious deficiency in previous theory and research (Bacon, 2003). This oversight is partly due to the dominant research method, particularly within the American literature, which has emphasised large survey-based studies that treat employees as static 'objects' in the management of employment. The restrictive focus of people management systems on performance has thus encouraged the neglect of the effects of new work reforms on workers and society (Godard and Delaney, 2000),

and leaves a certain amount of ambiguity as to the real (and intended) interpretations and meanings of performance (Marchington and Grugulis, 2000). Figure 1 first presents a framework that delineates the various sub areas within the field of HRM and HPWS research. Using this framework we will highlight the unbalanced focus in previous HPWS literature.

(Table 1 about here)

This framework is developed using a number of dimensions. The two axes juxtapose advocates and critics of HPWS; and organisational outcomes and worker outcomes. The literature is further delineated by focusing on management-centred research and employee-centred research.

In the upper left-hand quadrant we see the research examining systems of HR practices and organisational outcomes. These writers focus attention on understanding how HR systems (or High Performance Work Systems) can facilitate the accomplishment of a firm's strategic goals. Huselid's (1995) study on the relationship between HR practices and corporate financial performance serves as the seminal work in this area. This was soon followed by similar research conducted by MacDuffie (1995), Becker and Gerhart (1996), Ichniowski et al (1997) and Patterson et al (1998).

The upper right-hand quadrant is also management-centered and focusing on organisational outcomes. However, these authors criticise some of the literature from the previous quadrant. In particular, they view the universalist assumptions as being too simplistic and question the validity of a universalist relationship between HR practices and performance. Purcell (1999) presented a number of problems associated with the universally applicable model of HRM stating it leads into a '*utopian cul-de-sac and ignores the powerful and highly significant changes in work...*' (1999:36). Criticisms were also leveled at the contingency approach of 'best fit' HRM. This approach was seen to be limited by the impossibility of modeling all the contingent variables and the difficulty at showing their interconnection. However, this research was still highly managerialist with a focus on gaining a '*better understanding of the synergistic combinations of HR policies (internal fit) and the link between HR systems and business and operations strategies (external fit) in dynamic contexts*' (Purcell, 1999:37).

The bottom two quadrants focus on research exploring HPWS at the individual level with particular reference to employee outcomes. The bottom right-hand quadrant reflects sympathy for the workers' viewpoint and adopts a critical perspective to HRM. This research seeks to undermine both the theoretical analysis of HRM and its application (Guest, 1999). Legge (1995, 1998) states that while management may claim the rhetoric of a new approach and a new concern for workers, the reality is harsher. Critics of HRM perceive workers as human resources to be exploited, with implications for exploitation through work intensification, downsizing and job insecurity (Ramsay, 2001, Milkman 1997, Delbridge and Lowe, 1997).

The bottom left-hand quadrant reveals much lower volumes of research. This research considers the beneficial outcomes of HPWS for employee outcomes. The literature driven by the management agenda referred to earlier does not shed light on why HRM has a positive link to performance and ignores employee outcomes. Where employees are mentioned it is still associated with management outcomes e.g. employee turnover, employee absenteeism and commitment to their job. Both Guest (1999) and Appelbaum (2003) have sought to assess the workers verdict of HRM. Guest (1999) reported the verdict as being positive with employees reporting a more positive psychological contract, greater satisfaction, job security and motivation as well as lower levels of work.

3.1 Discussion of framework

This framework illustrates a significant amount of literature focusing on management-led outcomes such as profitability and productivity. This research has already been discussed, whereby the work of Huselid (1995), Arthur (1994), Becker and Gerhard (1996) reflected a management agenda with an overall appeal to a management audience. In their research they held out the promise of HRM as a route to high performance. Where employees *are* mentioned, the outcomes are still very much management-led in terms of organisational gains (e.g. decreased turnover, absenteeism and lower opportunity costs). Guest (2002) identifies two main approaches to human resource management: one focusing on the organisational concern for the relationship between HRM practices and performance, the other mounting a critique of HRM. Both proponents and critics of HPWS have fallen into the trap of treating employees as objects (idealised human resources) rather than as subjects (thinking and acting employees on whom HRM is practiced), with inadequate discussion given to the '*reactions of the workers as themselves, knowledgeable and capable agents*' (Giddens, 1982:40). Guest (2002) argues that

both pay lip service to, but largely neglect, worker reactions to HRM. Proponents of HPWS have an over-simplistic view of the organisation. They are unitarist in perspective and assume mutually beneficial ('win win') outcomes for both firms and workers. The result being a situation where '*management is seen as all powerful and able, almost unproblematically, to implement change with little or no resistance*' (Strangleman and Roberts, 1999: 48). Much of the HRM research in this quadrant is managerialist and ideologically driven; it supports the activity and actions of management and as a consequence can be seen to be a powerful and new form of managerial rhetoric (Clarke, Mabey and Skinner, 1998).

The bottom two quadrants incorporate writers who focus on employee centred outcomes. Appelbaum (2002), a proponent of the HPWS 'mutuality' literature, sought to incorporate the employee in her research. From her findings she asserted that high performance work systems have 'pay offs' for workers as well as firms. Conversely, the fourth quadrant focuses on the critical writers such as Legge and Willmott who present HPWS as a potentially serious threat or challenge to workers (Guest, 1999). However, similar to the managerial oriented literature, these critics often neglect worker psychology and analyse work changes in terms of its content (i.e. are workers working harder?) rather than its process (how workers feel about their new working conditions). In this literature, the employee remains an 'object' of commodification and subjective manipulation (Willmott, 1993; 1997, Steyaert and Janssens, 1999). Radical critiques of the HRM-Performance link argue that it is essentially managerialist (Clark, Mabey and Skinner, 1998). In their view, HPWS has the motive of management control, what is new is merely the means used to attain it, and the effect is tying workers to managerial demands. It can thus be seen as a new form of managerial control – not simply control through managerial practices and organisation structure, but control of the ways in which conceiving, understanding and knowing organisations, organisational dynamics, and critically organisational members, are conducted and framed. HRM is represented as an opportunity for management to directly attempt to strengthen employees' identification with corporate values in the hope of encouraging co-operative forms of behaviour (Wilmott, 1993). Selection, socialisation and socialising become means whereby individuals are 'conditioned' to accept organisational goals (Barker, 1993). Peer pressure is substituted for managerial directives and teams are used to reinforce managerial control through the language of the team effort (Parker and Slaughter, 1988; Barker, 1993; Parker, 1993). Whilst this critical analysis reflects the workers viewpoint, it is rarely able to draw on evidence about workers' reactions to HRM and as a result takes place in something of a vacuum (Guest, 1999). To fill this vacuum

we need to know much more about how workers view HPWS practices subsumed under HRM. The discrimination between practices which sustain HRM can surely only take place with reference to the first hand accounts of employees themselves. It is they, after all, who are expected to enthusiastically engage with and fully participate in the HR strategies promulgated by senior management in their organisations.

The inside view of HRM is critical when one considers that individuals are the primary agents of the various initiatives which cluster under the HPWS banner. Schneider, (1987) urged academics to refocus on the individual, stating that '*organisations are the people in them.....the people make the place... let us seek explanation in people not in the results of their behaviour* (1987:450-451).

Implicit in much of the discussion of HPWS is the view that this approach to organising work is 'win-win', in the interest of both employees and firms (Kochan and Osterman, 1994). However, what remains debatable is whether or not the gains are shared and the precise causal paths between people and performance are fully understood (Wood, 1999; Wood and de Menezes, 1998; Ramsey et al, 2000). Issues such as work intensification, stress, and the 'bolt-on' effect of employee voice arrangements raise concerns about the so-called linkages between people management and performance (Tailby and Turnbull, 1987; Marchington & Wilkinson, 2000; Marchington et al, 2001). However, there needs to be some scope in the research for acknowledging that workers may welcome HRM. Legge (1998) acknowledges that in the absence of evidence there is an embedded problem of false consciousness. If the worker likes HRM, is that worker being duped by management (as suggested by Willmott, 1993) or does this view reflect insufficient respect for the worker's ability to make these judgments? If the real value of HRM is to be assessed, a case must be made for developing criteria which authentically tap the strength of feeling, the sense of justice or injustice, and the perceptions of gain and loss as articulated by those in the lower reaches of the organisation (Mabey et al, 1998).

4. INTEGRATING JUSTICE THEORY

Implicit in much of the discussion of high performance work systems is the view that this approach to organising work is 'win-win', in the interest of both employees and firms (Kochan and Osterman, 1994). It has already been shown however, that there

is an absence of satisfactory evidence with regard to this premise of mutually beneficial outcomes and 'win win' rhetoric. Legge (1998) maintains that the management of employment relationships has ethical foundations. There is substantial evidence that fairness is an important dimension affecting employees' actions and reactions within organisations (Masterson et al, 2000). Despite this evidence, researchers still do not adequately understand the mechanisms through which fairness perceptions affect subsequent attitudes and behaviours in organisations. In seeking to develop a more rounded theoretical understanding of the linkages between the management of employment and organisational performance, we suggest that organisational justice theory may correct some of the deficiencies noted above. The concept of justice has been prevalent in many of the great philosophical works on the nature of the good society and is '*the origin from which the whole of Western political theory begins*' (Runciman, 1966: 254). Since Greek times, both in philosophy and law, the concept of the person has been understood as the concept of someone who can take part in, or who can play a role in, social life i.e. as an agent capable of influence. Justice considerations and evaluations are important as they can affect what people do and feel (Homans, 1961). Organisational justice theory is considered as offering a framework through which to explore employee reactions within a proposed framework.

Organisational justice theory focuses on perceptions of fairness in organisations (Greenberg, 1987). It is "*concerned with the ways in which employees determine if they have been treated fairly in their jobs, and the ways in which those determinations influence other work-related variables*" (Moorman, 1991:845). Employee perceptions about the fairness or unfairness of any HRM practice will have a major influence on how they respond to that practice and also how they relate to the organisation overall (O'Donnell and Shields, 2002). Issues relating to organisational justice and employee voice are important to worker well being. An independent body of literature in management and organisational behaviour suggests that the perceived fairness of outcomes and procedures by employees exerts a strong influence on how employees react to a variety of aspects of organisational life (Welbourne et al., 1995).

4.1 A model of justice for HPWS

The proposed conceptual model has three elements: Policy and Practice; Workers; and Outcomes. 'Policy and Practice' will assess the HPWS policy and practices in place. This will include the active participation of employees in the work process through self-managed teams and problem solving groups, rigorous recruitment and

selection procedures, performance management and compensation systems, arrangements for information sharing between management and labour, and employee training and skill development. The concept of 'Workers', measures employee attitudes to these HPWS using organisational justice theory. Three research streams dominate the organisational justice literature -distributive justice, procedural justice, and interactional justice. Each stream focuses on a different factor (i.e., outcome favorability, opportunity for voice, and explanation) that influences a variety of 'subordinate responses' to organisational decisions (see Figure 2). 'Subordinate responses' will incorporate employee behaviours and outcomes. Each of these HPWS practices will now be discussed in the context of the three justice research streams.

(Table 2 about here)

According to justice theory, the process through which decisions are made forms the basis of perceived procedural justice (fairness of procedures used to make allocation decisions). A contrasting concept, distributive justice, concerns the perceived fairness of the consequences of decisions i.e. fairness of outcome allocation). A third dimension, interactional justice, concerns the fairness of the interpersonal treatment individuals receive during the enactment of procedures (Saunders and Thornhill, 2003). Rawls (1971) makes a distinction between the justice (or fairness) of a procedure and the justice (or fairness) of its outcome. These justice dimensions have been found to be important predictors of a wide variety of psychological constructs, such as satisfaction with leaders (Tyler and Caine, 1981), adaptation to layoffs (Brockner et al., 1987), acceptability of reward allocation decisions (Lissak, 1983), and reactions to performance appraisals (Greenberg, 1986). It is well established that perceptions of equity and fairness (distributive, procedural and interactional justice) are associated with job satisfaction (Folger and Cropanzano, 1998). In applying justice theory to HPWS we seek to examine if these practices are as worker oriented as they claim - are they designed to give workers greater autonomy, influence and responsibility (Appelbaum et al. 2000) or are they a mirage, pointed instead to a reality of peer control, work intensification and limited autonomy (Buchanan and Hall, 2002)? Research suggests that while workers often express positive attitudes towards specific HR techniques implemented in their organisations, this positive response does not generalise to affect the underlying climate of management worker relations – them and us (Kelly and Kelly, 1991).

4.2 HPWS, Distributive Justice and Outcomes

Distributive justice theory has sought to understand and explain how individuals react to an unfair distribution of rewards and resources (Greenberg, 1990). Distributive justice draws on Adams' (1965) equity theory to propose that people compare the ratio of their own inputs and outcomes with those of relevant others, and judge outcome fairness according to the match between the inputs and outcomes of each party. This comparison process underlies relative deprivation, or the feeling of discontent arising from a belief that one is getting less than one deserves relative to a comparison other (Runciman, 1966). Of particular interest is the hypothesis that social discontent is likely to result from a discrepancy between perceptions of what is deserved and reality. People's attitudes, aspirations and grievances largely depend on the frame of reference within which they are conceived (Runciman, 1966). Felt deprivation produces a range of psychological and behavioural effects in organisations, including dissatisfaction, stress and absenteeism and turnover (Martin, 1981).

In considering distributional justice, there is a further distinction that is often made, especially in economic treatments (Okun, 1975), between efficiency and equality. Efficiency refers to Pareto optimality or whether a distribution or outcomes is as good as it can be in the sense that there is no way to make one party better off without, at the same time, making another worse off (Messick, 1991:67). Equality refers to the extent to which all parties receive equal or equivalent outcomes. Is there a trade off between economic efficiency and equality that is so commonly assumed (Okun, 1995)? This will be a key area to investigate in the research concerning high performance work systems. Will the drive for optimal performance and economic efficiency be at the expense of equality within the workforce?

The link between justice theory and pay is probably that which is most studied. The findings reveal a clear link between distributive justice and pay satisfaction (Oldham et al, 1986; Sweeney, 1990). Sweeney (1990) showed that perceived equity was a better predictor of pay satisfaction than pay level. Pay satisfaction varies according to the level of referent. Building on this perception of level of referents and its influence on pay satisfaction (Taylor and Vest, 1992), the literature points to a relationship between distributive justice perception and job satisfaction. Researchers have pointed out that justice perception also influences aspects other than compensation. Agho (1993) and Berg (1991) identified a positive relationship between distributive justice and job satisfaction. Davy et al. (1991) found that perception of procedural justice and the exercise of process control affects perceptions about fairness and job

satisfaction positively, which in turn influence levels of commitment to the organisation and intention to stay.

Unequal status and outcomes within HPWS practices are important also if mechanisms of contact are to promote positive relations. Inequality within organisations is generally persistent across three status indicators in employment: earnings, job security and influence (Kelly and Kelly, 1991). Previous studies have shown that despite a range of HR initiatives (Quality of Worklife initiatives, quality cries, labour management committees), most managerial prerogatives remain firmly intact (Wood, 1988:120). Overall, equality of status between workers and management as measured by earnings, job security and influence is a long way off and its absence provides one important element in the explanation for the meager attitudinal impact of new industrial relations practices (Kelly and Kelly, 1991). Justice theory allows for the examination of employees perception of equality or inequality across these three indicators in the context of certain HPWS practices. Distributive justice can cause workers to lower their job performance (Greenberg, 1988), engage in withdrawal behaviours (Pfeffer and Davis-Blake, 1992), cooperate less with coworkers (Pfeffer and Langton, 1993), reduce work quality (Cowherd and Levine, 1992), steal (Greenberg, 1990) and experience stress (Zohar, 1995).

4.3 HPWS, Procedural Justice and Outcomes

The social psychology of procedural justice was first formally defined in legal settings by Thibaut and Walker in their book *Procedural Justice* (1975). Their basic hypothesis was that the process by which dispute resolution decisions are made influences litigant satisfaction with those decisions. In addition, Thibaut and Walker demonstrated that this procedural effect is based on litigant judgments about the relative fairness of differing methods of dispute resolution and does not simply reflect litigant judgments about the likelihood that each method of dispute resolution will help them win their case. The procedural justice literature offers an intriguing explanation within management as to why employees often mistrust management and the behavioral consequences of this mistrust. It also suggests that justice is an important motivator for working people (Tremblay and Roussel, 2001). Work in this area tells us that people are concerned not only with the outcomes of decision-making processes, but with the procedural and relational aspects of that process as well. People care about having a voice in the decision making process (Thibaut and Walker 1975), and about feeling that the decision making body is neutral, trustworthy, and views the participant in a respectful manner (Lind and Tyler 1988). These concerns have been shown to affect people's assessment of some management procedures such as

dispute-resolution procedures (Thibaut and Walker 1975). It seems likely that their attitudinal and behavioral support of management could also be affected. Tyler (1987) contends that simply providing structural opportunities to speak is not sufficient to produce voice effects. Affected parties must be able to infer that their voice is considered by the decision-maker (Tyler, 1987).

Procedural justice proposes that people also consider the fairness of the formal organisational procedures that result in decisions or outcomes. Procedural fairness is important to employees because it offers some control over the process and outcomes of decisions, thereby reassuring them about the likely fairness of their long-term outcomes (Thibaut and Walker, 1975), or because it recognises individuals' standing in the organisation, thereby contributing to their sense of self-worth (Lind and Tyler, 1988). Levanthal (1980) proposed that fair procedures are characterised by: (1) consistency of implementation, (2) impartiality, (3) basing decisions on accurate information, (4) mechanisms to correct inappropriate decisions, (5) 'voice' opportunities that allow employees to have input into decisions or have their concerns represented, and (6) compatibility with current ethical and moral standards.

A strong procedural fairness effect has been demonstrated in recruitment (Bies and Shapiro, 1987), performance appraisal (Folger and Konovsky, 1989; Greenberg, 1986; McFarlin and Sweeney, 1992; Sweeney & McFarlin, 1993), compensation (Greenberg, 1987; Scarpello and Jones, 1996), drug testing (Konovsky and Cropanzano, 1991) and dispute resolution contexts (Brett, 1986). Moreover, compared to perceptions of outcome fairness, procedural fairness perceptions tend to be the stronger predictor of satisfaction with supervisors and organisational commitment (Alexander and Ruderman, 1987; Folger and Konovsky, 1989; McFarlin and Sweeney, 1992; Scarpello and Jones, 1996). Research also shows that individuals respond favourably to procedures which provide adequate justification for decision outcomes (Bies and Moag, 1986; Bies and Shapiro, 1987; Folger and Martin, 1986), reaffirm their self-esteem and convey the organisation's respect for their rights (Tyler, 1989).

Much of the research using justice theory has examined justice perceptions and performance appraisals and remuneration techniques. Miceli and Near (1988) and St. Onge (1993) showed that the extent to which employees perceived a contingent pay-for-performance relationship in an incentive plan depended on the perceived procedural justice of the decision-making processes, given controls for the actual link

between pay and performance. This instrumentality belief in turn affects the motivational impact of such plans (St. Onge, 1993). Cooper et al. (1992) suggested that how employees respond to gain sharing is particularly sensitive to the perceived fairness of procedures because individual contributions are not assessed and rewards cannot be privatised. Alexander and Ruderman (1987) noted that procedural justice is more important when outcomes are social and interpersonal. Folger and Konovsky (1989) and McFarlin and Sweeney (1992) reported that procedural justice is an important predictor of organisational commitment, a variable which is often assumed to be related to HPWS given its strong correlation with employee involvement in multiple studies (Walton, 1985, Lawlor, 1988)

Work-group cohesiveness, organisation commitment, and loyalty have been shown to be strongly influenced by procedural justice. Tyler (1984) found that perceptions of procedural fairness were uniquely related to organisation commitment and employee trust in supervisors - more so than distributive justice which showed to be uniquely associated with one's own pay satisfaction. Research by Dailey and Kirk (1992) has also shown that forms of procedural injustice in the work setting, such as ineffective performance appraisals and planning systems, appear to be stronger predictors of intent to quit than core work attitudes. Dailey and Kirk (1992) therefore advise that management should be highly aware of employees' perceptions of procedural fairness in order to gain the organisational commitment and loyalty of employees.

Breaches of procedural justice can result not just in the withdrawal of citizenship behaviors, but also in negative behaviors specifically designed to punish the organisation and its representatives (Youngblood et al, 1992). Leventhal (1980) identified six criteria that employees may use when judging the fairness of an outcome following a procedure. These include procedures that employ safeguards against bias, ensure accuracy of information, allow for appeals in order to check the correctness of a decision, representation in the decision making body, procedures based on prevailing ethical and moral standards, and the application of a consistent ruling. Levanthal's voice rule differentiated between two types of 'voice' as they cover the opportunity for individual input and representation, and the feasibility of these alternatives depends on the context. One set of items can assess individuals' opportunities to have direct input into decisions to assess voice in contexts such as performance appraisal, whereas the other can focus on the opportunity to have one's views represented in contexts such as organisational change and collective bargaining.

Thibaut and Walker's (1975) psychological model suggests that people's reactions to third-party allocation and dispute-resolution decisions are influenced by the fairness of the decision-making procedures, independent of the influence of the favourability of the outcome. They believe that distribution of control between the participants and the third party is the key procedural characteristic shaping people's views about fairness (Lind and Tyler 1988). It thus appears that people want to have a voice in the proceedings. They want to be able to present their side of the story to the decision maker. Hence, Thibaut and Walker's (1975) control model suggests that people who feel that they have a voice in organisational decision making will be more supportive of management, even if the policy outcome does not match their demand. This perception of voice within the organisation can also have an impact on trust or lack thereof. There is considerable evidence to show that it is very easy for management actions in HPWS firms to signal to workers that management is untrustworthy: lack of consultation over major business decisions affecting employees interests contributed to a rapid surge in mistrust (Collard and Dale, 1989).

Although the literature on procedural justice is extensive (Lind and Tyler 1988), it has been directed primarily at showing whether a procedure that is fair affects people. It is equally important to examine what it is about a procedure that leads employees involved in it to feel that it is fair—to explore what procedural justice means to those evaluating procedures they have experienced. The extent to which workers have a choice to participate in management practices such as HPWS is also important. If it is true that workers perceive that they have little choice but to go along with high performance practices, then the behaviour is unlikely to promote more favourable attitudes towards management by cognitive dissonance or self-perception mechanisms (Kelly and Kelly, 1991).

4.4 HPWS, Interactional Justice and Outcomes

Interactional justice theory reflects the interpersonal dimension of fairness (Bies, 1986). It is concerned with the fairness perceptions of the quality of the interpersonal treatment received (the level of sensitivity of treatment) and of the quality of explanations given for actions. This suggests a clear role for line managers in relations to the development of their subordinates' perceptions about fairness. Personal treatment has been found to be important because it reveals information about the impartiality of the organisation and what the organisation thinks about the employee's group status or social standing (Tyler, 1989). Tyler and Bies (1989) have

empirically demonstrated that the interpersonal treatment people receive, such as courtesy, honesty, and how adequately formal decision making procedures are explained by decision makers, influence judgements of procedural justice. This has also been supported by the findings of Mikula et al. (1990) suggesting that the quality of interpersonal treatment people receive in interactions and encounters with others, are regarded as important concerns of people's justice judgements. The notion of trust can be integrated when examining interactional justice as it examines the extent to which people were treated with dignity and respect. A measure of interactional justice includes one set of items to assess aspects of interpersonal sensitivity (honesty, courtesy, avoiding deception), one to look at explanations to justify decisions, and another to tap the personal ethicality (respect for rights and propriety), element recommended by Bies and Moag (1986).

5. DISCUSSION

It is anticipated that associations between HPWS practices and employee perceptions and outcomes, incorporating issues such as trust, satisfaction, commitment, motivation and discretionary effort, will recognise the employee as a 'subject', capable and willing of interaction. In this way, we argue that research should re-balance the agenda, with the employee as the primary subject of analysis. Given that a starting point in our perspective is recognition of the employee as an agent of influence and change, an initial concern for the design of future research is the perception of fair treatment and how such perceptions are managed, interpreted and articulated by workers (Folger and Cropanzano, 1998; O'Donnell and Shields, 2002). Employee perceptions about the fairness or unfairness of any HPWS practice will have a major influence on how they respond to that practice and also how their interpretations percolate throughout the organisation. We theorise that perceptions of distributive, procedural and interactional justice affect employee behaviours, satisfaction with outcomes and supervisors and ultimately impacts on employee outcomes.

Since the allocation of outcomes, such as pay and promotions, ensures that the most basic needs of employees are met, it makes sense that distributive justice would be one of the fundamental principles in the determination of fairness of exchanges. Previous research has shown that distributive justice does play a significant role in influencing employees' perceptions of whether the employment relationship is a fair one (e.g., Analoui and Kakabadse, 1991). However, given the increasing importance

attached to relational aspects of the employment relationship, it is believed that both procedural and interactional aspects of justice perceptions are equally important in the determination of whether the exchanges that occur in employment relationships are fair. Results from previous studies examining the influences of all three aspects of organisational justice have found evidence attesting to the important roles that they play (e.g., Skarlicki and Folger, 1997).

In investigating these justice dimensions, other key sub-elements will be incorporated. When examining *procedural* justice, issues such as employee perceptions of the 'utility' of voice and consultation in decision-making is likely to reveal a great deal more than just the reported number of such voice schemes that are in existence. Social identity theory will also be highlighted as an issue within procedural justice, which can impact people and potential outcomes. The issue of power within the context of the employer-employee relationship will also be examined. Studies that have examined the theoretical or empirical linkages between power and justice suggest they have reciprocal effects on each other. Structures of power can affect the formation of justice norms (Austin and Hatfield, 1980), but norms of justice in turn constrain the use of power (Cook and Emerson, 1978).

Distributive justice will encapsulate issues such as equality of outcomes, status, perceptions of relative deprivation and the potential conflict between economic efficiency and equality within the workforce. In examining *interactional* justice and the interpersonal treatment employees receive during the enactment of organisational procedures, two concepts will be constructed to form an impression of the prevailing relationship climate: interpersonal sensitivity (respect and politeness) and explanations (rationale for unfavourable outcomes).

6. CONCLUSION

In this paper, we have presented an argument to suggest that the individual in organisations should become more prominent if a greater understanding of the HPWS phenomenon is to get gained. The map presented in Figure 1 implies contradictions in much of the HPWS literature. The HPWS field has developed over the past ten years and many differing groups have presented their own perspectives upon HPWS attempting to render the subject more understandable. As previously mentioned, in all of these perspectives (HPWS empowers or intensifies work) both perspectives overlook the key role of the employee as the 'subject'. In applying

justice theory to HPWS we seek to rebalance this debate and examine if these practices are as worker oriented as they claim. In organisations, justice is about the rules and social norms governing how outcomes (e.g. rewards and punishments) should be distributed, the procedures used for making such distribution decisions (as well as other types of decisions), and how people are treated interpersonally (Bies & Tripp, 1995). By integrating these justice measures with HPWS policies and practices, employee behaviours and outcomes can be identified and explained. It also explains how such perceptions and behaviours can influence HPWS. If HPWS is to have credibility as a discrete field of academic endeavour and be capable of withstanding theoretical scrutiny, then the full range of participating actors must be incorporated (Delbridge and Lowe, 1997), on the one hand, by incorporating work attitudes and behaviours in the study of the HPWS-performance relationship and on the other by paying serious attention to the association between HPWS and worker-related outcomes. By drawing on employee-focused theory, namely organisational justice, it is believed that this research will assist in re-centering the employee as the primary subject of the HPWS debate.

REFERENCES

- Adams, J.S. (1965). 'Inequity in Social Exchange'. In Berkowitz, L. (Ed). *Advances in Experimental Social Psychology*. Vol. 2, New York: Academic Press, pp. 267-299.
- Agho, A.O., Mueller, C.W. and Price, J.L. (1993) 'Determinants of Employee Job Satisfaction: An Empirical Test of a Causal Model'. *Human Relations*, 46(8): 1007–27.
- Alexander, S. & Ruderman, M. (1987). The role of procedural and distributive justice in organization behavior. *Social Justice Research*, Vol. No. 2, pp 177-198.
- Analoui, F. and Kakabadse, A. 1991, *Sabotage; How To Recognise And Manage Employee Defiance*, Mercury, London.
- Appelbaum, E. (2002) 'The Impact of New Forms of Work Organisation on Workers'. In Murray, G., Bélanger, J., Giles, A. and Lapointe, P.A. (Eds) *Work and Employment Relations in the High Performance Workplace*. London:Continuum.
- Appelbaum, E., Bailey, T. and Berg, P. (2000). *Manufacturing Advantage: Why High Performance Work Systems Pay Off*. Cornell University Press: Ithaca, NY.
- Appelbaum, E. and Batt, R. (1994) *The New American Workplace: Transforming Work Systems in the United States*. Ithaca, NY: Cornell University Press.
- Arthur, J.B. (1994). 'Effects of Human Resource Systems on Manufacturing Performance and Turnover'. *Academy of Management Journal*. Vol. 37, pp. 6702-687.
- Arthur, J.B. (1992). 'The link between business strategy and industrial relations systems in American steel minimills'. *Industrial and Labor Relations Review*. Vol. 45, No. 3, pp.488-505.
- Bacon, N. (2003). 'Human Resource Management and Industrial Relations'. In Ackers, P. and Wilkinson, A. (Eds). '*Understanding Work and Employment: Industrial Relations in Transition*'. Oxford: Oxford University Press.
- Barker, J.R. (1993). 'Tightening the Iron Cage: Concertive Control in Self-Managing Teams'. *Administrative Science Quarterly*. Vol. 38, September, pp. 408-437.
- Becker, B. and Huselid, M. (1998). 'High performance work systems and work performance: a synthesis of research and managerial implications, in Ferris, G. ed. *Research in Personnel and Human Resources Management*. Vol. 16, pp. 53-101. Stamford, Conn: JAI Press.
- Becker, B. and Gerhart, B. (1996) 'The Impact of Human Resource Management on Organizational Performance: Progress and Prospects ', *Academy of Management Journal*, Vol. 39, pp. 779–901.

- Berg, T.R. (1991) 'The Importance of Equity Perception and Job Satisfaction in Predicting Employee Intent to Stay at Television Stations', *Group and Organization Studies*, 16(3): 268–84.
- Bies, R.J. and Shapiro, D.L. (1987). Interactional fairness judgments. The influence of causal accounts. *Social Justice Research*, Vol 1, pp. 199-218.
- Bies, R. J. and Tripp, T.M. (1995). The use and abuse of power: Justice as social control. In R. Cropanzano and Kacmar, K.M. (Eds) *Organizational politics, justice and support: Managing the social climate of work organizations* (pp. 131-145). New York: Quorum Books.
- Bies, R.J. and Moag, I.S. (1986). 'Interactional justice communication criteria of fairness'. In Lewicki, R.J., Sheppard, B.H. and Bazerman, M.H. (Eds). *Research on negotiation in organizations*. Vol, 1, pp. 43-55.
- Boxhall, P. and Purcell, J. (2003). *Strategy and Human Resource Management*. NY, Palgrave MacMillan.
- Braverman, H. (1974). *Labour and Monopoly Capitalism: the Degradation of Work in the Twentieth Century*. Monthly Review Press.
- Brockner, J., Grover, S., Reed, T., DeWitt, R. and O'Malley, M. (1987). 'Survivors reactions to layoffs: We get by with a little help from our friends'. *Administrative Science Quarterly*. Vol. 32, pp. 526-541.
- Buchanan, J. and Hall, R. (2002). Teams and Control on the Job: Insights from the Australian Metal and Engineering Best Practice Studies. *Journal of Industrial Relations*. Vol. 44, No. 3, pp. 397-417.
- Clarke, T., Mabey, C. and Skinner, D. (1998). Experiencing HRM: the importance if the inside story'. In C. Mabey, D.Skinner, and T. Clarke (Eds), *Experiencing Human Resource Mangement* (pp.1-13). London: Sage Publications.
- Cooper, C.L., Dyck, B. and Frohlich, N. (1992). 'Improving the effectiveness of gainsharing the role of fairness and participation'. *Administrative Science Quarterly*. Vol. 37, pp. 471-490.
- Cowherd, D.M. and Levine, D.I. (1992) Product quality and pay equity between lower-level employees and top management: An investigation of distributive justice theory, *Administrative Science Quarterly*. Vol. 37, pp. 302-320.
- Davy, J.A., Kinicki, A.J. and Scheck, C.L. (...) "Developing and Testing a Model of Survivor Responses to Layoffs", *Journal of Vocational Behaviour*, Vol. 38, pp. 302-317.
- Delbridge, R. and Lowe, J. (1997b). 'Managing human resources for business success: a review of the issues'. *International Journal of Human Resource Management*. Vol. 8, No. 6, pp. 857-873.
- Folger, R. and Cropanzano, R. (1998). *Organizational Justice and Human Resource Management*. Thousand Oaks, California, Sage.

- Folger, R. and Konovsky, M. A. (1989). Effects of procedural and distributive justice on reaction to pay raise decisions. *Academy of Management Journal*, Vol. 32, pp. 115-130.
- Gerhart, B., Wright, P.M., McMahan, G.C. and Snell, S.A. (2000). 'Measurement error in research on human resources and firm performance: how much error is there and how does it influence effect size estimates'? *Personnel Psychology*. Vol. 53, pp. 803-834.
- Giddens, A. (1982) 'Power, the Dialectic of Control and Class Structuration', in Giddens, A. & Mackenzie, G. (eds.) *Social Class and the Division of Labour*, Cambridge: Cambridge University Press.
- Godard, J. and Delaney, J.T. (2000). 'Reflections on the 'High Performance' Paradigms Implications for Industrial Relations as a Field'. *Industrial and Labor Relations Review*. Vol. 53, No. 3, pp. 482-502.
- Guest, D. (2002). 'Human Resource Management, Corporate Performance and Employee Well-being: Building the Worker into HRM'. *Journal of Industrial Relations*. Vol. 44, No. 3, pp. 335-358.
- Greenberg, J. (1990). 'Organizational Justice: Yesterday, Today and Tomorrow'. *Journal of Management*. Vol. 16, No. 2, pp. 399-432.
- Greenberg, J. (1987). 'A Taxonomy of Organisational Justice Theories'. *Academy of Management Review*. Vol. 12, No. 1, pp. 9-22.
- Greenberg, J. (1988). Cultivating an image of justice: looking fair on the job'. *Academy of Management Journal*. Vol. 1, pp. 155-158.
- Greenberg, J. (1986). 'Determinants of perceived fairness of performance evaluation'. *Journal of Applied Psychology*. Vol. 71, pp.340-342.
- Guest, D. (1999). 'Human Resource Management – the workers verdict'. *Human Resource Management Journal*. Vol. 9, No. 3, pp. 5-25.
- Holbrook, R.L. (2002). 'Contact points and flash points: Conceptualizing the use of justice mechanisms in the performance appraisal interview'. *Human Resource Management Review*. Vol. 12, No. 1, pp. 101-123.
- Homans, G.C. (1961). *Social Behavior: Its elementary forms*. New York: Harcourt, Brace & World.
- Huselid, M., (1995) 'The impact of human resource management practices on turnover, productivity, and corporate financial performance'. *Academy of Management Journal*. Vol. 38, pp. 635–672.
- Ichniowski, C., Shaw, C. and Premushi, G. (1997). 'The Effects of Human Resource Management Practices on Productivity: A study of Steel Finishing Lines'. *American Economic Review*, Vol. 87, No. 3, pp. 291-313.
- Ichniowski, C.; Kochan, T.A.; Levine, D.I.; Olson, C.; Strauss, G. (1996). 'What works at work: Overview and assessment', *Industrial Relations*, Vol. 35, No. 3, pp. 299-333.

- Kelly, J. and Kelly, C. (1991). 'Then and Us': Social Psychology and 'The New Industrial Relations'. *British Journal of Industrial Relations*. Vol. 29, No. 1, pp. 25-48.
- Kochan, Thomas, and Paul Osterman. 1994. *The Mutual Gains Enterprise: Forging a Winning Partnership Among Labor, Management, and Government*, Boston, MA: Harvard Business School Press.
- Lawler, E.E. (1988) 'Choosing an Involvement Strategy', *Academy of Management Executive*, Vol. 2, pp. 197–224.
- Legge, K. (2001). 'Silver bullet or spent round? Assessing the meaning of the high commitment management/performance relationship', in Storey, J. (ed.). *Human resource management: A critical text*. Second edition, London, Thomson Learning.
- Legge, K. (1998). The morality of HRM. In C. Mabey, D.Skinner, and T. Clarke (Eds), *Experiencing Human Resource Mangement* (pp.1-13). London: Sage Publications.
- Legge, K. (1995). *Human Resource Management – Rhetorics and Realities*. Basingstoke: MacMillan Press.
- Leventhal, G.S. (1980). What should be done with equity theory? In K.J. Gergen, M.S. Greenberg, and R.H. Willis (Eds.), *Social Exchange: Advances in theory and research*, New York: Plenum.
- Lind, E.A. and Tyler, T.R. (1988). *The Social Psychology of Procedural Justice*. New York, Plenum.
- Lissak, R.I. (1983). 'Procedural Fairness: How employees evaluate procedures'. Unpublished doctoral dissertation, University of Illinois, Urbana.
- Mabey, C., Clark, T and Skinner, D. (1998) Getting the Story Straight. In C. Mabey, D.Skinner, and T. Clarke (Eds), *Experiencing Human Resource Mangement* (pp.1-13). London: Sage Publications.
- MacDuffie, J.P. (1995) 'Human Resource Bundles and Manufacturing Performance', *Industrial and Labor Relations Review*, Vol. 48, pp. 197–221.
- Masterson, S., Lewis, K., Goldman, B. M. Taylor, M.S. (2000) Integrating justice and social exchange: The differing effects of fair procedures and treatment on work relationships. *Academy of Management Journal*. Vol. 43, pp. 738-748
- Marchington, M. and Wilkinson, A. (2003). *People Management and Development: Human Resource Management at Work. 2nd Edition*. London: Chartered Institute of Personnel and Development.
- Marchington, M., and Grugulis, I. (2000) 'Best Practice" Human Resource Management: Perfect Opportunity or Dangerous Illusion?' *International Journal of Human Resource Management*, Vol. 11, No. 6, pp. 1104–24.
- Martin, J. (1981). Relative deprivation: A theory of distributive injustice for an era of shrinking resources. *Research in Organizational Behavior*, Vol. 3, pp. 53—107

- McFarlin, D.B. and Sweeney, P.D. (1992). Distributive and Procedural Justice as Predictors of Satisfaction with Personal and Organisational Outcomes. *Academy of Management Journal*. Vol. 35, No. 3, 326-637
- Messick, D. M. (1991). Social dilemmas, shared resources, and social justice. In H. Steensma and R. Vermunt (Eds.), *Social justice in human relations: Vol. 2* (pp. 49-69). New York: Plenum.
- Mikula, G., Petri, B. and Tanzer, N. (1990). What People Regard as Unjust: Types and Structures of Everyday Experiences of Injustice. *European Journal of Social Psychology*, Vol. 20, pp. 133-149.
- Milkman, R. (1997). *Farewell to the Factory: Auto Workers in the Late Twentieth Century*. Berkley: University of California Press.
- Moorman, R.H. (1991). Relationship Between Organisational Justice and Organisational Citizenship Behaviours: Do Fairness Perceptions Influence Employee Citizenship? *Journal of Applied Psychology*, Vol. 76, No. 6, pp. 845-855.
- Mueller, R. (1996). 'Human resource strategic assets: an evolutionary resource-based theory'. *Journal of Management Studies*. Vol. 33, No. 6, pp. 757-785.
- O'Donnell, M. and Shields, J. (2002). 'Performance Management and the Psychological Contract in the Australian Federal Public Sector'. *Journal of Industrial Relations*. Vol. 44, No. 3, pp. 435-457.
- Okun, Arthur. 1975. *Equality and Efficiency: The Big Tradeoff*. Washington, D.C.: Brookings Institute.
- Oldham G., Kulik, C. T., Ambrose, M. L., Stepina, L. P. and Brand, J. F. (1986). 'Relations between Job Facet Comparisons and Employee Reactions'. *Organizational Behavior and Human Decision Processes*, Vol. 38, No. 1, pp. 28-47.
- Osterman, P. (1994) 'How Common Is Workplace Transformation and Who Adopts It?' *Industrial and Labor Relations Review*, Vol. 47, pp. 173-88.
- Parker, M. and Slaughter, J. (1988). *Choosing Sides: Unions and the Team Concept*. Boston: South End Press.
- Patterson, M.G.; West, M.A.; Lawthorn, R.; Nickells, S. (1997) *The Impact of People Management Practices on Business Performance*, Institute of Personnel and Development, London.
- Pfeffer, J. (1998). *The Human Equation: Building Profits by Putting People First*. Boston: Harvard Business School Press.
- Pfeffer, J. and Langton., N. (1993). The effects of wage dispersion on satisfaction, productivity, and working collaboratively: Evidence from college and university faculty. *Administrative Science Quarterly*, Vol. 38, pp. 382-407.

- Pfeffer, J. and David-Blake, A. (1992). Salary dispersion, location in the salary distribution, and turnover among college administrators. *Industrial and Labor Relations Review*. Vol. 45, pp. 753-763.
- Pil, F.K. and MacDuffie, J.P. (1996) 'The Adoption of High-Involvement Work Practices', *Industrial Relations*, Vol. 35, pp. 423–55.
- Purcell, J., Kinnie, N., Hutchinson, S., Rayton, B. and Swart, J. (2003). *Understanding the People and Performance Link: Unlocking the Black Box*. London: Chartered Institute of Personnel and Development.
- Purcell, J. (1999). 'Best fit or best practice: chimera or cul-de-sac'. *Human Resource Management Journal*. Vol. 9, No. 3, pp. 26-41.
- Rawls, J. (1971). *A Theory of Justice*. Cambridge, Mass: Harvard University Press.
- Ramsey, H., Scholarios, D. and Harley, B. (2000). 'Employees and high performance work systems: testing inside the black box'. *British Journal of Industrial Relations*, Vol. 38, No, 4, pp. 501-531.
- Runciman, W.G. (1966). *Relative deprivation and social justice*. London: Routledge and Kegan Paul.
- Scarpello, V. and Jones, F. F. (1996). Why justice matters in compensation decision making. *Journal of Organizational Behavior*, Vol. 17, pp. 285-299.
- Schneider, B. (1987). The People Make the Place. *Personnel Psychology*. Vol. 40, pp. 437-453.
- Skarlicki, D.P. and Folger, R. (1997). Retaliation in the workplace: The roles of distributive, procedural, and interactional justice. *Journal of Applied Psychology*, Vol. 82, pp. 434-443.
- St. Onge, S. (1993) 'Variables influencing pay-for-performance perception in merit pay environment'. *Academy of Management Best Papers Proceedings*. pp. 121-125.
- Strangleman, T. and Roberts, I. (1999). 'Looking Through the Window of Opportunity: the Cultural Cleansing of Workplace Identity', *Sociology*, Vol 33 No 1, pp. 47-67
- Steyaert, C. and Janssens, M. (1999). 'Human and inhuman resource management: saving the subject'. *Organization*. Vol. 6, No. 2, 181-198.
- Sweeney, P.D. and McFarlin, D.B. (1993). Workers' evaluations of the "ends" and the "means": An examination of four models of distributive and procedural justice. *Organization Behavior and Human Decision Processes*. Vol.55, pp 23-40.
- Sweeney, P.D. (1990). 'Distributive Justice and Pay Satisfaction: A Field Test of an Equity Theory Prediction'. *Journal of Business and Psychology*, Vol. 4, No. 3, pp. 329-341.
- Tailby, S., & Turnbull, P. (1987). Learning to manage Just-in-Time. *Personnel Management*, January, 16–19.

- Taylor, G.T. and Vest, M.J. (1992) 'Pay Comparisons and Pay Satisfaction among Public Sector Employees'. *Public Personnel Management*. Vol. 21, No. 4, pp. 445-464.
- Thibaut, J. and Walker, L. (1975). 'Procedural justice: A psychological analysis'. Hidsdale, NJ, Erlbaum.
- Tremblay, M. and Roussel, P. (2001). 'Modelling the role of organizational justice: effects on satisfaction and unionisation propensity of Canadian managers'. *International Journal of Human Resource Management*. Vol. 12, No. 5, pp. 717-737.
- Tyler, T.R. and Caine, A. (1981). 'The role of distributional and procedural fairness in the endorsement of formal leaders'. *Journal of Personality and Social Psychology*. Col. 41, pp. 642-655.
- Truss, C. (2001) 'Complexities and Controversies in linking HRM with organizational outcomes'. *Journal of Management Studies*, Vol. 38, No. 8, pp. 1121 -1149.
- Walton, R. (1985). 'From 'Control' to 'Commitment' in the Workplace'. *Harvard Business Review*, March, pp. 77-84.
- Tyler, T.R. (1987) 'Conditions Leading to Value-Expressive Effects in Judgments of Procedural Justice: A Test of Four Models," *Journal of Personality and Social Psychology*, Vol. 52, pp. 333–344.
- Welbourne, T.M, Balkin, D.B. and Gomez-Mejia, L.A. (1995). 'Gainsharing And Mutual Monitoring: A Combined Agency-Organizational Justice Interpretation'. *Academy of Management Journal*, June, Vol. 38, No. 3, pp. 881-899.
- Whitfield, K. and Poole, M. (1997). 'Organizing Employment for High Performance: Theories, Evidence and Policies', *Organization Studies*, Vol. 18, No. 5, pp. 745-764.
- Willmott, H. C. (1997). 'Rethinking management and managerial work: capitalism, control and subjectivity'. *Human Relations*, Vol. 50, No. 11, pp. 1329–59.
- Willmott, H. (1993). 'Strength is ignorance slavery is freedom: managing culture in modern organizations'. *Journal of Management Studies*, Vol. 30, No.4, pp.515-51.
- Wood, S. (1999). 'Getting the Measure of the Transformed High Performance Organization'. *British Journal of Industrial Relations*'. Vol. 37, no. 3, pp. 391-417.
- Wood, S. and DeMenezes, L. (1998). 'High commitment management in the UK: evidence from the Workplace Industrial Relations Survey, and Employers' Manpower and Skills Practice Survey'. *Human Relations*. Vol. 51, No. 4, pp. 485-515.
- Wood, S. and Kelly, J. (1988). Taylorism, Responsible Autonomy and Management Strategy. In E. Pahl (Ed). *On Work: Historical, Comparative and Theoretical Approaches*. London: Blackwell

Zohar, D. (1995). The justice perspective of job stress. *Journal of Organizational Behavior*, Vol. 16, pp 487-495.

Zuboff, S. (1988) *In the Age of the Smart Machine: The Future of Work and Power*. New York: Basic Books.

FIGURE 1: ADCOCATES AND CRITICS OF HPWS

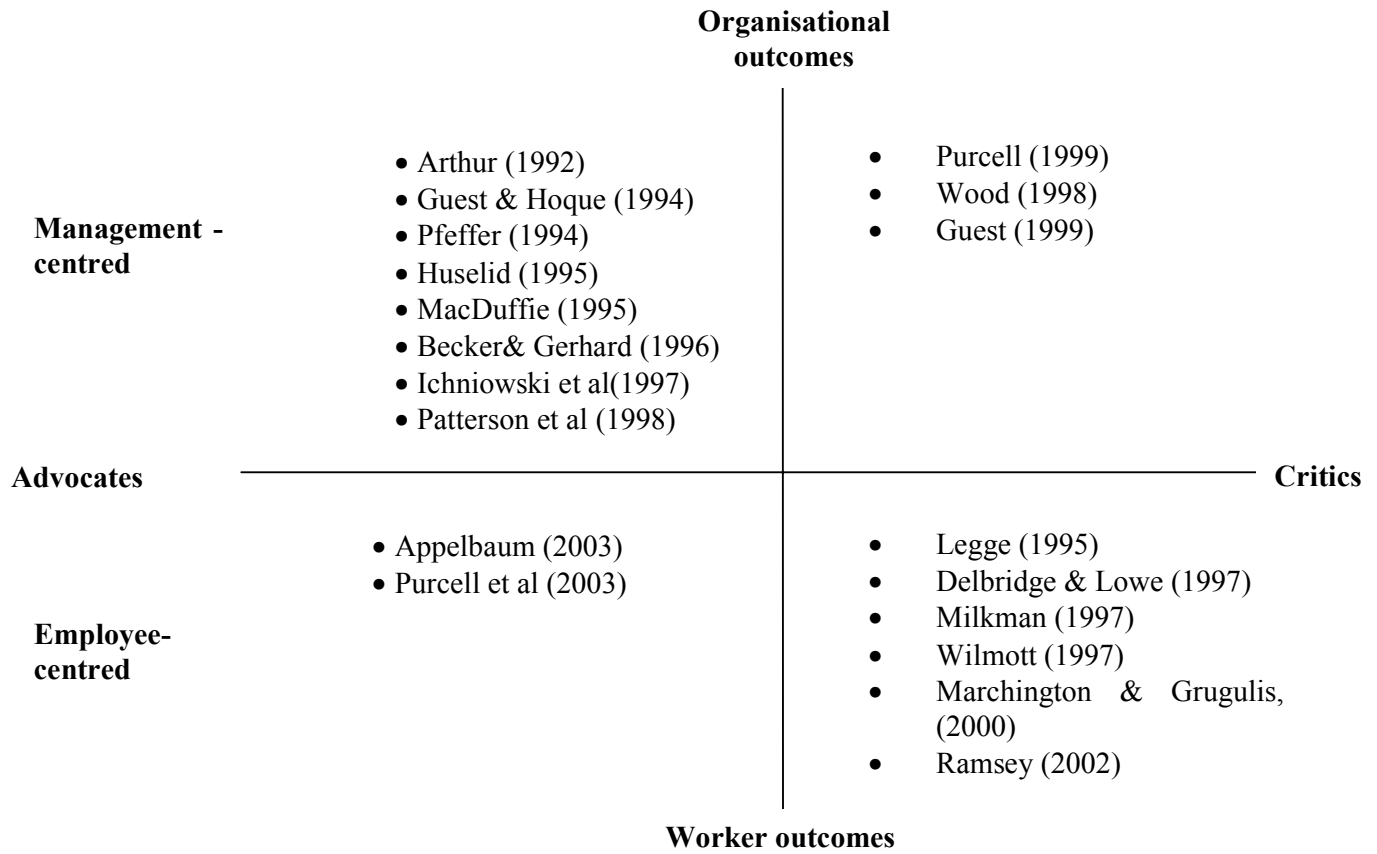
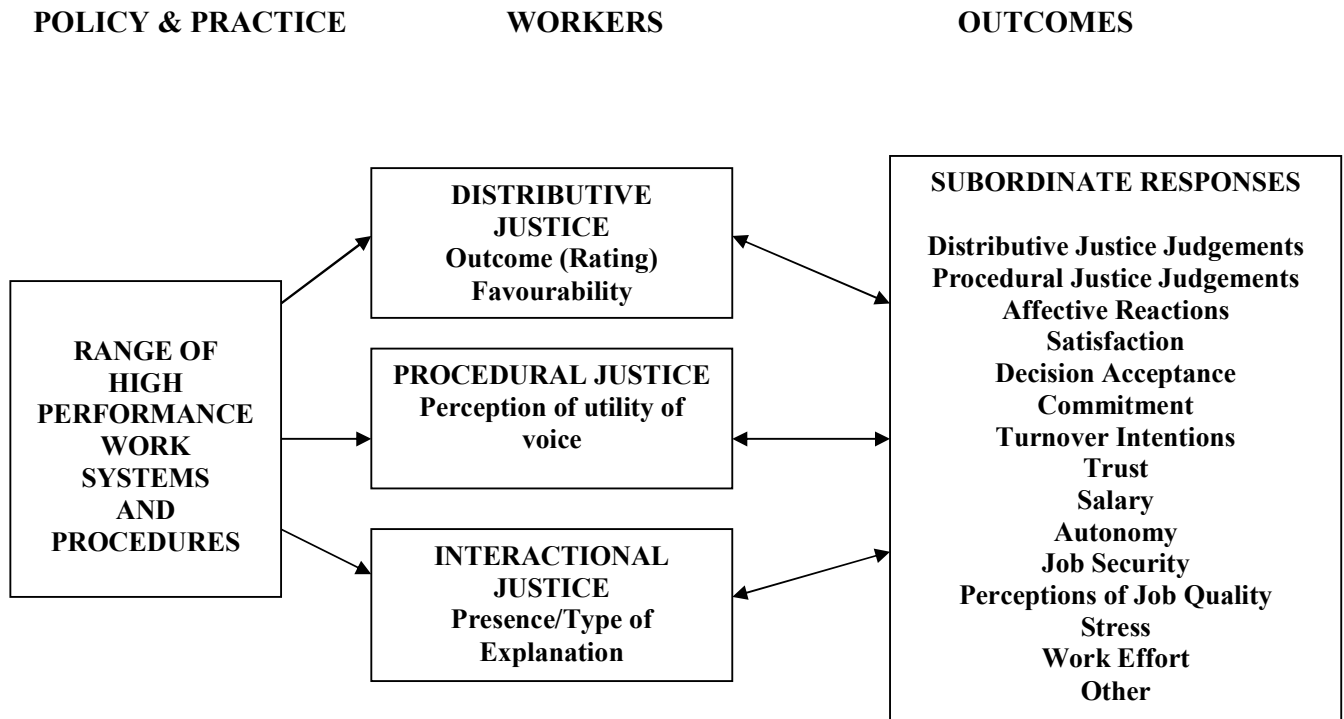


FIGURE 2: CONCEPTUAL MODEL: HIGH PERFORMANCE WORK SYSTEMS, JUSTICE AND OUTCOMES



(Adapted from Holbrook, 2002)

Previously published Working Papers:

An up-to-date list of working papers can be found at: <http://iira.fh-bad-honnef.com>

No.	Author(s)	Title	Date
13	Nash, D.	A Recepte for Creating Resentment and Dissatisfaction: A Study of Payment Systems in Investment Banking	09/2004
12	Procter, S., Burrige, M.	Extent, Intensity, and Context: Teamworking and Performance in the 1998 UK Workplace Employee Relations Survey (WERS98)	09/2004
11	Marsden, D.	The Role of Performance Related Pay in Renegotiating the 'Effort Bargain': The Case of the British Public Service	09/2004
10	Galang, M. C.	High Performance Work Systems and Organisational Performance: A Six-Country Study	09/2004
09	van Veldhoven, M., Verhagen, M.	The Relationship Between Employee Survey Data And Performance: A Longitudinal Study Using Multiple Types Of Outcomes	09/2004
08	Thompson, M., Heron, P.	Management Capability And High Performance Work Organization	09/2004
07	Heffernan, M., Dundon, T.	High Performance Work Systems and Employee Outcomes: Rebalancing the Argument	09/2004
06	Kalmi, P., Pendleton, A., Poutsma, E.	Financial Participation And Performance: New Survey Evidence From Europe	09/2004
05	Stavrou, E., Brewster , C., Charalambous, C.	Human Resource Management As A Competitive Tool In Europe	09/2004
04	Bacon, N., Blyton, P.	Does Co-operation to Negotiate High Performance Work Practices Pay for Unions?	09/2004
03	McNabb, R., Whitfield, K.	Does Pay-for-Performance Pay?: Incentive Pay, Employee Participation and Earnings	09/2004
02	Kinnie, N., Swart, J., Rayton, B., Hutchinson, S., Purcell, J.	HR Policy and Performance: An Occupational Analysis	09/2004
01	Boselie, P., Pauwe, J.	HRM and Performance: What's next?	09/2004