



UK COMMISSION FOR  
EMPLOYMENT AND SKILLS

# High Performance Working: Developing a Survey Tool

Evidence Report 5  
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# High Performance Working: Developing a Survey Tool

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**Evidence Report 5**

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## Foreword

Launched on 1<sup>st</sup> April 2008, the UK Commission for Employment and Skills is a key recommendation in Lord Leitch's 2006 review of skills *Prosperity for All in the Global Economy: World Class Skills*. The UK Commission aims to raise UK prosperity and opportunity by improving employment and skills. Its ambition is to benefit individuals, employers, government and society by providing independent advice to the highest levels of the UK Government and Devolved Administrations on how improved employment and skills systems can help the UK become a world class leader in productivity, in employment and in having a fair and inclusive society.

Research and policy analysis plays a fundamental role in the work of the UK Commission and is central to its advisory function. In fulfilling this role, the Research and Policy Directorate of the UK Commission is charged with delivering a number of the core activities of the UK Commission and has a crucial role to play in:

- Assessing progress towards making the UK a world-class leader in employment and skills by 2020;
- Advising Ministers on the strategies and policies needed to increase employment, skills and productivity;
- Examining how employment and skills services can be improved to increase employment retention and progression, skills and productivities.
- Promoting employer investment in people and the better use of skills.

We will produce research of the highest quality to provide an authoritative evidence base; we will review best practice and offer policy innovations to the system; we will undertake international benchmarking and analysis and we will draw on panels of experts, in the UK and internationally, to inform our analysis.

Sharing the findings of our research and policy analysis and engaging with our audience is very important to the UK Commission. Our Evidence Reports are our chief means of reporting our detailed analytical work. Our other products include Summaries of these reports; Briefing Papers; Thinkpieces, seminars and an annual Research and Policy Convention. All our outputs are accessible in the Research and Policy pages at [www.ukces.org.uk](http://www.ukces.org.uk)

This report is the start of the process to develop a UK wide survey of high performance working. Such a survey is a much needed contribution to the evidence base for high performance working (HPW). The establishment of a common, longitudinal, employer based survey tool capable of producing results comparable across nations, sectors, firm size and strategy, would be extremely valuable in developing the evidence base necessary on which to build actions to encourage more effective skills utilisation and thus improved organisational performance.

The report is the output from one of a number of UK Commission projects exploring the issue of HPW and skills utilisation including a skills utilisation literature review, a synthesis of HPW literature, case studies and a review of policy interventions in support of HPW. We hope you find this report useful and informative in building the evidence we need to achieve a more prosperous and inclusive society.



**Professor Mike Campbell**  
**Director of Research and Policy**



**Lesley Giles**  
**Deputy Director and Head of Research**

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# Executive Summary

## Project context

The development of a longitudinal employer based survey tool is one of three linked sub-projects commissioned by the UK Commission for Employment and Skills within a project concerned with Skills Utilisation in the UK. The concept of skills utilisation encompasses a range of high performance work practices with a focus on creating a working environment in which employee talents can be deployed for the optimal mutual benefit of themselves and their employer. As such it implies a particular concern with identification of workforce talents, designing work in such a way that employee talents are optimally used and offering opportunities for employees to contribute to shaping the broader development of the organisation beyond the confines of their job descriptions.

Concerns about adequate deployment of workforce skills derive from broader concerns about the role of skills in contributing to the UK's economic performance. The UK 'skills problem' is multi-faceted, well documented and has a long history. Our stock of skills and their optimal deployment fare relatively poorly when compared internationally according to Skills Utilisation measures such as labour productivity and levels of qualifications among different workforce groups. Access to opportunities for skills acquisition is uneven as are their impacts and a number of reasons are provided for this, often deriving from Human Capital Theory (Becker, 1964).

For organisations, underinvestment in skills may appear to be a rational response in the face of risks such as poaching of trained workers and payback time on investment. Equally organisations may be keen to invest in developing workforce skills, but lack capacity or capability to manage the process, or simply find it difficult to source appropriate training or lack broader knowledge of how skills utilisation can be optimised. It is within this context that this survey tool has been developed.

## Project objective

The UK evidence base has suffered deficiencies in the past around the issue of more effective skills utilisation and organisational performance. There are few large scale, representative, economy-wide surveys in the UK. Research tends to focus on the most successful, large employers and to focus on best practice. There is limited cross sectional analyses (e.g. sector, size, geography) to show how practices differ amongst firms of varying characteristics. Little longitudinal data is available on high performance working (HPW) and organisational performance, which might more effectively identify any causal link between skills and the bottom line and to precisely understand 'what is driving what'.



Therefore the aim of this project is to develop a common, longitudinal, employer based survey tool on HPW capable of providing results comparable by: nation; sector; size of firm and organisational strategy.

## **Developing the survey tool content**

The development of the survey tool content was informed by:

- Developing an extended version of the 4A model to enable us to capture the causal processes between organisational contextual influences such as product market strategy, culture and choice of technology, selection and implementation of HPW practices, employee perceptions of their implementation and impact on employee performance outcomes.
- Undertaking a scoping review to identify what researchers, academics and policy makers think are the key unanswered questions concerning skills utilisation and HPW. This enables assessment of which measures and themes are most important and which evidence gaps can be filled.
- Evaluating existing surveys including the Workplace Employer Relations Survey 2004; the National Employer Skills Survey 2007; the Skills for Business Network Survey 2007; the People and the Bottom Line Survey 2007; the Future of Work survey 1999 and the Investors in People Employer Survey Tool. It considers the extent to which each survey covers relevant issues related to HPW, skills utilisation and organisational performance. Where there are gaps or difficulties we gave particular attention to the design implications for a new survey to capture the relevant information.

The findings from the initial scoping exercise were used to develop a generalised framework for examining skills utilisation and HPW, against which we considered appropriate measures, variables and question development. This second stage generated a framework to capture areas of required evidence and was used to assess the potential of adapting existing surveys against developing a new cross-sectional and/or panel survey.

A detailed series of questionnaire modules was then developed which map onto each of the sections of the 4A model covering organisational context, measure of incidence and implementation of HPW practices, employee perceptions of implementation processes and outcomes. In particular, our research indicated a need for more detailed exploration of employee perspectives on HPW practices. This should include measures to explore attributions of why managers adopt HPW practices, measures of informal training provision and assessments of the quality of management and leadership by employees.

## **Survey tool development process**

We also drew on the expert consultations and a review of the literature to consider the most appropriate methods for conducting the survey including its size and scope, the mode of application (face-to-face, postal etc) and who the respondents should be. The report considers a number of options for the UK Commission to evaluate. These include the extension of the WERS survey (which is rejected due to pressures on its existing content), the commissioning of a bespoke survey, and the addition of questions to NESS. The report also stresses the need for complementary case study based research to capture the reasons why managers decide to adopt business strategies which demand deployment of HPW practices and to test out the take up and impact of appropriate kinds of policy support. Such complementary research has been conducted by the UK Commission through its HPW case study project. Along with this, the Policy Review project has examined the policies available to support HPW and identified gaps in policy, and a synthesis paper has presented evidence on the issues surround HPW. Together, these constitute the outputs from the UK Commission's Skills Utilisation project. Preceding this was a Skills Utilisation literature review produced by the Scottish Government.

# 1 Introduction

## 1.1 Background to the research development

The UK Commission for Employment and Skills has a remit to advise the four Governments of the UK on issues of employment and skills. The Commission's creation originates from the recommendations in Leitch Review of Skills (2006) and its overarching objectives are to help the UK achieve dual goals of 'economic competitiveness and social cohesion' (UK Commission for Employment and Skills, 2008). It aims to do this by gathering robust and reliable evidence to become a powerful and credible presence in informing policy-making, employer and individual activity with respect to investment in and deployment of skills.

The UK has a long standing, well document and multi-faceted 'skills problem'. The country is now producing large numbers of higher skilled workers through the expansion of the higher education system. But in simple terms, its stock of skills and their optimal deployment still fare relatively poorly when compared internationally according to Skills Utilisation measures such as labour productivity and levels of qualifications among different workforce groups. Access to opportunities for skills acquisition is uneven as are their impacts and a number of reasons are provided for this, often deriving from Human Capital Theory (Becker, 1964).

For organisations, underinvestment in skills may appear to be a rational response in the face of risks such as poaching of trained workers and payback time on investment. Equally organisations may be keen to invest in developing workforce skills, but lack capacity or capability to manage the process, or simply find it difficult to source appropriate training or lack broader knowledge of how skills utilisation can be optimised within broader systems of high performance working. Furthermore, one school of thought argues that many UK employers adopt competitive strategies which simply do not demand high levels of workforce skills (Keep et al, 2006). However, employer reluctance to invest or harness the talent of their workforces through suboptimal HR systems can create risks to individual firms and UK competitiveness, in that emerging economies in other continents are providing large quantities of cheap labour, some of which is highly skilled. Coupled with the globalisation of production systems for many goods and services, this development poses an increasing threat to the prospects for UK organisations which are competing in these markets. Optimising employer investment in skills and their application requires tackling some of the blockages and barriers that inhibit employer action. Some of these relate to skills deployment which is being addressed in the UK Commission's 'skills utilisation' project.

The rationale for the project is to understand how to stimulate more effective skills utilisation in the workplace and by so doing enhance UK productivity and performance. The project has four strands of work.

- A paper synthesising the key and latest evidence on high performance working (HPW).
- Work to develop an employer survey tool to assess the extent and impact of HPW
- Case studies of the implementation of HPW
- A review of the policies available to support HPW and identify where there may be gaps in that support.

Preceding these strands is a review of skills utilisation literature commissioned by Scottish Government (2008). Skill utilisation is potentially a very broad and wide-ranging topic, and in order to ensure clarity and focus, the elements of work outlined in this report will concentrate specifically on '**High Performance Working**' (HPW), since this allows an explicit focus on the ways in which people are managed, and thus on **management and leadership** issues. HPW is a general approach to managing organisations that aims to stimulate more effective employee involvement and commitment to achieve high levels of performance.

A range of research studies have sought to define HPW, measure the extent of take-up, and look at exactly how HPW can create a work environment that encourages higher performance. These are referred to in the UK Commission's synthesis of HPW literature by Belt and Giles (2009). The development of a HPW employer survey tool aims to build on, update and take forward previous research rather than replicate it. In particular, it aims to make a valuable contribution to the understanding of HPW and the utilisation of skills in UK organisations, particularly focusing on what works in securing HPW and effective skills utilisation and what good practice looks like. Importantly, the findings will also make clear policy recommendations in this area in terms of broadening the take-up of HPW practices and promoting more effective skills utilisation - an issue that has been neglected in previous research.

This focus on what can be done to increase the take-up of HPW is important as research has shown that in spite of the fact that there is convincing evidence of the positive impact of HPW on organisational performance, only a minority of UK firms have put such practices into place. Research has suggested some reasons for this, such as a lack of knowledge amongst managers, doubts about the benefits, as well as a culture of short-termism amongst British management (see Guest, 2006; Tamkin et al, 2008; Belt and Giles, 2009)<sup>1</sup>. It seems that the vast majority of UK employers still 'do not find the evidence base [for HPW] either accessible or compelling, and even if they are convinced, struggle to understand how they might apply, measure and monitor such practices in their workforce' (Tamkin et al, 2008, p. 3).

The UK evidence base has suffered deficiencies in the past around the issue of more effective skills utilisation and organisational performance. For instance:

- There are few large scale, representative, economy-wide surveys in the UK.

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<sup>1</sup> Guest, D. (2006) 'Smarter Ways of Working', SSDA Catalyst Research Paper, Issue 3, SSDA Wath upon Dearne.

- Research tends to focus on the most successful, large employers and to focus on best practice.
- There is limited cross sectional analyses (e.g. sector, size, region) to show how practices differ amongst firms of varying characteristics.
- Little longitudinal data are available on HPW and performance, which might more effectively identify any causal link between skills and the bottom line and to precisely understand 'what is driving what'.

Therefore the aim of this project is to develop a common, longitudinal, employer based survey tool on HPW capable of providing results comparable by: nation; sector; size of firm; organisational strategy. The parameters for and remit of the project need to be appreciated in reading this report. In undertaking this work, it must be acknowledged that a variety of employer survey tools, some relating to HPW are already in existence in the UK but that coverage is not always comprehensive or comparable. In particular there is some variation across the four nations of the UK in terms of their employer skills surveys but this is minor when compared to differences with employer skills surveys that exist outside of the UK. Some consideration would need to be given to developing appropriate synergies between existing and any new survey tools in the UK, including the possibility of harmonisation. Additionally, the need to capture employee views of HPW was recognised as being of central importance as the project progressed compared to its initial focus, and further investigation into employee-based surveys on working and working conditions would be desirable in any further development of the survey tool. The specific goal of the project was to develop a longitudinal survey tool. There are a number of potential challenges which have been identified for longitudinal compared to cross-sectional surveys, such as the need for a large sample to cope with attrition in response and to obtain a sufficient sub-sample of firms with variations in HPW practices over time. Alternatives such as cross-sectional surveys involving the linking of performance data are discussed within the report, and careful consideration will be needed in selecting the most appropriate option which will meet the UK Commission's needs.

The development of a longitudinal survey stands to make the following contribution to the stock of evidence on HPW:

- Track the uptake of HPW practices over time
- Understanding the extent and magnitude HPW effects (e.g. in terms of improved skills utilisation and organisational performance).

- Identifying the determinants and influences on HPW.
- Identifying which groups of employers stand to benefit most from the achievement of HPW.
- Identifying, comparing and contrasting differences across surveys and key variables (such as geography, sector, size of firm and strategy) as appropriate to understand the differences in HPW across the economy and identify the most robust measures.

The key issues to be addressed in this report which underpin the development of the survey are therefore to identify the topics and issues it should cover, based on an analysis of the strengths and deficiencies in existing surveys, to assess how the survey should be designed and administered and whether there are evidence gaps which require filling through other means to advance our understanding of how HPW can be diffused more widely among employers.

## **1.2 Methodology**

The aim of this report is to develop a survey tool on skills utilisation, HPW and organisational performance, designed to be applied at an employer level, and capable of providing scope for longitudinal data collection comparable by: nation; sector; size of firm, and organisational strategy. The development of the survey tool is informed by:

- Undertaking a scoping review of what researcher, academics and policy makers think are the key unanswered questions concerning skills utilisation and HPW. This enables an assessment of which measures and themes are most important and the potential for filling evidence gaps.
- Evaluating existing surveys (eg WERS, NESS and PBL) in terms of their ability to capture evidence of relevance to the framework and reviewing our assessment with expert consultants. Where there are gaps or difficulties, particular attention is given to the design implications for a new survey to capture the relevant information.

The findings from the initial scoping exercise were used to develop a generalised framework for examining skills utilisation and HPW, against which appropriate measures and variables were considered for question development.

### **1.2.1 Stage one: Scoping existing evidence**

#### **Assessment of existing literature and consultation with key informants**

The overall aim of the initial stage of the research was to explore the views of a range of key informants (academics and policymakers) on the main issues they would like addressed related to skills utilisation and HPW, and gaps in the current surveys tools. A scoping overview of the relevant literature was conducted which informed our discussions with key informants.

A mix of face-to-face, telephone and email discussions took place with the following academics and research commissioners: David Ashton, Victor Dukelow, Jonny Sung, David Guest, John Purcell, Peter Boxall, Bill Harley and Kirsty Yates.

The review of recent literature combined with these interviews allowed us to identify a series of key issues that a future survey of HPW needed to address (eg understanding of the causality chain; employee attitudes, behaviours and reactions, and the importance of management and leadership).

#### **Assessment of existing data sets**

As part of the review of existing surveys, we examined the extent to which existing datasets provide information that could be relevant to our field of enquiry and thus offer insights to developing a model of HPW which could drive the development of the survey. These included the People and the Bottom Line survey, the Skills for Business network's (SfBn) employer's survey, WERS and national employer skills surveys in England and Scotland, the Investors in People Survey and a survey developed under the Future of Work programme by David Guest (herein referred to as the Future of Work Survey). As well as identifying variables that are pertinent to questions related to skills utilisation and HPW, the purpose of this analysis was to consider the overall quality of each survey as a vehicle for the analysis of HPW, skills utilisation and organisational performance.



### **1.2.2 Stage two: Developing a framework of evidence**

In the second stage of analysis, information from the scoping review provided insights to develop a framework of the core thematic issues around HPW and performance. This attempted to define measures of HPW, overarching measures of skills utilisation and performance, and identify supplementary issues (eg related to influences on job design) that could be measured in conjunction. This framework enabled construction of a matrix of issues for review in the existing surveys.

This matrix acted as a test of the framework and presented questions or desired evidence, the existing best data source available, an analysis of the gap between the desired evidence and that which is available and an assessment of how best this gap might be filled.

### **1.2.3 Stage three: Developing the survey tool**

The third stage of the research used the framework of evidence to develop module areas for coverage by a survey tool for investigating skills utilisation and HPW. As there was no requirement to pilot the survey at this stage, the project adopted no preconceptions about its size, wider content (eg information not pertaining to skills and HPW but essential in conducting crossbreak analysis) and method of delivery (eg face to face or telephone, single or multiple respondent).

The report does, however, review the options of developing a bespoke survey against that of using or expanding existing surveys. It also considers issues related to survey methodology, size, scope and respondent coverage.

### 1.3 Report structure

The remainder of the report is structured as follows:

- Section 2 presents the overarching model of HPW used to inform this report and considers relevant existing debates in the wider literature that are of importance in informing the development of the survey content and design. These include contingent versus universalist perspectives on how HPW practices are linked to business performance and the need for internal and external fit of HPW practices with a range of strategic dimensions, organisational characteristics, policies and systems. It also seeks to explain the 'black box' process linking HPW practices to organisational performance, and indicates some of the implications for survey content and design which are considered later in the report.
- Section 3 focuses on issues related to the measurement of HPW, including which HPW practices other studies have linked to organisational performance; views from literature and external consultants on which respondents in an organisation are best equipped to answer questions on these issues; which outcome measures need to be considered and survey design issues (eg cross-sectional versus longitudinal surveys).
- Section 4 provides an overview of existing surveys that may be of relevance in HPW and/or skills utilisation research. The surveys covered comprise of: the Workplace Employer Relations Survey 2004; the National Employer Skills Survey 2007; the Skills for Business network Survey 2007; the People and the Bottom Line Survey 2007; the Future of Work survey 1999 and the Investors in People Employer Survey Tool. It considers the extent to which each survey covers relevant issues related to HPW, skills utilisation and organisational performance.
- Section 5 outlines the question areas and themes that a survey tool covering HPW might need to consider. The section includes a review of some of the methodological issues that will need to be addressed and offers suggestions for how such a survey might be taken forward.

## 2 High Performance Working: Concepts and framework

This section sets out the overarching model of High Performance Working which is being used to inform the development of the survey tool. It begins by providing a definition and explanation of the concept, followed by an explanation of the model used to inform the analysis of existing surveys and develop the proposed survey tool. The connections between organisational context and strategy, HPW practices and how they generate performance outcomes along an impact chain are outlined, and the implications for survey tool development are noted.

### 2.1 Definitions of high performance working and skills utilisation

High performance working (HPW) is a term originating from Appelbaum and Batt's study of US manufacturing techniques to describe a set of Human Resource Management practices intended to be used together to increase organisational performance through maximising the contribution of individual employees (1994). Other terms used in the same context (with or without the same intended meanings) are 'high involvement management' and 'high commitment management'. There is no single definition of HPW but **for the purpose of this report, 'high performance working' is defined as a general approach to managing organisations (including HR practices, work organisation, management and leadership) that aims to stimulate more effective employee involvement and commitment to achieve high levels of performance** (see Belt and Giles, 2009 who review a number of definitions of HPW). In contrast, HRM refers to any approach adopted to the management of people, not necessarily HPW, and HR practices refers to practices adopted as part of any approach to people management.

Some critics have argued that the term 'high performance' should be avoided as it presupposes the very effects that researchers should be investigating (Wall and Wood, 2005). However this report regards 'high performance working' as an aspirational or normative objective, rather than an empirical description of a set of practices with a guaranteed outcome.

All the definitions have a shared concern with employee engagement and/or wellbeing, participation and performance, reflecting a philosophy of mutuality in the benefits that can be gained from this approach by both managers and employees. While there is broad agreement that HPW is an approach that seeks to increase organisational performance through the better management of people, there has been some debate about definitions, and in particular about which *precise practices* constitute HPW. There is considerable disagreement about which practices to measure or what constitutes a definitive set. This is a question addressed later in this Chapter in the explanation of the overarching model which underpins this report.

This goal of mutual benefits is also evident in the concept of skills utilisation. Interest in this topic has extended from an original concern with improving the *supply* of skills in the UK (as set out in the Leitch Review of Skills for example), to examining the role of employers in *utilising* the skills of the existing workforce as in Skills for Scotland: A Lifelong Skills Strategy (Scottish Government, 2007) for example. The former is usually equated with and measured through existing stocks of qualifications. However, skills which are applied in the workplace include technical, manual and cognitive skills in processing information as well as ‘soft’ skills, such as interpersonal skills relating to teamworking and relationships with colleagues and customers. The latter are much more difficult to define, accredit and certify, and while valued by employers in terms of the premium often placed on them during selection processes, displaying such skills may involve conformity rather than discretion (as in the case of scripted call centre interactions) and occupations in which these skills are emphasised may not receive higher wages. A further category of skills involves aesthetic labour, in which ‘skill’ which might include appearance, deportment and speech (Warhurst and Nickson, 2001) and ‘employability’ skills including punctuality, reliability and ability/willingness to follow instructions. The skills which are to be utilised may therefore be visual, technical or emotional and reside in the individual, the occupation and/or the way in which the tasks are configured in the workplace. As far as skills utilisation is concerned, this report confines itself to soft skills and technical skills, as opposed to personal attributes and traits.

The concept of skills utilisation encompasses a range of high performance work practices with a focus on creating a working environment in which employee talents can be deployed for the optimal mutual benefit of themselves and their employer. As such it implies a particular concern with identification of workforce talents, designing work in such a way that the talents are optimally used and offering opportunities for employees to contribute to shaping the broader development of the organisation beyond the confines of their job descriptions. The report does not seek to identify any particular sub-set of HPW practices as more or less likely to lead to effective skills utilisation; such questions could be explored empirically through analysis of any survey developed.

So how do HPW practices operate together and contribute to improved performance outcomes? Figure 1 below shows a combined model of elements of high performance working, the factors which influence their selection, and the causal impact chain which affects individual and organisational performance. The model draws heavily on the earlier 4 As framework (Tamkin, 2005) but seeks to advance this by tracing the connections between the incidence and application of HPW practices and outcomes.

Thinking about how survey tools can be used to unpick the connections in the impact chain requires us to address two questions:

- Should HPW practices embraced by the 4A model be applied in all kinds of organisations facing all kinds of circumstances or are some combinations more appropriate than others?

This requires a consideration of the relationship between HPW and the wider internal and external organisational context.

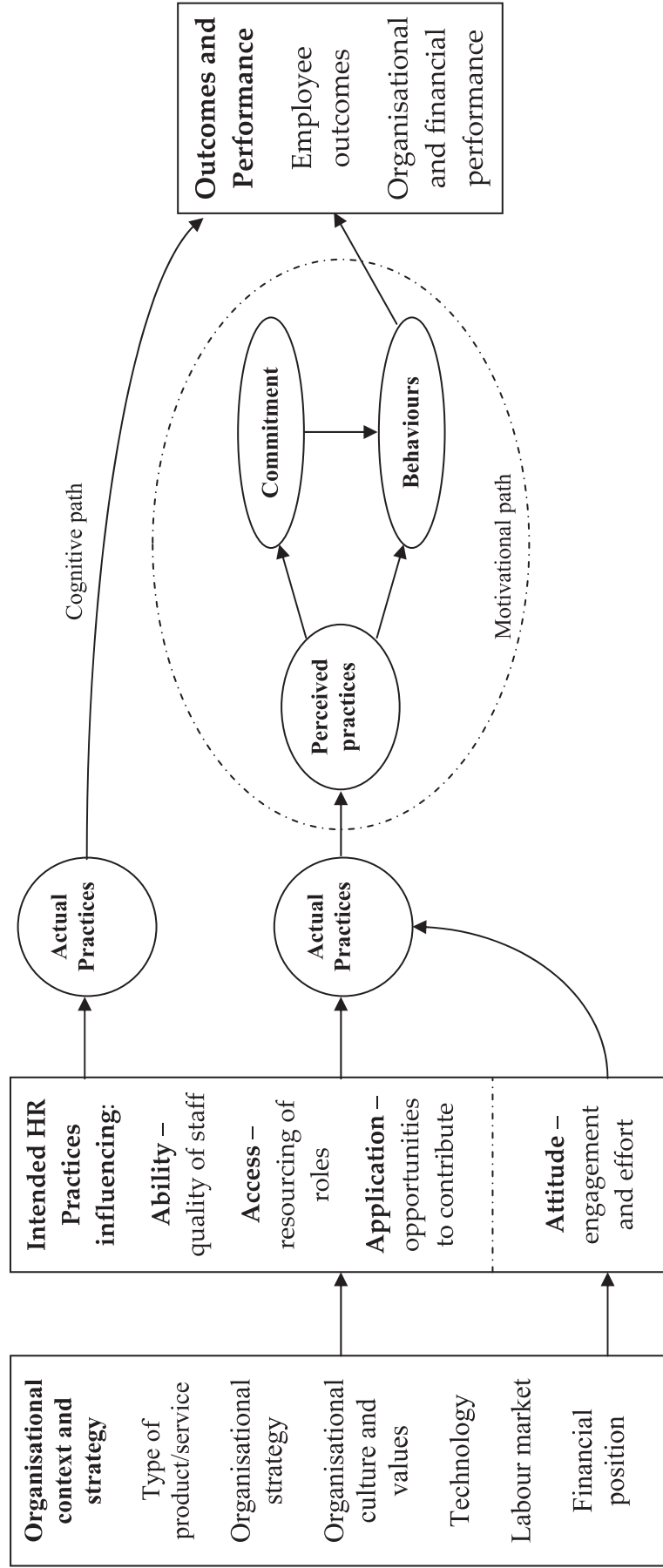
- How does the impact chain between use of HPW and outcomes develop?

This requires an exploration of how HPW practices are implemented and interpreted by employees.

## **2.2 HPW: a brief reminder of theory, some implications for survey research and the original 4A model**

Throughout the previous fifteen years of research into high performance working, one of the major debates which has run through the literature is whether a single defined set of HPW practices can improve organisational performance in all circumstances or whether practices have to be selected and tailored to meet the needs of both different kinds of organisations and similar organisations eg in the same sector but with different goals and circumstances.

Figure 1: Extended 4A model



In their original form, as popularised by Huselid (1995), studies of HPW and performance were based on the assumption that it was possible to identify an optimal combination of HR practices which could improve the performance of firms of all kinds facing any circumstances – the universalist or ‘best practice’ perspective. In many respects the argument is not new, indeed Karen Legge (2004) has long argued that some versions of HRM’s predecessor ‘personnel management’ had a strong normative streak in trying to implement ‘good’ people management policies. The main appeal and arguably value of universalistic approaches to HPW is that they focus attention on defining core HR practices and processes, ie they direct management attention to those aspects of people management over which it is most important to implement clear policies and processes. For example, deciding how to recruit and select employees, the kind of training and development opportunities to offer them and how (much) to pay them are core decisions to make in implementing any HRM strategy. The question for developing an appropriate survey tool using a best practice perspective is therefore simply one of determining the best definitions of HPW.

In this respect, the universalist argument ran into problems quite early on, if only because early analyses of the HPW surveys recognised that they included different practices and measured their implementation in different ways (Wood, 1999). More fundamentally, commentators have argued that ‘best practice’ approaches to HRM are critically deficient in ignoring organisational contexts and that they tend to gloss over differences between firm strategies and product markets in assuming that one size fits all (Boxall and Purcell, 2003).

The contingency perspective argues that a predetermined and identical set of HPW practices will not improve organisational performance in all circumstances. Instead it prescribes that managers should undertake a detailed and careful analysis of the internal and external context of the organisation, in order to choose the most appropriate HPW practices. This analysis should cover factors such as sectoral and product market demands, type of technology used, organisational culture, management style, labour market state and employee expectations.

So which approach to HPW has most credibility and what are the implications for survey design? In general terms, there have been a very substantial number of studies focused on empirically testing the impact of HPW on a range of outcomes. While there may be disagreement about the precise practices which count as HPW, there is greater consensus on the general *effects* of HPW. The main outcomes of HPW are believed to be:



- Better organisational performance (profitability, productivity and sales)
- Improvements in job satisfaction and employee well-being
- Reductions in labour turnover and absenteeism
- Improvements in employee skills
- Increased innovation
- Increased customer satisfaction

Belt and Giles (2009) review a number of studies and conclude that the evidence highlights the link between organisational performance and HPW. There are mixed results of empirical studies which have sought to establish whether universal or contingent applications of HPW are most effective (eg. Michie and Sheehan, 2005). This could be because contingency models are inadequately elaborated in existing models and HPW suffers persistent measurement problems, both of practices and their outcomes. It is also possible that 'best practice' approaches could be regarded as a subset of the contingency perspective. Therefore, it is likely that empirical research will find some support for best practice approaches when applied in firms which are pursuing product market strategies to which universalistic models of HPW are best suited. For example, Boxall and Purcell (2003) argue that where firms are competing on quality in a tight labour market, universalist models of HPW may be highly effective in improving organisational performance and therefore entirely appropriate. Equally, in the service sector, the relevant practices can be expected to vary enormously. Service industries, and competitive segments within them, cover a huge range of business models (Boxall, 2003). At one extreme in services (mass services), prices are kept low through low-skilled work and through labour-saving technology and customer self-service while, at the other extreme (professional services), firms largely compete through esoteric knowledge. In the latter, the management of professionals has always featured high levels of involvement: larger, more ambiguous tasks that rely on discretionary judgement and team meetings that pool expert knowledge, for example. In between the extremes of mass and professional services, there are industries and market segments in which firms compete through quality as well as costs, and potential exists for more empowering forms of management that enhance customer satisfaction and retention (e.g. Batt, 2002, 2007).

Product market competitive strategy is a critical element of the contingency perspective but has not been fully explored in existing literature, despite offering significant potential. This has some important implications. Ashton and Sung (2006) have argued that much of the HPW research has failed to address why the use of HPW practices may appear to produce positive outcomes in some instances but not others. They suggest that we need a model which explains why 'increased training and the use of self managed teams and knowledge sharing may generate higher skills levels and performance in an IT company producing internet applications, while the same practices may have an opposite impact in a textile factory producing cheap knitwear, leading to work intensification, an increase in its training and production costs and reduced profit'. The authors propose that to understand these differences there is a need to account for a firm's production system and competition strategy. Competitive strategy takes the form of interpersonal (task focused versus people focused) and technical (mass production/ standardised versus differentiated) relations of production. It is suggested that HPW practices when combined with differentiated technical relations will increase the chances of upskilling but the same practices applied to standardised technical relations will produce little increase in skills.

This analysis suggests that in modelling HPW and performance outcomes, it is necessary to retain the possibility of a contingency approach and to take account of variables which may lead to variations in approaches to the adoption of HPW practices between individual firms. In terms of survey design, this creates a need to gather detailed data on a range of organisational characteristics that goes well beyond the usual contextual data of size, location, nature of governance, ownership and sector.

The original 4A model used in the PBL survey intentionally applied inductive modelling techniques to establish whether particular types of HPW were adopted by particular kinds of organisations, so the role of organisational context as an initial shaper of practice choices was less explicitly recognised within the model.

The four 4A of the model cover the following elements of HPW and their influence on organisational performance.

- **Access:** the effective resourcing of roles in the organisation in terms of both initial recruitment and ongoing job moves and succession activity. The focus here is on organisational activity including policy and practice.
- **Ability:** the skills and abilities of the workforce, in essence the quality of people that the organisation has at its disposal and the ongoing development activity of those individuals which maintains and further develops their capability

- **Attitude:** it is clear that skill types and levels do not constitute the sole factors which make people do an excellent job. There is also the engagement, motivation and morale of the workforce and the meaning they find in work, their beliefs about the workplace and their willingness to put in additional effort.
- **Application:** the opportunities made available for individuals to apply their skills and motivation by the actions of the organisation. This recognises that people need the working environment to prosper, which organisations can provide through job design, organisational structure and business strategy.

It is now appropriate to draw on more recent literature to update and extend the framework. Three recent pieces of work have informed the recasting of the 4A framework. These are Purcell and Kinnie (2007), Nishii et al (2008) and Boxall and Macky (2009). The three models represent a trend in the progression of HR research. They suggest that our understanding of the impact of HR policy on organisational outcomes requires knowledge of how HR practices are shaped by organisational contexts, then operationalised by employers (including line-managers) and internalised by employees (through positive attitudes and behaviours). Each model attempts to uncover the factors within the 'black box' that links HR practice to organisational outcomes.

### **2.3 Contextual influences on HPW**

These are reflected in the box on the far left hand side of the **Figure 1**. First, and perhaps most importantly, external fit, sometimes called 'vertical alignment' refers to the need to align HPW practices to the competitive strategy which drives the organisation and to recognise that organisations in different sectors and product/service markets may have different needs. For example, a bank, a supermarket or a local authority might have similar concerns about the best ways to recruit, train and pay staff but the practices adopted and the way they are implemented may vary. The earliest models of HRM in the 1980s were primarily concerned with external fit and sought to describe the variations needed typically among recruitment, training and pay according to the type of business strategy being pursued, such as Porter's (1980) cost reduction, product focus and product differentiation strategies. While the need to ensure that HR practices support business strategy has never really been questioned, there is some debate about defining business strategy, the extent to which managers are able to articulate business strategies easily and therefore also the extent to which they can be pinned down, classified and captured through survey instruments. In particular, Boxall and Purcell (2003) argue that some successful

organisations pursue multiple strategic objectives and the ability to manage change is likely to be a key attribute of successful organisations, suggesting that a reductive approach to classifying organisations by fitting them into neat strategic frameworks may not be helpful. This suggests that measures of external fit in organisational surveys need to allow for the possibilities of relatively sophisticated and complicated definitions of strategy.

Second, Purcell and Kinnie (2007) note the importance of organisational culture, organisational values, work structure and operational strategies in the use of HPW practices. Organisational culture and values may shape both the selection and application of HPW practices as management choices may be conditioned by expectations and beliefs about whether practices will or will not be effective in particular organisations, coloured by previous experiences, employee reactions and labour market context. Organisational culture, quality of leadership and beliefs about HPW are however, relatively poorly captured in existing surveys (see later discussion). Equally, Boxall and Macky (2009) note that type of technology, amount of innovation in product/service delivery and amount of money available to invest in HPW practices will affect management choice in the extent to which they are applied. These operational strategy choices are then closely linked to the nature of the work undertaken. In particular the nature of jobs, the pace of work, degree of variety in job tasks and level of employee discretion in deciding how work is done could also influence demand for different types of HPW practice. For example, offering financial incentives based on individual performance makes more sense when employees have greater control over the pace of their work and how they undertake it.

Considering organisational context may be particularly important in explaining the diffusion of HPW and how different variations are used, which is of particular interest to the UK Commission in examining the take up of different practices by different organisational characteristics. We know that different kinds of organisations may be more or less positively disposed to using HPW.

This may be explained by the degree of competitive pressure faced by different organisations and also choice of business strategies, which is partly related to sector. Ashton and Sung (2005) found that some combinations or bundles of HPW practices are more effective in some sectors than others. In sectors where innovation and creativity are important as drivers of productivity, companies implemented practices that created high levels of trust to enable the sharing of ideas. Additionally, a range of evidence (see Ashton and Sung, 2002; Osterman, 1994; Weinstein and Kochan, 1995 and Boxall and Purcell, 2000) has pointed to the fact that those organisations that were most likely to adopt HPW are in those sectors exposed to international competition, more advanced technology and where a strategy of innovation and differentiation of products on the basis of quality and service is required. (Scottish Government, 2008).

A frequent major concern of policy makers is the quality of Human Resource Management and adoption of HPW in SMEs. Much of the early evidence examined HPW in large firms, although this has partly been remedied by the extension of WERS to all but the smallest firms. Fewer small organisations use HPW, but the SME sector is a complicated and heterogeneous one, and there are differences depending on the type of business (Kinnie et al., 1999). Some literature argues that HPW is primarily a large firm concept and has not been translated into terms suitable for small firms. However, it is not necessarily the case that HPW is not relevant to small firms, simply that practices are often too formal and structured for them to implement (Scottish Government, 2008). The question to address therefore is which kinds of small firms use which kinds of HPW practices and with what effect on performance.

## **2.4 Implementing HPW**

A number of studies have noted the deficiencies in existing survey research in terms of its weaknesses in capturing *how* HPW practices are implemented. Recent research has emphasised in particular the need to understand how effectively line managers implement HPW practices and how employees interpret and respond to them (Kinnie et al., 2005). In addition, the combination of different elements of HR policy, practices and processes create a particular 'architecture' which is critical to enhancing individual and organisational performance.

Purcell and Kinnie (2007) show that employee perceptions of HR practices form a missing link that transforms actual practices into attitudinal and then behavioural outcomes. This leads to a refined chain of impact illustrated in Figure 1:

- **Intended practices:** designed by senior management and applied to most if not all employees with a view of impacting upon ability, motivation and opportunity. These practices will be formalised and articulated in the HR manual or organisational web pages and are assumed within the 4A of our model.
- **Actual practices:** HR as it is actually applied (eg through line managers). How managers apply HR practice may deviate substantially from intended practice, ie 'implementation fidelity', see Patterson et al (2007) for a review of the literature. The quality and regularity of appraisals and team briefings, for example, can vary hugely between managers.
- **Employee perceptions:** how HR is viewed and interpreted by employees. Perceived practice is likely to be influenced by judgements over fairness and organisational justice. Perceptions are also a function of work climate (eg trust) and job experiences (including pace, effort, autonomy, challenge, stress).
- **Employee commitment:** how employees react to HPW practices and how they influence employee feelings and beliefs about work and their organisation. This included overall job satisfaction and dimensions of organisational commitment such as how the extent of employee voluntary willingness to continue working for the organisation, the extent to which they share and defend its values and uphold and comply with the norms of its culture.
- **Employee behaviours:** this includes learning new methods of working and Organisational Citizenship Behaviour. Behavioural outcomes also include reduced staff absence and turnover. Our model draws on recent literature which suggests that HPW practices affect behaviours in two ways. Vandenberg et al. (1999) specify a conceptual model in which business or employer practices are linked to involvement processes and thence to worker psychological states and measures of organisational effectiveness. They posit two paths: a cognitive path in which high-involvement processes take 'greater advantage of the skills and abilities' employees possess and a motivational path in which involvement processes increase 'workers' satisfaction and other affective reaction' (Vandenberg *et al.*, 1999: 304). This parallels Batt's (2002) identification of a 'direct' path (enhancing employee skill levels and firm-specific knowledge) and an 'indirect' path (enhancing employee motivation and satisfaction, and lowering quit rates)

- **Outcomes and performance:** these may be either proximal in the sense of being operational indicators of performance where the influence of employee performance can be discerned relatively clearly or distal indicators such as financial measures, which may be more heavily influenced by a whole range of other factors.

Difficulty in assessing the effects of HPW practices are likely to arise from the fact that different practices may be implemented for different reasons by managers and also that not every employee will interpret the same practice in the same way. Nishii et al (2008) suggest that the effects of HR practices are not likely to be automatic but will depend upon the meaning that those employees attach to those practices and in particular on employees' attribution for why the HR practice exists. The core idea in their research is that employees respond attitudinally and behaviourally to HR practices based on attributions they make about management's purpose in implementing the actual HR practice and whether or not these are regarded as being in the best interests of employees. For example, Nishii et al predict that practices which emphasise quality of service delivery or employee wellbeing will be welcomed by employees and related to employee commitment and satisfaction, while HR practices reflecting a cost reduction HR strategy or viewed as exploiting employees will be negatively received.

This is consistent with arguments put forward in earlier research that while improved organisational performance is the overall goal of HPW, this can take different emphases. Thus different combinations of HPW practices have different objectives or causal processes which underpin them. First, for example, some combinations of HPW practices are intended to improve organisational capability through the quality of decision-making by providing opportunities to maximise employee contributions to these processes, some are intended to maximise employee commitment by encouraging employees to go 'above and beyond' the content of their job descriptions in terms of quality, quantity or scope of work undertaken (Godard, 2004). Until recently, it was generally assumed in most of the literature that HPW benefit both employees and their organisations, the so-called 'mutual gains' perspective. However, there is some debate as to whether HPW in some forms achieves its objectives through unfair exploitation of employees as HRM practices which improve organisational efficiency may do so through work intensification and risk stress and burn-out. This is nevertheless important because it has implications for the sustainability of organisational performance that results from applying different formulations of HPW; short-term performance gains obtained at the expense of employee well-being may be offset by longer-term weaker performance in

consequence. This report takes an impartial stance on whether HPW is achieved at the expense of worker exploitation, but the survey modules include questions which can be used to explore this issue.

Employee attributions may be moderated by the degree of influence on use of HPW for which managers have responsibility (internal attributions) and those over which managers have less discretion (external attribution). For example, external attribution might include legal requirements and institutional norms. The theory was validated through large scale survey research in a retail organisation but the authors concede several limitations to their research, including:

- Lack of a longitudinal dimension: which prevents analysis of causality and how attributes are formed and developed.
- Lack of cross-organisational comparisons: as the study focused on a single organisation it was not possible to consider the relationship between actual HR practice and HR attribution. There is, therefore, scope for further research into whether attributions play a mediating or moderating role in the relationship between HR practice and organisational performance.
- The HR attribution items were appropriate for the organisation under investigation but may need to be modified for use in other organisations in order to cover the range of HR practices that would be appropriate (eg work/ family balance, flexible work schedules, performance appraisals, promotion policies).

A key influence on whether employees will make positive or negative attributions about HPW practices is their perceptions of how fair they are. This has a number of dimensions, which are captured in different notions of 'consistency' put forward by Baron and Kreps (1999). They give three dimensions: practice consistency, person consistency and temporal consistency.



Practice consistency refers to the need to make sure that different HR practices do not send mixed messages to employees about desired behaviours, otherwise they may perceive the overall system to be incoherent and unfair. One example often given here is contradictory messages given by work organisation in teams and the award of bonuses for individual performance. Achieving practice consistency is problematic, in as much as firms may be trying to pursue multiple objectives simultaneously such as increasing quality while reducing costs, so mixtures of practices which appear inconsistent to employees may be logical to managers. Kepes and Delery (2007) refine the notion of practice consistency by pointing out the need to ensure consistency within families of HPW practices as well as between them and between different levels of HR architecture. Thus all elements of a reward package such as basic pay levels and bonus pay levels should be mutually reinforcing, and reward philosophy, policies, practices and processes should work synergistically too.

Person consistency refers to the need for HPW practices to be implemented uniformly across the workforce in the interests of equity, which places great weight on the role of consistent line management. There are a number of problems here in that theories such as the resource-based view of strategy as well as empirical work examining the different needs and expectations from different workforce groups (Purcell et al., 2005) emphasise the need to differentiate between workers of different types in selecting and applying HPW practices. In undertaking surveys on HPW which involve employees, it is therefore critical to understand the nature and goals of the HR strategy for any particular group of staff as well as the type of HPW practices applied to them. This potentially implies tailoring of survey tools to capture the intentions for and impact of practices which may be customised for different workforce groups.

Temporal consistency refers to the need for individuals to experience equitable treatment over time which implies a need for longitudinal data collection to assess this. HPW practices do not necessarily remain constant, as this may violate the need for external fit pursued to match changes in business strategy. Rather, it would be desirable to assess the consistency of the way in which messages about HR practices are delivered and whether they observe criteria of being procedurally and interactionally fair. These criteria broadly assess whether employees are treated ethically and with sensitivity in the application of changing HPW practices.

Overall, this brief analysis of the state of play in HPW literature suggests that in addition to capturing incidence and uptake of HPW across the four UK nations and variations by sectors and sizes of organisation which are needed by the UK Commission to map practice, there are two important components of any new survey. The first is to capture some of the softer contextual influences on HPW such as organisational leadership, culture and values, and then track the impact of HPW through the causal chain which traces employee views on the fairness and consistency of implementation of HPW practices through to employee and organisational outcomes.

### 3 What do we need to be able to measure?

This section discusses some of the measurement issues that a survey on High Performance Working will need to consider. It starts by considering which HPW practices will need to be included in a survey on HPW (section 3.1). The discussions in this section suggest that:

- Although there is a lot of commonality in the 'top four' list of HPW practices that studies have attempted to capture, there is less agreement on the remainder of the list. Any final selection of HPW practices for our survey tool will need to be driven by theory.
- Most studies of HPW practice and performance use dichotomous scales that represent the presence or absence of a practice. Few studies have considered issues of coverage and intensity.
- Measures of HPW practice are known to be subject to various biases (eg rater bias). There may also be differences between official HPW practices and actual application. In consequence, there is a need to capture information from multiple respondents within each organisation, and feedback from our expert interviews suggests this should include the views of employees.
- Outcome measures can be based around employees (eg attitudes), organisations (productivity, quality), finance (profit, sales) and market value. Theoretically, a stronger relationship should exist between HPW practices and measures that are closer in the causal chain to those practices (proximal outcomes) than between measures that are further apart in the causal chain (distal outcome).
- To demonstrate a causal link between HPW practices and a set of outcome measures the outcome measure should ideally post-date the HPW practice or changes in practice should be tracked over time. From a methodological point of view, this has led to some calls for a longitudinal survey.

### 3.1 Which HR practices should a survey cover?

The starting point for the development of a HPW survey tool has to be the establishment of a thematic list of HPW practices that such a study should encompass. Although debate over which themes should be considered did not feature highly in our discussions with our expert contributors, their views of the perils of attempting to derive a definitive set of practices were noted in their publications. Purcell and Kinnie (2007) for example suggested that *'there is no agreement on what constitutes 'HR practices' let alone a full set of them'*, while Boxall and Macky (2009) have argued that *'any contention in the literature that there is some kind of general consensus around systems of best practice, without regard to specific context is patently false'*.

For an exhaustive list of the HR measures that have been linked with performance we need to turn to Boselie et al (2005). Their review of *'what the authors believe to be every empirical research article into the linkage between HRM and performance published in pre-eminent international refereed journals between 1994 and 2003'* (104 articles in total) identified 26 broad categories of HR practice that researchers had attempted to link with performance outcomes. These comprised of:

- 1 Training and development
- 2 Contingency pay and rewards (PRP, bonuses, profit sharing, etc)
- 3 Performance management (also appraisals and performance metrics)
- 4 Recruitment and selection (also staffing)
- 5 Team working and collaboration
- 6 Direct Participation (eg empowerment, employee involvement, suggestion schemes, etc)
- 7 'Good wages' (eg high, above the market rate remuneration, also fair pay)
- 8 Communication and information sharing
- 9 Internal promotion opportunities and labour market
- 10 Job design (also job enrichment and job rotation etc)
- 11 Autonomy and decentralised decision making
- 12 Employment security
- 13 Benefits packages
- 14 Formal procedures (grievances etc)

- 15 HR planning (eg career and succession planning)
- 16 Financial participation (eg employee stock/ shares)
- 17 Symbolic egalitarianism (eg single status/ harmonisation)
- 18 Attitude survey
- 19 Indirect participation (eg consultation with trade unions, etc, consultation committees, voice mechanisms)
- 20 Diversity and equal opportunities
- 21 Job analysis
- 22 Socialisation, induction and social activities
- 23 Family friendly policies and work-life balance
- 24 Employee exit management (eg layoffs, redundancy policies)
- 25 Professionalisation and effectiveness of the HR function and department
- 26 Social responsibility practices.

The first four set of practices on the list (training and development, contingency pay and rewards, performance management and careful recruitment and selection) were the most often cited and form the core functions of most HR systems. Other practices that might be deemed to benefit and influence employees, such as good basic pay (eg level and equity), were considered less often. Few studies were found that covered exit strategies - a part of the HR function's 'darker side'.

A review by Wall and Wood of 25 studies of HR practices and organisational performance found that although there was *'diversity across studies in the particular practices covered ... there is much commonality as studies typically cover a substantial range of the following: sophisticated selection, appraisal, training, teamwork, communication, job design, empowerment, participation, performance related pay/ promotion, harmonisation, and employment security'* (Wall and Wood, 2005 p 435).

The choice of practices to include in any survey tool requires some conceptualisation of HPW and theories of how a particular practice is intended to affect access, abilities, attitudes and awareness (or ability, motivation and opportunity, depending on our conceptual model). The selection needs to be driven by theoretical concerns before any consideration may be given to internal statistical consistency (eg the strength of the 'Cronbach alpha'). Gerhart (2007), for example, has highlighted how in one study the HR measures that were found to be most significant in a scale of 'employee skills and organisational structure' were '*what is the proportion of the workforce whose job has been subject to formal job analysis?*' and '*what is the proportion of the workforce who are included in a formal information sharing program (eg newsletter)?*'. What we need to consider, Gerhart suggests, is '*whether these items are critical components of the HR domain and are they major drivers of ability, motivation, opportunity to contribute, and cost*' (Gerhart, 2007 p. 560). In other words, our selection of practices has to be based on what we believe (through theory, *a priori* reasoning and hypothesis) to be the relevant measures, rather than on which practices perform well in terms of reliability testing or other data reduction activities.

In terms of the implications of Gerhart's observations on our approach to the survey design (Chapter 5), a greater emphasis has been placed on selecting questions on the basis of theoretical reasoning than on whether or not past research experience tells us that they perform well in terms of reliability testing / factor analysis. In some cases, where the response rates from previous surveys have been poor, the report makes a judgement on whether this is the result of the way the questions were asked (eg the questions might have been too specific) or whether it is the result of the questions' complexity or sensitivity, which might be addressable through simple rewording. An overall assessment of these factors determines whether each question appears in the survey tool module, and whether the question should be a 'core' (first choice question) or 'peripheral' (supplementary question).

### **3.2 How should HR practices be measured?**

Boselie et al (2005) note a further level of differentiation for each of the 26 groups of HR practices reported above in terms of their measurement. This can take the form of a:

- dichotomous scale - essentially 'is the practice present?' yes or no;
- measure of coverage - a continuous scale based on the proportion of the workforce is covered by a practice, and

- measure of intensity - a continuous scale based on the degree to which an employee is exposed to the practice or policy.

Most studies were found to measure HPW in terms of whether or not the practice was present. A few considered the degree of coverage, while measures of intensity (eg studies that asked whether the employee has had enough training) or quality were rarer still. We might hypothesise that intensity and coverage of HPW practices are more closely associated with performance outcomes than a simple measure of the presence or absence of an activity. This would, therefore, be a theoretical justification for asking survey questions that went beyond the registering of whether a practice was present or absent.

Bloom and Van Reenan (2006) have developed an innovative management practices survey covering some elements of HPW such as use of monitoring and incentives. This relies on asking managers open-ended questions and then categorising the responses according to a pre-determined scale. This can clearly produce some very rich data, although it relies on accuracy of inter-rater reliability between survey administrators in using the classification. It is likely to be a costly process requiring long interviews with managers and intensive training of interviewers and is mostly likely to be appropriate as a face-to-face method. However this could usefully be deployed in a small scale survey or in a focussed study on HPW practices which are deemed to be of core or critical interest.

One final issue related to measurement of HPW should be noted. Once a set of practices, their method of collation and levels of measurement have all been agreed upon, the issue of how these practices should be grouped (including which theories should be applied), and how interactions between practices should be identified, will need to be resolved. Guest and Conway (2007) reported four methods of grouping the HPW measures identified in WERS 2004: measures of individual HPW practices; measures of 'bundles of practices' reflecting the concept of 'high performance working'; 'measures of interactions between bundles' and 'measures of the total number of practices in place'. Different measures linked to performance gave differing results.

### **3.3 Whom should the survey target as respondents?**

Having established the practices on which to develop survey questions, the next step is to agree who should respond to the questions posed. Purcell and Kinnie summarise some of the problems common to surveys on HPW practices:

'Respondents may have incomplete knowledge, for example of how many employees are covered by a particular practice, especially if the respondent is located at the corporate office of a firm with numerous business units. There is '...the difficulty in assuming that HR practices are translated into actual practices...' Purcell and Kinnie (2007).

Problems associated with respondent (rater) bias are well documented (eg see Gerhart *et al* 2000). Their research suggest that the HR practice scores that a respondent obtains from an organisation depends more on the respondent completing the survey than on which practices are actually applied. A further issue of 'common methods variance' would suggest that the more optimistic or committed to the organisation a respondent is the more likely they are to give high scores to both HR practice and performance, relative to those who are pessimistic or uncommitted. Although the issue of common methods variance should not be overstated, Wall *et al* (2004) suggest that there is little evidence of common methods bias leading to spurious results. The problems Gerhart has noted about the poor measurement of HR practices may be more serious. This means that if multiple respondents are interviewed in an organisation there may be little consensus between them. This issue is reflected in the literature reviewed in Section 2.4, which suggests potential variance between intended HR policy and actual HR practice.

One method of addressing rater bias is to consider the perceptions of employees (Gerhart, 2007). Interviewing multiple employees in one organisation allows for the rater bias to be averaged out thereby eliminating random biases that exist at the level of individual respondents. A second advantage of collating employee data is that employee perceptions and experiences of HPW practices might be seen as being more directly connected to performance outcomes than the official policies, eg those reported by HR directors. Wall and Wood (2005) have gone even further than arguing in favour of multiple respondents and propose the case for producing independent audits of HR practice based on external assessors. This approach, although undeniably rigorous, is potentially very costly if any large-scale survey were envisaged.



### **3.4 What are the outcome measures that a survey tool on HPW should cover?**

We now turn our attention to the measurement of outcomes. Dyer and Reeves (1995) have classified the performance outcome measures used in HR research into four categories:

- Employee outcomes - eg absenteeism and labour market turnover
- Organisational outcomes - operational performance measures such as productivity, quality and customer satisfaction
- Financial outcomes - accounting measures such as profit and return on assets
- Market value outcome -value of the organisation on the stock market.

In their review of the literature, the list of employee and organisational outcomes that were identified by Patterson *et al* (2007) as being linked to HRM practices comprised: motivation; job satisfaction; organisational commitment; occupational and professional commitment; engagement; burnout; job involvement; turnover intentions; psychological contract; organisational justice (distributive, procedural); organisational support and organisational climate.

In terms of the most commonly reviewed outcomes, Boselie *et al* (2005) found that financial outcomes were represented in over one-half of the 104 studies on HR and performance linkages they reviewed. Profit was the most common financial performance measure followed by measures of sales. Despite the popularity of financial performance outcomes, Paauwe and Boselie (2005) suggest that these financial performance measures can be problematic as they are influenced by a whole range of internal and external factors that have nothing to do with employees, their skills and human capital:

*'having smart policies for managing working capital can increase earnings substantially, but have nothing to do with the proclaimed effect of HR practices (apart from apparently having selected the right treasurer manager)'.*

In the public sector there may be more specific performance outcomes to consider. For example, Brown *et al* (2000) identify performance outcomes in the health sector as including patient waiting times and critical care performance, while Jones *et al* (1999) look at outcomes in terms of length of stay and cost of care. In the context of other public sector outcome measures there may be scope in recording data to capture relevant PSA targets.

### 3.5 Proximal and distal outcome measures

A distinction can be drawn between proximal and distal outcomes. Proximal outcomes are outcomes that are closer in causal distance to the employee and are therefore seen as being more susceptible to HPW practice. Distal outcomes are those that are further away from the HPW practice in terms of causal distance. The move from employee outcomes through to market value outcomes in the typology suggested by Dyer and Reeves represents a shift from proximal to distal measures.

It is reasonable to expect research linking HPW practices to outcomes to show a stronger correlation between HPW and proximal outcomes rather than distal ones. Interestingly, this is not always the case. Guest *et al* (2003) and Guest and Conway (2007) found a stronger relationship between HPW practices and financial measures than HPW practices and productivity measures. Guest and Conway note that these results confirm the findings of a meta-study of HR and performance by Combs *et al* (2006) and we *'still lack a convincing explanation as to why this is the case.'*

### 3.6 Subjective and objective outcome measures

Outcome measure can either be objective or subjective. Objective outcome measures are usually based on financial accounts or management information data. These measures are based on observable metrics rather than opinion. Subjective outcome measures are opinions (hopefully from a respondent deemed knowledgeable about the subject area) that are usually recorded in terms of a five-point Likert scale, eg ranging from *'a lot better than average'* to *'a lot worse than average'*. For example, to capture labour productivity WERS 2004 asks *'Compared with other establishments in the same industry, how would you assess your workplace's labour productivity?'*. This line of questioning has the advantage of allowing for cross-industrial comparisons of data where objective measures of productivity might have been incompatible. Other benefits of this approach include: being able to draw out information to which only the employer is privy and is not reflected in the accounting measures, and being able to look at workplace performance when accounting measures are only available at the organisational level (Kersley *et al* 2006). Kersley *et al* continue, however, to highlight some of the criticisms made against subjective performance measures:

- The questions may be answered by respondents who are not best placed to make these assessments (eg employment relations managers).
- The questions require respondents to have some idea of both their workplace's performance and the industrial average (however subjectively defined).

- It is unclear which measure of performance the respondent has in mind (eg sales per head, value-added per head etc).
- Ordinal measures of performance do not tell us how much better or worse an organisation is to the average.
- Two respondents from the same workplace may provide different answers (inter-rater reliability).

How much of a problem these factors are is a matter of debate. In their comparisons of objective and subjective performance measures, Wall *et al* (2004) found evidence of 'convergent validity' (objective and subjective measures are positively correlated), 'discriminant validity' (associations between these first sets of associations are stronger than the association between a particular objective / subjective variable and other performance variables) and 'construct validity' (objective and subjective measures of performance are associated with HR practice variables in the same way). Also, the advantage of subjective data measures is that they are quite easy to collect and offer a high item response rate. More recent work comparing subjective and objective measures in WERS (Forth and McNabb, 2007) found evidence of convergence between subjective and objective measures of performance and profitability but little evidence of discriminant validity.

The WERS 2004 data collected financial information which allowed Kersley *et al* (2006) to examine for the first time the extent to which objective financial measures corresponded with subjective measures of labour productivity. When comparing objective and subjective measures of labour productivity the authors found some degree of convergent validity but concluded that the two measures were far from identical. This did not mean, however, that the two methods of data collation were measuring different constructs. Analysis that compared the association of objective and subject measures of productivity with workplace characteristics found a consistency in associations between either outcome measure and union recognition or off-the-job training. Inconsistent results were found, however, when looking at UK versus foreign ownership (ie foreign ownership was negatively but statistically insignificantly related to subjective measures of productivity, while positively and statistically significantly related to objective measures of productivity). Finally, the use of objective financial measures from secondary sources (the Annual Business Inquiry) is reviewed in Forth and McNabb (2007). Their attempts produced a matched data set of around 1,000 observations with low rates of item non-response. The disadvantage, however, was that for the majority of cases the ABI data relates to the business enterprise, while the WERS data relates to the smaller establishment unit. The WERS financial questionnaire also produced around 1,000 observations, with 80 per cent relating to the survey establishment. Overall, the WERS financial questionnaire data correspond well with the ABI data. It does not, however, provide the same scope for longitudinal data collection.

In summary, objective and subjective outcome measures each have their advantages and disadvantages and each may be used to uncover some underlying construct (eg productivity). It is not possible to rank one method as being 'better' than the other as they are not equivalents. Forth and McNabb (2007a) suggest that 'it would be prudent for future research on workplace performance to give most weight to findings that can be replicated across both objective measures and subjective rankings'.

### **3.7 Issues of sequencing**

To investigate the relationship between HPW practices and performance, a survey design / tool needs to capture the direction of causality. Ideally, the survey would be longitudinal in nature and have a lag between the implementation of HPW practices and performance outcomes. Most surveys, however, are cross-sectional in nature and do not allow for us to measure how HPW practices precede outcome. Indeed, Wright and Haggerty's (2005) review of 66 studies linking HR practices to performance found that the majority of studies actually adopted a 'post-predictive' design. This means that the studies have measured the presence of HR practices after the performance period. Drawing conclusions that HR practices affect performance outcomes from such survey designs, disregards a very basic rule governing causality.

In summary, a cross-sectional survey design, capturing current HPW practices and using objective but retrospective financial outcomes, will generally be insufficient in determining a casual link in which HPW practices influence performance. One study that attempted to control for sequencing by using lagged financial performance measures (Guest *et al*, 2003) did not uncover any clear relationship between HR practices and financial outcome.

### **3.8 The future direction of research**

Interviews with the expert respondents confirmed that there was a strong body of research that has reviewed the correlation between HPW practices and performance outcomes. As we have seen in our review above, this body of research is not without statistical limitations based largely on the lack of appropriate survey data (eg reliance on single respondent surveys; focus on employer views; lack of a longitudinal dimension).

*In my view, we now have ample evidence that HPW practices are correlated with a range of organisational (eg. productivity) and employee (eg. commitment) outcomes and there is little to be gained from continuing to pursue research which demonstrates practice-outcome links. [Comments from Bill Harley]*

*This area of research has been 'done to death' and there is no more mileage in this focus - it just gives patterns of association and adoption with outcomes. There remains, nonetheless several gaps in our knowledge. [Notes from interview with David Ashton and Jonny Sung]*

The broad feeling from our expert respondents is that the *associations* between practices (as measured by 'listing' activities/bundles of activities) and measures of performance is something that has been heavily researched and there is little to gain from doing more of the same. The experts suggest, therefore, that the focus of attention needs to be channelled into understanding the processes/mechanisms by which HPW practices affects performance outcomes, including: the impact of HPW practices on employee discretionary effort; conflicts between HPW and work intensification (and within this the issue of mutual gains); the role of contingent bundling of HPW practices and the importance of line-management in operationalising HR strategy. The widely held view of our expert consultants was that the survey tool will need to unpick the 'black box' linking HR policy to performance by allowing for a multi-level investigation that matches individual employees with line-managers HPW implementation and organisational HR strategies and outcomes.

This of course has to be balanced with the realities and limitations facing the UK Commission in developing and implementing the survey. The timing, size, respondents and cost of a survey all need to be considered. The employer survey landscape is already a crowded one and consideration should therefore be given to adding to it in light of reports of dwindling response rates and survey fatigue. Therefore, it may be necessary to use a pre-existing survey as the vehicle for a survey on HPW but this also brings restrictions in terms of time, space and fit with the nature and subject of the host survey. These considerations are taken up in later chapters of the report.

## **4 Review of existing data sets and question gaps on High Performance Working**

### **4.1 Summary of existing data sets**

In this section some of the key large-scale data sources / surveys identified as containing information on HPW, organisational performance and skills utilisation are discussed. These data sources include: the Workplace Employment Relations Survey 2004; the National Employers Skills Survey 2007; the Skills for Business Network Survey 2007 and the People and the Bottom Line Survey 2007 and the Future of Work Survey (1999). The section describes the data source, the sample, the limitations of the survey with regard to our interest in HPW and in the context of previous discussions. The second part of this section highlights specific questions of relevance to HPW.

Section 4.2 includes information from the Investors in People survey tool. The Investors in People survey has three components: a top manager questionnaire; a manager questionnaire and an employee questionnaire. It is designed to be administered at an organisational level by organisations preparing for IiP. As the IiP survey tool is used by IiP organisations in their internal HR assessments there is no publicly available data set or survey results to include in the review. We have not, therefore, discussed the IiP survey tool in any detail in this preceding section.

It is important to note that the different surveys are of relevance to HPW in different ways. Some are organisational single respondent surveys, where a representative of an organisation (eg a senior person responsible for HR issues) will answer a series of questions some of which will be about HR practices and/or performance outcomes. Some are organisational multi respondent surveys (such as WERS) where a single respondent will represent the organisational perspective and other perspectives are sought from individual employees and their representatives. These individuals will be asked to comment on their organisation rather than represent it. As a consequence each survey has to be treated differently in terms of accessing data on HPW.

### **4.1.1 National Employers Skills Survey**

The National Employers Skills Survey (NESS) is an establishment survey mapping skills shortages and workforce development activity across England. Data are collected from organisations through telephone interviews with *'the most senior person at the site with responsibility for human resource and personnel issues'*. NESS 2009 is currently in progress; previous surveys were conducted in 2007; 2005, 2004 and 2003 and built upon previous Employer Skills Surveys in 1999, 2001 and 2002. Previous to this the Skills Needs in Britain Surveys explored a similar area. Each of the four nations of the UK currently operates their own employer skills survey although the English survey has the largest sample.

#### **Sample**

The sample for NESS 2007 survey has been derived from a sample drawn from Experian and was weighted using data from the Inter-Departmental Business Register (IDBR) maintained by ONS. It was defined using a three dimensional grid, covering: sector of business activity; and size of establishment and local learning and skills council areas. Within each local LSC the target interviews were distributed by sector as defined by the SSC footprints, half in proportion to the number of establishments within that sector and half evenly across all sectors. The targets within each sector were then distributed across six size bands according to the proportion of the number of people working in establishments of that size in that sector.

NESS 2007 covers around 79,000 establishments with two or more people working in them. It included a training module carried out through a second wave of interviewing of 7,000 organisations. The overall response rate for NESS 2007 was 35 per cent, slightly lower than the 43 per cent achieved in the 2005 survey but an improvement on the 33 per cent achieved in 2004.

#### **Relevance and limitations**

NESS provides some information about issues related to recruitment, skills gaps and training but HR practices and work organisation are not the main focus of the survey and therefore the information is inevitably limited. Questions are asked about recruitment but not the techniques used in selection. Issues related to organisational performance are also omitted. Detailed questions are asked about training including (and within a subsample of respondents the cost of training). Mapped against the theories of HPW, and the 'HPW logic chain' outlined in Chapter 2, the survey provides very limited information and no employee perspectives.



### **4.1.2 Workplace Employers Relations Survey**

Workplace Employment Relations (WERS, 2004) survey presents a range of different measures that may be used to investigate HPW and organisational performance. Sponsored by the Department for Business, Enterprise and Regulatory Reform (BERR), the Economic and Social Research Council (ESRC), Advisory, Conciliation and Arbitration Service (ACAS) and the Policy Studies Institute (PSI), WERS 2004 is the fifth survey in a series extending back to 1980. Broadly speaking, WERS comprises two halves; the 2004 cross section survey and the panel survey covering 1998-2004. Much secondary analysis has been conducted on WERS and numerous publications have been based on WERS 2004 alone (see for example Guest et al., 2008; Wood and Menezes, 2008; Forth and McNabb, 2008).

#### **Sample**

The sample for all the WERS surveys has been derived from the Inter-Departmental Business Register (IDBR) maintained by ONS. WERS 2004 includes workplaces with five to nine employees and the achieved sample increased again to just under 2,300.

In each WERS, interviews were conducted with a management representative and union representatives, although the latest WERS also sought interviews with a non-union staff representative at each establishment if they were present. Employees were included in the design in the 1998 and 2004 surveys. In 2004 information on financial performance was collected through a new addition to the survey; the Financial Performance Questionnaire (FPQ) distributed to a subset of the workplaces responding to the survey.

The sample for WERS is restricted to establishments with a SIC classification (2003) of D-O inclusive. It does not cover establishments in A-C (Agriculture, hunting and forestry, Fishing, and Mining and Quarrying), and P (private households with employed persons) and Q (extra territorial bodies). Overall response rate to the management interview in WERS 2004 was 64 per cent. The response rate amongst employee representatives was 81.9 per cent. The employee questionnaire yielded a response rate of 60.4 per cent amongst establishments with ten or more employees. Further information on the WERS is available from Kersley *et al.*, (2006)

## **Relevance and limitations**

The survey has been used extensively to examine the link between HPW practices and performance. The survey offers an extensive amount of information on organisational context and business strategy (relevant in addressing the 'external fit' and contingency issues discussed in Chapter 2). It also offers very detailed information on HPW policies (although this is often limited to the largest occupational group) and the employee module allows for analysis of the link between HPW policies and performance through the intermediate impact on employee attitudes and perceptions. In this respect, the WERS data set comes closest to enabling us to model the logic chain that links HPW policies to performance (see, for example, Guest *et al* 2008). The disadvantages of using WERS, to explore HPW, however, are that the survey is relatively small (ie not suited for analysis by sector and product strategy) and it has limited information on several of the aspects of the HPW logic chain (eg employee attribution, motivations, behaviours and perspectives on management and leadership). The longitudinal component is also limited in terms of its size.

### **4.1.3 SfBn Employer Survey**

This UK wide survey was conducted annually by the SSDA (2003 to 2005) and then again in 2007 (Shury, Davies and Riley, 2008). Its purpose was to inform the evaluation of the Skills for Business network (of SSCs and the SSDA) by providing data on issues such as employer engagement with the network, data on skills challenges and HR and workforce development practices amongst employers.

#### **Sample**

It is an establishment telephone survey of organisations with two or more employees using a stratified quota sampling approach of 500 employers in each sector. Within sub-sectors the sample is further stratified by size in rough proportion to the distribution of firms across size bands although this is subject to a cap such that no more than one in three of the population of firms is included in the sample. 'Rim' samples are also imposed at the four country level. The sample is sourced from Experian.

#### **Relevance and limitations**

The SfBn employer survey is predominately designed to measure employer and stakeholder involvement with SSCs and views of the activities of SSCs. There are, however, some targeted questions on high performance working practices.

#### **4.1.4 People and the Bottom Line**

The People and the Bottom Line survey designed to explore the link between the 4A model of HPW and performance outcomes (see Tamkin *et al* 2008). The survey was intended to, *inter alia*, provide quantitative data in order to: collect data against each of the key measures in the 4A framework of indicators; build up a picture of behaviour in the key fundamental HR investment areas of access, ability, attitude and application; Identify high performance work practices used and test the relationship between HR investment and business performance.

##### **Sampling**

The survey was piloted to ensure that respondents understood the questions and then conducted in 2,905 organisations across the UK. Of these, 2,500 were from the private sector across a range of eight sub sectors: Financial Mediation; Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods; Real Estate, Renting and Business Activities; Construction; Manufacturing; Transport, Storage and Communications; Agriculture, Hunting and Forestry; Mining and Quarrying; and Fisheries, and Hotels and Restaurants. The remaining 405 were distributed across two parts of the public sector: Primary Schools which the pilot had shown would be able to respond to the questions appropriately; and elements of the criminal justice system: Police; Courts Service; Probation Service and Prisons.

The sample deliberately did not reflect the overall population of firms in the UK. Instead, interest in people management practice and investment suggested a concentration on organisations large enough for this to be of concern, set at organisations of 25 or more employees. The response rate for private sector organisations was 32 per cent. In the public sector response rates varied from 75 per cent in schools, and 87 per cent in the criminal justice sector.

##### **Relevance and limitations**

The survey is clearly relevant to our review as it was designed specifically to examine the linkages between HPW and organisational outcomes. However, the survey was not without its limitations - most notably, the survey had to rely on single respondent answers and it did include the perspectives of employees. Despite such limitations, the exploratory nature of the PBL survey means that it was able to derive some useful conclusions about which types of HR practice measures perform better (in terms of response rates) than others.

#### **4.1.5 Future of Work survey**

The Future of Work (FoW) survey attempts to explore the relationship between the use of HRM and a range of performance measures within UK organisations. The survey was based on telephone interviews with 610 HR managers and 462 CEOs conducted by TNS Ltd in mid-1999. In 237 cases there was matched data from HR managers and CEOs. Information on financial performance was also collected for the years from 1996–97 to 2000–01.

##### **Sampling**

The sample was drawn from Dun and Bradstreet and covers UK companies employing more than 50 people. Supplementary financial information was collected for 366 of the firms. The firms that had financial information were found to be: smaller than the sample average; disproportionately manufacturing and solely UK based rather than multinationals.

In terms of the sectoral distribution of the overall sample, around three-fifths of the sample consisted of manufacturing organisations and the other two-fifths were service sector organisations. The manufacturing sector was found to be over represented, while the service sector (particularly the financial services) were under represented.

##### **Relevance and limitations**

The survey is highly as being relevant to the review as it identified 48 measures of HR practices, with a particular focus on measures that have been identified in the literature as 'high commitment' or 'high involvement'. These measures fall into nine main areas covering recruitment and selection; training and development; appraisal; financial flexibility; job design; two-way communication; employment security and the internal labour market; single status and harmonization; and quality. Information on business strategy and context was collated through the CEO interviews. In addition, financial information was collected to allow for comparisons of HR practices in 1999 against objective measures of labour productivity and profit in 2000–01. It is, therefore, a rare survey in that the HR measures cover a period prior to that of the performance data.

The disadvantages of the FoW survey, are that the survey is small; has limited information on several of the aspects of the HPW logic chain (ie employee perspectives); does not cover smaller organisations and is now a decade out of date.

## **4.2 Review of existing HPW questions and gaps**

This report now considers in more detail some of the specific HR themes that are covered in the surveys reviewed in Section 4.1, namely, WERS 2004, PBL, FOW, SfBn employer survey and the National Employer Skills Survey (England) and Scottish Employers Survey. A set of questionnaires covering HPW and developed by liP are also considered in this section.

The review of existing data is anchored on the Extended 4A framework described in Section 2. Thus for each HR policy area identified in the 4A model this section of the report reviews the measures that exist on intended practices; the extent to which data are available on the perceptions of actual practice; employee attributions of practice and employee responses (attitudinal and behavioural). The section concludes with a summary of the overarching themes (culture, climate, business strategy and other contingent modifiers) and outcomes (eg proximal and distal measures). Throughout the chapter, quality of data coverage and the extent of any thematic gaps is highlighted. Where thematic gaps (eg related to a HR practices, coverage, quality or impact) have been identified, examples are given of the types of questions that a new survey on HPW might consider in order to overcome current data limitations.

### **4.2.1 Access**

As reviewed in Chapter 2, access measures are those that relate to the effective resourcing of roles in the organisation in terms of initial recruitment, ongoing job moves and succession activity. In terms of HR practice, activities related to access include: use of sophisticated recruitment methods; the support for an internal labour market; career development planning and equal opportunities policies and practice.

### **Access: Intended Practices**

A broad overview of the effectiveness of different approaches to posing access related questions is provided by the PBL survey. Due to its exploratory purpose, the survey sought to gain insight into respondents' abilities to answer questions on resourcing. For example, it asked respondents whether they were using hard data to support their responses and, if not, how confident they were in their responses. On the whole, the PBL survey found that respondents were familiar with the terms used and had a good understanding of the policies and processes covered. For each of the question areas related to access, most respondents were able to provide the information requested but relatively few could justify their views with hard data. When asked to what degree respondents had readily available data, only 12 per cent had exact figures. Forty five per cent said they had numbers in their head which they considered to be fairly accurate and a further 21 per cent had numbers in their head which they considered to be estimates.

A more detailed thematic review of the access questions covered across all surveys is presented below.

- **Openness in selection practices:** This related to how much information organisations give to potential recruits and endeavour to provide them with an impartial perspective on what it is like to work in the organisation. The theoretical links between open selection and performance are twofold. First, open selection practices reflect an investment by the organisation in the selection process and second they may signify a culture of openness within the organisation. This theme is only explored in the FOW study and from an HR manager's perspective. Measures of openness from a HR director's perspective might reflect intended practice rather than actual practice. How the organisation operationalises such a policy (eg whether they allow candidates to discuss confidentially what it is like to work in the organisation with their potential co-workers) is also lacking from any survey.

- **Level and success of recruitment:** These measures are reported in most studies (WERS, NESS, PBL and FOW). They are, in the main, reasonably well completed (ie have low non-response / don't know rates). It is unclear, however, how the level and success in recruitment might theoretically be associated with positive organisational outcomes within a high-performance context. We might associate expansion with economies of scale and expect recruitment to increase when businesses are expanding (reverse causation) but neither of these are specific HPW practices issues. Difficulties in recruitment might also be considered an outcome measure, and or a factor determining HR practice (eg increased focus on training and internal development).
- **Sophisticated selection techniques:** These are covered by the PBL, WERS and FOW surveys. Questions on personality and attitude testing have a high response rate in both PBL and WERS. The questions also have a broad spread of responses (between yes and no). A review of WERS suggests that where testing is used it is predominately within manager and professional occupations. Questions on performance and competency tests also have a high response rate and a similar spread in responses. These tests are most used, however, within managerial and secretarial / clerical positions. This suggests that the degree of sophistication of testing needs to be considered in the context of occupational groups (eg named largest occupational group; managers) rather than more generally across the workforce.
- **Internal labour market:** Subjective questions over the preference for internal versus external recruitment / appointments are used in both PBL and WERS. They have low rates of missing values but also produce a low spread of responses. In WERS 2004, for example, 21% (weighted) have preference for internal applicants; 65 per cent have no preferences and 12 per cent seek external applicants only. Almost no respondent reports using internal applicants only (how would such an organisation replenish its workforce?) and only one per cent have a preference for external applications - suggesting the five point scale used offers symmetry but has two points in its scale that are unused. The PBL survey also used a subjective measure and asked whether respondents agreed or disagreed with the statement: *'When filling management vacancies, we promote from within the organisation whenever possible'*?. In terms of objective measures, the FOW questionnaire reports on the percentage of non-entry level vacancies filled from within the organisation over the last three years and PBL captured information on the exact proportion of external to internal recruitment. The question in PBL had a moderately high (seven per cent) rate of don't knows, which may reflect difficulties

respondents have in producing point estimates. This suggests that a HPW module on access should use banded estimates rather than seek accuracy with point estimates at the risk of increasing the rates of don't know.

- **EO policies:** Questions on equal opportunity policies and practice (existence of policy, whether organisations actively recruit from certain groups) are relatively well answered and appear in WERS and PBL. These questions prove relatively easy to answer. Multiple response questions are used in WERS 2004 to identify whether management actively recruits from specific EO groups (eg BME, women returners, older workers etc). Around 82 per cent do not do so and the remainder is spread across six categories (eg women returners, older workers, black and minority ethnic groups). Disaggregated information is unlikely to be useful in a broad analysis of HPW due to low sample sizes.
- **Succession planning:** The PBL survey attempts to capture information on the intensity of coverage of succession planning within organisations. Most organisations did not have any succession plans and a high proportion (22 per cent) were unable to answer. This could still be an relevant to certain sectors or occupations and is a reflection of high level skills needs. Measures on whether plans exist and for what occupation might have a higher rate of usable response.
- **Talent management:** The PBL survey is the only survey that holds questions on whether the organisation has a policy on talent management (ie have processes in place to identify high potential individuals and questions of whether these individuals have special treatment). Responses were reasonably spread and had low rates of don't knows. The survey did not ask any details, however, on what kind of special treatment is offered. This is an area that could be expanded in a new survey.

### **Access: Actual practices**

Actual policy needs to be considered from an employee's perspective. The liP employee survey is the only one we have reviewed that has a specific employee question related to recruitment policy (it asks whether employees are consulted over recruitment, and whether they are provided support in developing their careers). Questions on the employees' demographic characteristics (either in aggregate from the HR interviews or individually across employees) might also be an indicator of the success of actual policies on EO. There is also value in seeking perspectives on openness and talent management from an employee perspectives. These are not available in any survey.



It would also be possible to ask questions in an employee module on whether the respondent had experienced a promotion in the last 12 months. This could be used as a filter variable (eg on questions about whether work or skills applied have changed) and explain / mediate motivational responses (eg current levels of job satisfaction).

#### **Access: Employee perceptions**

Employee perceptions in terms of how they view the rationale for certain practices and their attitudes towards those practices are not particularly well covered in any of the surveys reviewed. Neither is employee attribution (ie how their perceptions of the employer's rationale for recruitment and progression policies) covered in any of the surveys. Potential questions are offered by Nishi and Wright (2008), who ask employees for their views on the why the organisation they work for makes the hiring choices it does (i.e., the number and quality of people hired). Employee motivation could also be examined through questions around the extent to which employees feel that there is scope for progression in their organisation and their perceptions pertaining to EO policies. Other questions that might be considered include employee perceptions of recruitment as reported in the liP survey, which asks whether employees view recruitment and selection as fair. Questions on whether employees feel motivated by progression opportunities in their organisation could also be considered as they might help us understand part of the link between internal labour markets and organisational performance.

#### **Access: Employee behaviours**

Employee behaviours relating specifically to HR policies on access are not addressed in the national surveys reviewed. Questions on whether employees voluntarily engage in training or work beyond their required hours in order to progress could be relevant here as they can be cross referenced with measures on the scope of the internal labour market. The hypothesis would be that internal labour markets encourage employees to invest in skills voluntarily, or seek advancement through additional effort.

### **4.2.2 Ability**

Measures of **ability** cover the skills and abilities of the workforce. In essence, the quality of people that the organisation has at its disposal, and the ongoing development activity of those individuals which maintains and further develops their capability.

### **Ability: Intended practices**

PBL research provides some insights into which are likely to be successful and unsuccessful measures of training and development. The research suggests that seeking exact information on training, skills and development (eg numbers trained and days in training) is likely to attract relatively higher levels of don't know responses. Low levels of response were also associated with questions on training spend, the number of informal training days, and days training for managerial staff. The ability to respond to the questions was related to size, with smaller firms generally more able to provide data (as in smaller organisations the data were more likely to be held in one place). Softer questions (such as proportion of staff with a current PDP, the proportion of managers judged fully proficient, and the proportion of training they would judge to be firm specific) were much easier to answer; although there were some confusions over the term 'firm specific' and these confusions were much more pronounced in the public sector.

A detailed thematic review of the access questions covered across all surveys is presented below.

- **Coverage of training:** Most the surveys (NESS, WERS, FOW and PBL) measure the coverage of training (whether it be formal, informal, on-the-job, off-the-job, job-specific or general). Differences exist in terms of the target population. The focus on who gets training in WERS relates to experienced employees within the largest occupational group (LOG), while FOW covers all employees in the LOG and PBL segments the workforce into non-managerial and managerial groups. The WERS, PBL and FOW surveys all record the proportion of employees that have had time off work for training during the last 12 months. WERS offers a seven point scale from all (100%), almost all (80 to 99%), most (60 to 79%), around half (40 to 59%), some (20 to 39%), few (1 to 19%), none (0%), while PBL seeks approximate point estimates (exact figures). Valid response rates (excluding don't knows) were substantially higher in WERS than PBL, suggesting that respondents are more comfortable and willing to give broad estimates than an exact one. The proportion of experienced employees in the largest occupational group in WERS who had time off to undertake training in the last 12 months has a high response rate and spread (some polarisation occurs at 100% and zero, which account for over half of all responses).

- **Intensity of training:** This relates to the amount of training received. PBL attempts to measure training intensity in terms of the amount of days taken by formal and informal training for managerial and non-managerial groups, WERS examines training for experienced employees in LOG and FOW considers experienced and non-experienced employees in the LOG separately. Point estimates in PBL produced a high degree of don't knows, suggesting once again that banded estimates would be more appropriate in this regard. A review of the PBL responses suggested that respondents tended to be more confident with giving proportions of staff receiving training (coverage) than for giving details on the number of days training given (25 per cent could not answer for numbers of off the job training days). When asked how many on the job training days were provided in the last 12 months, almost half the sample could not answer. WERS estimates on the number of days training based on broad estimates has a high response and spread, suggesting that off-the-job training questions can be answered in a broad sense but attempting high level accuracy may produce data that is unusable due to its incompleteness.
- **Induction training:** WERS, NESS and FOW separate induction training from the training provided to experienced employees; although in NESS this separation occurs when respondents are asked about for the reasons for training. Questions on induction programmes and training have a high response rate and low variability (around 78 per cent of organisations in WERS have them). This is a useful filter, however, for follow up questions on the amount of time (days / hours) spent on inductions. The length of time it takes employees in the largest occupational group to become fully proficient (do their jobs as well as experienced employees) has a 98 per cent response rate in WERS and reasonable spread. These questions are useful in the model as organisations which have employees that take a long period to become proficient, should focus more on attitudinal policies aimed at improving commitment otherwise they could risk high levels of turnover among valuable employees. This variable is also a proxy for the nature of the job/complexity of the work, ie where jobs are more complicated, people take longer to train, are probably more expensive and therefore worth using HPW practices. It could, therefore, be used as a way of segmenting organisations in analysis.

- **Types and reasons for training:** Follow up questions on the reasons for and coverage of skills training are asked in WERS and FOW. The FOW survey records the proportion of training concerned with the current job against the proportion intended for future development. WERS records the type of skills training provided (eg Health and safety, computer skills, team working etc) and rationale for training provision (eg Improve skills in current job, increase commitment, progress within the organisation). The FOW approach might be more informative from a modelling perspective as it captures intensity. WERS offers details on reasoning that could be referenced against employee attributions to confirm whether employer rationale for training conforms with employee perceptions - it might be hypothesised that a high level of congruence in employer / employee reasoning will be associated with positive employee outcomes (eg higher levels of organisational identification). Finally, questions in WERS on the proportion who are trained to undertake more than one job and the proportion trained to be functionally flexible have good response rates and spread but the responses were very closely correlated. This would suggest it is appropriate to use either but not both of these measures.
- **Resources used in training:** The liP questionnaire captures whether organisations have a budget for training and management views on whether learning and development activities are sufficiently resourced. The PBL survey asks for detailed information on the scope of expenditure on managerial and non-managerial training. These figures were not usually available and response rates were particularly poor. It may therefore be unproductive to seek detailed information on training expenditure in any future survey of HPW.
- **Strategic management of training:** How training is managed is captured in WERS, NESS, PBL and liP surveys. These questions cover: whether the employer conducts a training needs analysis, (ie an assessment of training needs against their business plan or individual competency profile); whether they believe that they evaluate development in a systematic way; whether they monitor the relationship between the effectiveness of managers and business performance or the impact of training on customers, and if they conduct formal return on investment evaluations of the cost/benefits of training.

- **Structured career development:** Both PBL and liP questionnaires cover structured career development. The PBL survey asks HR managers about the approximate proportion of the workforce that has a career development plan (ie a plan regarding their career potential and any support they might need to achieve it, arrived at in discussion with their line manager or others). The liP employee questionnaire asks whether the respondent was provided help / IAG in developing their careers. These practices are worth exploring as due to their potential association with both skills acquisition and motivation.

### **Ability: Actual practices**

In this section there may be merit in assessing perceptions of the quality and appropriateness of training from an employee perspective. This is an area of deficiency in the main national surveys. Within the surveys we reviewed only the liP employee questionnaire covers 'quality' - when it asked whether new recruits found their induction training useful. There is scope for further survey development related to employees' perspectives on the extent to which they are sufficiently supported through training and development opportunities to improve their performance in their current jobs and/ or future jobs. Those who do receive training could be asked about who instigated that training (eg the manager, the employee, both). The liP questionnaire asks whether employees are involved in deciding what their training and development needs should be. The success of training and development could be viewed subjectively through asking employees the extent to which they feel more competent / proficient at their job than 12 months ago (this might have to be filtered on experienced employees who have not been promoted over that period). Questions on who instigated the training (eg employee / manager) might 'explain' motivational response to training via employee attributions (see below).

### **Ability: Employee perceptions**

Employee attribution questions are not covered in any of the national surveys we reviewed. Nishii *et al* (2008) offer a survey question that asks employees for their views on the why the organisation offers training. Questions on specific motivational responses to training might include: whether training is viewed as benefiting employees or the organisation. This might include options around whether training makes employees feel valued members of the organisation, whether they feel their views towards the organisation and/or its customers have changed as a result, whether they think training is implemented to make them conform to a set of product or

process standards or whether it is implemented to help them gain promotion or otherwise advance their careers.

### **Ability: Employee behaviours**

There is scope for asking those who have not engaged in training about whether they had been offered training and, if so, their reasons for not participating. The hypothesis here would be that negative employee attributions and attitudes lead to a lowering in engagement within 'voluntary' training and development opportunities. Other questions on behavioural responses to training might include: whether employees used new skills in their job as a result of training and/or treated customers/colleagues differently.

### **4.2.3 Attitude**

It is clear that skill types and levels do not constitute the sole factors which make people do an excellent job. There is also the engagement, motivation and morale of the workforce and the meaning they find in work, their beliefs about the workplace and their willingness to put in additional effort.

### **Attitude: Intended practices**

Policies that might hypothetically affect performance directly work through the motivational link rather than the cognitive link (see Chapter 2 Figure 1) include: pay systems and performance management. Evidence from PBL suggests that pay and performance questions have higher rates of don't know responses where hard data is sought from respondents. The highest levels of uncertainty also occur when respondents are asked for monetary responses, in this case the proportion of the total annual pay bill which goes towards variable pay.

A more detailed thematic review of the attitude questions covered across all surveys is presented below.

- **Performance related pay:** These are covered in PBL, WERS and FOW. Pay questions in WERS 2004 are relatively detailed. An initial set of questions identify whether employees in the LOG receive the same amount of pay and, if not, the reasons for variations (including performance related pay and performance management/appraisals). An additional question is asked about whether any employee is paid by merit and/or results. This is separated by occupational groups covered (which are found to predominantly be managerial and sales related); the proportion of non-managers in receipt of such pay; types of payment by results (eg individual performance/ output, group or team performance, workplace measures

and organisational measures). PBL asks about the coverage of performance related pay and what proportion of the total annual pay bill goes towards performance related pay (eg performance related bonuses or variable pay). In order to disaggregate occupational effects, a HPW questionnaire would need to be able to associate performance related pay with specific occupations (eg largest occupational group). There would also be some merit in assessing, in very broad terms, what proportion of pay for specific groups (eg largest occupational group) is on average derived from performance related pay. There is a lot of controversy in the research literature on the effectiveness of individual performance related pay, however, most surveys show it is only used in a minority of organisations; theoretically, it might make more sense to ask more questions about group-based pay systems eg operation of the Share Incentive Plan, how many employees taking up the different options, how long they retain shares etc.

- **Profit related bonuses:** The use of profit related bonuses is covered in the PBL survey, WERS and FOW. Around a third of the PBL sample (35 per cent) did not use profit related bonus (PRB) for any of their staff, almost a further third (30 per cent) had PRB for all staff and the remainder offered PRB to some. Profit related pay schemes are also covered in WERS but usage is dominated by managerial occupations. Where profit related pay schemes are used to cover non-managerial roles around one half report that all staff are covered. Share schemes are used by a minority of organisations and among those covered almost all the non-managerial workforce is eligible suggesting little scope for measuring coverage in smaller surveys. In a large survey it might be possible to explore the effects of different varieties of Share Incentive Plan (eg free, matching, partnership, dividend shares). In reporting performance and merit related pay questions there is a clear need to identify the occupational groups covered, rate of participation and where shareholding is involved, how long employees retain shares before selling them.
- **Non-pecuniary benefits:** WERS asks whether the LOG is entitled to a range of other benefits (eg company car, employer pension scheme, health insurance, sick pay in excess of statutory minimum). It is unlikely that any modelling of HPW would be detailed enough to separate each of these benefits and so any analysis of non-pecuniary benefits and rewards is likely to reduce these measures to a dichotomous variable or crude count of the number of benefits offered. Employee perceptions of the benefits package could be more relevant.

- **Fairness and sufficiency of rewards:** Most the surveys provide little information about whether pay and rewards are considered fair or sufficient due to their focus on employer perspectives. The PBL asks whether the respondent feels confident that the pay and benefits package is competitive, while the WERS employee survey holds some information on pay satisfaction.
- **Flexible benefits:** These are formalised systems that allow employees to vary their pay and benefits package in order to satisfy their personal requirements. The PBL survey is the only one that captures this and asks: *of your total workforce, how many employees receive a flexible benefits package?*. In view of the low proportions suggesting they offer this option it would be worth excluding this measure from any immediate surveys. Also, from a theoretical perspective, the connection between benefits and performance is not fully proven, making it a lower priority topic for questioning.
- **Top-down communication:** Methods used by management to communicate information to employees (eg organisation wide newsletters) and messages communicated (eg information on business plans, performance targets and new initiatives) are covered extensively in all the main HPW surveys (WERS, IIP, PBL and FOW).
- **Bottom-up communication:** Measures commonly used to capture methods in which employees communicate to management are covered in most of the surveys, and are extensively reviewed in WERS. These measures include: whether the employer uses regular staff survey review of staff attitudes and morale; the proportion of employees who are distributed formal surveys that ask for their views and opinions; whether third parties administer employee surveys; whether the survey results are made known to employees, and whether the establishment participates in suggestion schemes.
- **Two-way communication:** Very detailed information on two-way communication are provided in WERS, for example, a range of questions revolve around briefing systems, their employee coverage and frequency. The PBL survey also asks if the workforce participate in: team briefing, and regular meetings. Questions on consultation activities may also be relevant here and WERS offers a range of questions related to whether an establishment has committees dedicated to consultation rather than negotiation. PBL and WERS ask questions on the degree of consultation that takes place with workplace representatives which were readily answered. These activities are likely to be closely associated with employee



commitment and so issues of communication and the level of influence that employees have on decision making should be priorities in the survey tool.

- **Performance management (appraisals):** Appraisals are covered in WERS, NESS, PBL and the FOW surveys. Each survey covers measures of incidence and coverage (ie proportion of the workforce / non-managerial workforce) affected. Around 68 per cent of the WERS sample respondents reported that their non-managerial staff received appraisals and within those companies appraisals usually applied to just about all the workforce. Similarly, the PBL survey found that appraisals were received by all employees in nearly 70 per cent of our private sector and 46 per cent of our public sector sample compared to 12 per cent of private sector and one per cent of public sector respondents who said that none did. Questions on the frequency of appraisals suggest that some spread of results but in both PBL and WERS annual appraisals were the most common form. WERS reviews whether appraisals cover an assessment of training needs. In the vast majority of cases it does. PBL also reviews incidences of upward appraisal (ie by which staff provide feedback on their line manager's performance). There would be substantial scope for capturing employee perceptions of the importance of this practice (eg whether they had an appraisal; if it was motivation, led to training etc).
- **Performance management (one-to-ones):** The PBL survey captures whether there are regular formal and private discussion between an individual and their line manager and the proportion (percentage) of the workforce covered. There would be some scope for capturing employee perceptions of the importance of this practice.
- **Absence management:** Absence management policies are covered in PBL, which captures where the organisation has a policy and the confidence that the HR respondent has in whether that absence policy is managed effectively.

### **Attitude: Actual practices**

Differences between intended practice and actual practice are likely to be greatest where there is discretion by line managers and employees in the execution of HR policies. Thus questions of whether appraisals are used and the nature of the appraisal process could produce varying responses depending on line managers' capacity and capability and employee willingness to participate. Given the scope, using employee and line manager surveys to provide an additional perspective on the results of a survey of HR managers would be useful here.

In terms of actual communication practices, WERS offers a number of employee questions. The survey asks how good managers in the workplace are at: seeking the views of employees or employee representatives; responding to suggestions from employees or employee representatives, and allowing employees or employee representatives to influence final decisions. WERS also asks employees how satisfied they are with the amount of involvement in decision-making at the workplace. The survey also asks employees: in general how good would you say managers at this workplace are at keeping employees informed about the following? changes to the way the organisation is being run; changes in staffing; changes in the way you do your job; financial matters, including budgets or profits.

**Attitude: Employee perceptions**

The WERS employee questionnaire covers the extent to which employees are satisfied with the level of pay they receive. The liP questionnaire enquires whether employees feel that the reward and recognition package is fair, and whether employees believe that managers make sure that successes are celebrated. The latter is one of the few questions on non-monetary rewards and should be incorporated into an employee survey.

Questions on the motivational impact of HR communications have a substantial cross-over with employee views on actual practice, discussed above. In addition to those questions, it would also be possible to ask employees the extent to which they feel that their views are valued, and whether they feel encouraged to contribute ideas on how to improve performance.

### **Attitude: Employee behaviour**

None of the surveys ask directly how pay and performance related HR policies actually affect behaviour. This may be difficult to measure but there could be scope for asking employees a set of subjective Likert scale (agree / disagree) questions related to whether or not specific HR policies, such as individual performance related pay, encourages them to: work more intensively; work longer hours; place a greater attention on quality etc. There might also be scope to assess absence rates as an outcome measure here. The PBL survey found however that there were high levels of uncertainty regarding the average number of days absence per employee, despite this being regarded as a standard HR metric. An alternative would be to ask employees questions on absence and how policies to take leave for different reasons operate in their workplace.

### **4.2.4 Application**

This covers the opportunities made available to individuals to apply their talents. This recognises that people need an appropriate working environment to prosper provided through job design, organisational structure and business strategy.

#### **Application: intended policies**

On the whole, questions on organisational approach were easily answered by respondents (for example those questions on the competitive environment and competitive positioning of the organisation). Respondents were also generally able to answer questions on HR communication. This is probably because these were not questions of number or quantity but rather questions of whether certain policies and procedures exist. Throughout the questionnaire these kinds of items produce higher response rates.

A more detailed thematic review of the application questions covered across all surveys is presented below.

- **Job design:** A range of measures have been used to capture job design issues. The FOW survey asks for the percentage of employees who have flexible job descriptions; the percentage with jobs that are deliberately designed to make full use of their skills and abilities, and the percentage qualified or capable of performing more than one job. WERS asks about multi-tasking and the complexity / variety in work (eg LOG doing jobs other than their own at least once a week; proportion functionally flexible at least once a week. Questions on the proportion who have variety in their work or involvement in how work is organised have a reasonable spread of responses and high response rates. WERS also investigates on a four point likert scale (A lot, Some, A little, None) the extent to which employees in the LOG have discretion over how they do their work, and control over the pace at which they work.
- **Team working:** A range of questions on team working (eg use of self-managed teams, cross-functional teams and project based teams) are asked in WERS, PBL and FOW. WERS has the most comprehensive coverage of team working. The proportion of the workforce in designated teams is polarised with 38 per cent reporting 100% of the workforce and the same proportion reporting zero. Other detailed information is recorded on the functioning of teams (eg whether the team selects its leader; whether team has responsibility for specific service or product; dependency on each other to perform). These produce polarised responses. Questions such as whether team decides jointly in how work is to be done and whether tasks and roles rotate among team members offers more of a spread.
- **Quality improvement:** WERS, PBL and FOW cover whether or not the workforce participates in quality circles and/ or work improvement teams. All the surveys reviewed ask about commitments to quality standards (eg IiP, BS5750 and ISO 9000), while WERS asks how the quality of work undertaken is monitored.

### **Application: Actual practices**

Questions on the quality of actual practices are captured from an employee perspective in both the WERS and liP employee questionnaires.

In terms of job design, the WERS employee questionnaire captures information on the employees' perceptions of the influence they have over the tasks they do; the pace of their work; how they do their work and the order in which they carry out their tasks. Looking at communication, the liP survey asks whether employees feel they are encouraged to contribute ideas to improving performance, whether they are involved in decisions that affect their individual, team or organisational performance and whether they have responsibility for decisions that affect their individual, team or organisational performance.

### **Application: Employee perceptions**

In cases where flexible job designs is present, there is scope for trying to understand employee attitudes towards this flexibility through employer attribution questions (eg questions aimed at capturing employee views on why these practices exist, such as offer variety in work, support skills development or reduce costs). Questions on work pace are asked in the WERS employee questionnaire, which enquires into the extent to which employees agree with the statements 'my job requires that I work very hard' and there 'never seems to be enough time to get my work done'. Other questions on the effects of job design on motivation could also be sought by asking attitudinal questions aimed at uncovering the extent to which employees feel there is variety in their work and autonomy in decision making.

### **Application: Employee behaviour**

In terms of the specific impact of job design and team working on employee behaviour, there is scope for enquiring into whether some of the organisational citizenship behaviours reported in Section 2.4 are influenced by how work is organised, use of team working etc. Questions on communication could aim to capture employees' views on whether they have actually contributed ideas on performance improvement.

#### 4.2.5 Organisational context and strategy

The Extended 4A model of HPW and organisational performance suggests that a range of contextual factors either contribute towards the development of HPW strategies or affect their implementation and outcomes. Some of these factors are external to the organisation (eg the wider product or service market and labour market conditions), while other factors are internal (eg business and market strategies, the level of skills and education of the workforce, the qualities of the establishment's management and leadership, culture and climate). Internal factors might determine the success of HPW policies and they might be developed as a consequence of those policies.

##### External factors

- **Product or service market:** WERS captures a range of measures related to the market for the organisation's goods and services. Questions in this area include: size of market (whether the market for the workplace's main product or service primarily local, regional, national or international); the level of competition (how many competitors do they have for their main product or service - ranging from none, a 'few', or many); whether the competition is high, medium or low; the estimated size of market share (banded), and whether the market is growing, mature, declining, or turbulent. These measures might be useful in mediating the effect of HPW on financial performance outcomes.
- **Labour market conditions:** HR strategies may in part be determined by labour market conditions, for example, a tight labour market might encourage a focus on developing a high commitment workforce. Data on labour market conditions could be collected externally and BERR have engaged in a process of linking the WERS data with existing labour market information, such as the ABI (See Forth and McNabb; 2007). Alternative approaches are to add questions on labour market conditions in the survey itself. For example, the PBL survey asks respondents about the extent to which they agree or disagree with the view that their industry is characterised by skills shortages.

## Internal factors

- **Business and market strategies:** WERS contains a range of questions related to market sensitivity, which provide some insight into potential strategies. The management survey question about whether demand depends on price produces a broad (symmetric) distribution of responses from 'does not depend on price at all' to 'demands heavily on price'. A question on whether demand depends on offering better quality than competitors has a clustering around 'demand depends heavily on superior quality'. It is unclear what would be gained from using a quality related question of this nature as most respondents report its importance at some level. An alternative would be the extent to which respondents agree with the statement: *demand for our services/products is more sensitive to changes in price than improvements in quality*. Additional questions are asked in WERS about two other factors, aside from price and quality, on which demand depends, from a range of options (eg offering a complex product or high skilled service; developing new products and services; maximising availability or minimising service time). Together, these questions can be used to derive typologies of business strategies that would be consistent with those we would most associate, in terms of their 'external fit', with HPW practices (see Section 2.3).
- **Qualification level of the workforce:** The PBL survey found that qualification levels of the workforce were also difficult for some respondents with 17 per cent unable to answer at degree level and twice as many (34 per cent) unable to answer regarding NVQ level 2 or equivalent qualifications. These levels of non-response were generally lower in the public sector. Around half of the respondents (49 per cent) could not give data on training spend (although in the public sector sample only 12 per cent could give costs) and about the same proportion (51 per cent) could not give data on accredited training.

- **Skills needs and utilisation:** Employer approaches to skills needs and utilisation are key concepts in the Extended 4A model. From a contingency perspective, a high skilled industry may have a greater disposition towards HPW because of the potentially greater investment required in recruiting, rewarding and developing the workforce, while an organisation with well embedded HPW practices might ensure that high level skills are fully utilised. Thus high level skills needs and effective skills utilisation can run through the model as factors determining both HR and work practices in organisations operating in a high value added context. However, it is perfectly possible that organisations with low skill levels may nevertheless choose to organise work in ways which maximise opportunities for employee voice and discretion within the constraints of the nature of the job and for organisations which produce high-value added goods to do so with high levels of automation, thus requiring low levels of skills from employees. Each of these situations can be explored in analysis of HPW practices simply by changing model specifications used in analysing any survey data generated.

PBL asks respondents the extent to which their industry is characterised by: a highly skilled workforce, knowledge intensiveness and high level innovation. The Scottish Employers Skills Survey enquired into skills under utilisation by asking about how many of the respondent's employees (within a specific occupation) they regard as having skills which could be useful to their organisation but which they do not currently use. A follow up question asked for the reasons why employees were not called on to utilise their skills to the highest level (eg higher skills are not needed to get the job done; more suitable positions are not available; individuals do not want more demanding roles). Skills gaps are identified in the National Employer Skills Survey, which records whether employees across each occupation are proficient at their job (proficiency is defined as being able to do the job to the required level). The PBL survey asks separate proficiency questions to cover managers and non-managers. From an employee perspective the WERS employee survey captures the extent to which employees believe that the skills they have match the skills they need. The liP employee survey tool questionnaire asks if employees have learned new skills that they have not been able to use in their jobs and whether employees feel they have been given enough opportunity to make the most of their talents. It would also be possible to ask employees '*how well do the work skills you personally have match the skills you need to do your present job?*' (responses range from 'my own skills are much higher' to 'my own skills are much lower').



- **Management and leadership:** On the whole, the quality and effectiveness of the management and leadership is not tackled directly in the employer surveys. Employee surveys offer some insight. The WERS employee survey asks respondents about their views on whether managers can be trusted to keep their promises; whether managers treat their employees fairly; whether they deal with employees honestly and whether they are sincere in attempting to understand employees' views. The liP survey tool examines employee perceptions of whether managers behave in a way that their organisation expects; whether employees understand the role of their manager; whether they have confidence in their top management, and whether they are inspired and motivated by top management.
- **Culture and climate:** Common questions here revolve around single status and harmonised policies, eg harmonized holiday entitlement for all employees (yes/no scale); harmonised maternity and sick leave entitlements for all employees; the existence of a common pension scheme for all employees; use of the same canteen and/or eating arrangements for all employee and a formal commitment for achieving single status (yes/no scale). Other questions that might be relevant here would revolve around the underpinning philosophy of high involvement, how important having a highly skilled workforce is to business strategy and how important it is to get people to conform rather than innovate.

#### 4.2.6 Outcomes and performance

We highlighted in Chapter 3 how performance outcomes exist at a number of levels: employee outcomes (eg absenteeism and labour market turnover); operational outcomes (performance measures such as productivity, quality and customer satisfaction), financial outcomes (accounting measures such as profit and return on assets) and market value outcome (value of the organisation on the stock market). Theoretically, we might expect the relationship between HPW and performance to be greater the 'closer' we are in the causality chain to those affected. Thus, we might expect a more convincing link between HR and employee outcomes than financial outcomes. The lowest level of correlation would be reserved for associations with market value.

The range of potential outcome measures a survey could explore is discussed below.

## Employee performance

- **Organisational commitment and identification:** These relate to the employees' psychological attachment to the organisation. The PBL survey asks employers for their views (five point scale) on the statement employees are fully committed to the values of this organisation and whether 'given the chance, employees at our workplace sometimes try to take advantage of management'. An alternative is to ask for agreement / disagreement with the statement that 'I share many of the values of my organisation'. Other potential measures include agreement / disagreement with the statement 'This organisation has a great deal of personal meaning to me' (see, for example, Mowday, Steers, and Porter; 1979).
- **Motivation source inventory:** Questions on underlying motives for behaviour could be used to explain the link between HPW practice and employee actions. For example, Barbuto & Scholl, 1998 developed a series of motivation questions that differentiate between Intrinsic Process (I would prefer to do things that are fun); Instrumental (Job requirements will determine how hard I will work); Self-concept-External (It is important to me that others approve of my behaviour); Self-concept-Internal Decisions (I make will reflect high standards that I set for myself) and Goal Internalization (I would not work for a company if I didn't agree with its mission). We might hypothesis that HPW is more likely to be associated with positive performance outcomes if there is a congruence between employee motives and the intended effects of HPW practices.
- **Organisational citizenship behaviour.** These are behaviours that are beneficial to the organisation and which are discretionary, including workers' discretionary effort beyond the minimum required for continued employment. They are not directly recognised or rewarded, rather they are a matter of personal choice, and their omission is not usually punished. A range of measures could be applied that identify OCB (see, for example, Organ (1988) and Organ and Ryan (1995)). These are commonly defined as: sportsmanship, altruism, civic virtue, courtesy and conscientiousness. Conscientiousness at work can be measured with statements such as, "I give advance notice if I am unable to work," while altruism at work can be gauged with statements such as "I volunteer to do things not required by my job." Other measures include: whether or not employees 'helps others who have been absent'; 'helps others who have very high work loads'; 'take steps to try to prevent problems with other workers'; 'attends meetings that are not mandatory, but considered important'; 'keep abreast of changes in the organisation'; 'do not take extra breaks'; 'obey company rules and regulations even when no one is

watching'; do not consume a lot of time complaining about trivial matters' and 'focuses on the positive side rather than what's wrong'.

- **Sickness absence:** Sickness absence may be indicative of low staff morale. This is captured in the PBL survey, which asked 'what is the average number of days absent per year per employee?' and 'how many of your employees have taken more than two weeks off?' The findings from the survey suggest that there was considerable confusion over levels of sickness absence incurred with respondents saying they kept the information in different formats eg some recorded the total days lost, some average days per person per month. Some 45 per cent of private sector respondents said they did not know how much time was lost to absence.
- **Staff grievances:** Staff grievances are reported in both PBL and WERS. The PBL survey measures the number of staff grievances that there has been over the last 12 months and the of tribunal cases that have been bought against the employer over that period. It would be possible to obtain employee measures of grievances eg by asking 'please estimate how many grievances (for example, complaints about your job or working conditions) you had about work-related matters during the past three months.'
- **Labour turnover:** Labour turnover measures are reported in FOW, PBL and WERS. Data on labour turnover is obtained in WERS by asking about the number of employees who were working in the establishment a year ago (asked in a preceding question) who are still working there now. The PBL asks how many voluntary leavers the organisation has had in the last 12 months excluding lay-offs, retirements, redundancies and dismissals. The PBL survey also attempts to measure management retention through the question 'how much do you agree or disagree with the statement: *'We expect to retain most of our managers for five years or more'*. The choice of questions is likely to depend on interview space. A tight interview schedule might favour the PBL approach over the WERS questions.

## Operational and financial outcomes

- **Financial and organisational performance (objective measures):** Both WERS and PBL attempt to obtain objective financial measures. The PBL survey sought data on: total gross sales or turnover in the last full financial year; the percentage of total gross sales or turnover that was exported; percentage of total gross sales or turnover was accounted for by the organisation's main product or service; the percentage of total gross sales or turnover was accounted for by a product or service that uses technology not available a year ago, and the percentage of total gross sales or turnover was accounted for by repeat business from existing customers. Looking longer term, the survey explored whether compared to three years ago, the businesses' turnover increased, decreased or stayed about the same, and by what percentage has the businesses' turnover changed compared to three years ago. The WERS financial questionnaire obtained information on: total gross sales or turnover. More complex financial and organisational performance measures (eg profit and labour productivity) are obtained by off-setting inputs (eg costs of labour and other assets) with outputs (gross sales or turnover). Input measures, reported in terms of fixed and variable costs, are reviewed below.
- **Fixed and variable costs (objective measures):** Objective measures of organisational costs and asset values are also captured by WERS and PBL. PBL seeks information on the proportion of the total gross sales or turnover is spent on capital costs (i.e. machinery, investment and hardware) and the proportion of the total gross sales or turnover is spent on cost of materials (i.e. raw materials, unfinished goods, energy etc). The WERS finance questionnaire captures information on: total capital expenditure over this period; total cost of acquisitions and total proceeds from disposals; the total value of purchases of goods, materials and services; employment costs, and approximate value of buildings, machinery and equipment (fixed assets). For owned or rented/leased buildings, respondents were asked to estimate their current market value if sold. For all other assets, whether owned or rented/leased, respondents were asked to estimate the cost of purchasing equivalent items, rather than the cost of replacing them with new, improved items.

- **Financial and organisational performance (subjective measures):** WERS and the FOW survey capture subjective measures of financial and organisational performance. The WERS questionnaire asks managers which measure most closely corresponds to their interpretation of financial performance (eg profit, value added, sales, fees, budget, costs, expenditure or share value). Respondents are subsequently asked how they would assess their workplace's financial performance, quality of product or service and labour productivity performance (a lot better than average, better than average, about average for industry, below average, a lot below average, no comparison possible, relevant data not available). Questions are also asked to capture whether labour productivity and how hard people work in the workplace have gone up or down compared with five years ago.

This chapter has highlighted the extent to which current employer surveys have addressed the issue of HPW. We have seen how some surveys (eg WERS) have offered high question coverage but relatively low sample sizes, while others (eg NESS) provide a large sample size but limited question range. In the next chapter we draw on the findings from this section and the theoretical frameworks in the earlier chapters to develop a new survey tool that aims to capture HPW.

## **5 Developing a HPW survey tool**

Developing a major bespoke survey of HPW requires careful consideration – from terms to method of surveying, sampling, respondent choice, questions and outputs. For the purposes of this review we have drawn up a list of issues to take on board following discussion with the expert participants in this study.

Previous sections reviewed some of the main existing surveys to see what light they could throw on HPW issues in the UK. To do so each survey has been mapped against the data themes identified by the expert interviewees and the literature, and which formed part of the Extended 4A model. We have seen that there are considerable shortfalls in the evidence available from each survey. This gap is due to a range of reasons, not least the absence of linked employee and employer data within most the major surveys.

### **5.1 Survey structure**

In terms of survey design, there is a choice between conducting a cross-sectional study and a longitudinal one. Cross-sectional studies are (relative to sample size) cheaper and require less commitment from employers. They are a safer option, particularly if it is unclear what kind of associations might be uncovered in the data and how any results will be used. The disadvantage of this survey structure, however, is that it tells us little about causality and may leave many of the unanswered questions concerning HR practices and performance unaddressed.

Two of the expert consultants, David Guest and Bill Harley, argued that longitudinal data (ie a longitudinal survey that revisits several employers / employees over more than one point in time) could provide a substantial contribution to uncovering the causal relationship between HPW and organisational performance (at least in terms of sequential causality). Indeed, this 'survey deficit' has encouraged some academics to conduct their own longitudinal studies. Jonny Sung, for example, will be launching a longitudinal survey on skills and productivity in Singapore. This study aims to examine how skills impact on individuals and organisations and the longitudinal methodology will give an individual perspective on how people utilise the skills they have and the constraints they experience. Bill Harley is now working on a longitudinal study, collecting data at three points in time from employees and managers in the care sector in Australia. Bill Harley's study aims to look at both apparent causal processes and contextual factors.

Francis Green offers some counter arguments to the development of a longitudinal survey. He observes that 'establishing causality with a longitudinal study requires a substantial investment. The survey needs to be large enough: not just because of attrition, but because there would need to be sufficient numbers of switchers – i.e. primarily, firms adopting HPW practices between waves – to account for changes in the outcomes. Since there are several independent variables involved, this is quite an imposition. With too few changes going on, the key findings will rest on the small number of switchers “doing the work”, and the estimates will be imprecise; and you will very easily find oneself not being able to reject the null hypothesis that HPW practices make no difference. Second, thought needs to be given to the dynamics: how long after a policy is adopted before the outcomes are expected?' Instead, he argues that a more productive approach would be to design a questionnaire that contains 'instrumental variables', which are correlated with HR practice but not outcomes. Estimators using instrumental variables may allow us to model causality using cross-sectional survey data. There would still be, of course, the more than inconsequential matter of identifying such variables.

Finally, Wall and Wood (2005) differentiate between 'quasi-longitudinal' surveys and 'authentic-longitudinal' surveys. A quasi-longitudinal survey collects data retrospectively on HR practices. This design is problematic if respondents are unable to recall when specific HR practices were introduced. Also, it would be difficult to gauge issues of intensity and perceptions through retrospective questioning. An 'authentic longitudinal' design involve gather data on both HR practices and performance measures on two or more occasions. The authors suggest that the time periods would be determined by the hypothesised lag time required for new HR practices to take effect. Ideally, the focus would only be on organisations that have experienced recent change in their HR practices. The two studies that Wall and Wood identify as having an authentic longitudinal design (Capelli and Newark, 2001; Ichnioswki *et al* 1997) were both targeted as specific industries (manufacturing and steel making).

**Conclusion: A survey on HPW would ideally be large enough to allow for future longitudinal follow ups but it is acknowledged that it may be limited by practical budgetary considerations. The size of a survey with longitudinal potential would thus be determined by the expected attrition rate over a number of years and an assessment of the extent of HPW practice variability over those years.**

## 5.2 Respondents

Most expert respondents raised issues concerning data collection. A generally held view was that the information necessary to conduct a thorough survey of HPW and business performance is unlikely to reside within a single individual.

David Guest observed that HR directors may at times be misinformed about the implementation of HR practice, while interviews based on line manager respondents may yield discrepancies between their reporting of what *ought* to happen and what *does* happen. It was commonly felt that an ideal survey would take a multi-respondent approach – ie interview several individuals with each organisation (eg CEO, HR manager, line manager and employees). Bill Harley suggested that it was necessary to collect data at multiple levels, including line managers, and then conduct multilevel analysis.

At a minimum, most expert consultants believed that there is a need to incorporate interviews with employees. They felt that understanding the effectiveness of HR practice, skills utilisation and the causal chain linking practice to performance, is perhaps better informed through interviews with employees than interviews limited to HR managers. Indeed, many of the issues discussed above (including the importance of discretionary effort and mutual gains) can only be understood through the inclusion of a detailed employee perspective. This was confirmed by the analysis of the gaps within the existing datasets, which showed notable weaknesses in how the implementation of practices is captured and the causal path between practice impact and individual and organisational outcomes, due to limited questioning of employees.

**Conclusion: A HPW survey would need to capture the perspectives of a range of respondents, eg senior managers, HR directors and a sample of employees within each organisation.**

## 5.3 Survey size and scope

The next consideration is the issue of survey size. Following through the arguments regarding contingency by developing a longitudinal survey would suggest the need for a very large scale survey. Contingent effects would need to be controlled for by a whole series of intermediate variables (eg detailed sectoral SIC classifications, region, size of organisation, job design and, business product and market strategies) while a longitudinal survey would need to allow for attrition from the wave 1 survey. It may be possible to reduce the impact of contingent effects, and therefore the survey size, by focusing on specific sectors rather than the whole economy. However, with the new policy emphasis on HPW and skills utilisation any survey that provides less than comprehensive coverage of economic sectors and UK nations will be of limited benefit to policy makers.



In the interests of advancing our understanding experts and academics have expressed a need for surveys to balance breadth of coverage with depth. Bill Harley has expressed a preference for sacrificing some breadth in order to gain greater depth.

*WERS is great for the 'big picture', but many of the measures are very limited/blunt. Given the fact that WERS is designed to provide a general and general sable picture of a wide range of IR issues, it's difficult to imagine that it would be possible to make it more focused. But from my perspective it would be better to have fewer items related to HPW, with more detail.* [Comments from Bill Harley]

However, it must be remembered that with the new policy emphasis on HPW and skills utilisation any survey that provides less than comprehensive coverage of economic sectors, and UK nations, will be of limited benefit to policy makers.

Existing survey instruments covering HPW predominantly focus on workplace level data collection; financial performance, however, is usually measured at the organisational level. David Guest suggests that there is a further need to collect data at the organisational / company level. He suggests that one approach to analysing management and leadership influences on HR policy implementation is to study various workplaces that form part of the same organisation.

**Conclusion: A HPW survey would need to be large enough to capture differences in the application of HPW across industrial sectors, in organisations of differing size and context, and in the four nations of the UK.**

#### **5.4 Interviewing methods**

There were mixed views regarding whether surveys should be face-to-face or telephone based. Where respondents, such as Bill Harley, favoured face-to-face interviewing this was because many of the complexities surrounding HPW and the potential for detailed clarification may yield higher quality data. These benefits have to be offset against caveats raised by David Guest about survey fatigue and cost to benefit decisions.

**Conclusion: In view of the observations made in Sections 5.1 to 5.4 the size of any future HPW survey would be such that a telephone based methodology is likely to be the most cost effective. There may be challenges, however, related to achieving employer 'buy-in' for any employee survey component if any previous employer survey has not taken place face to face.**

## **5.5 Conclusions and implications for research development**

Many of the experts have argued that advancing our understanding of High Performance Working would require a more detailed survey than those that currently exist (ie they would have to interview a wider range of people; in more depth and possibly over time). There is also some acknowledgement that a more detailed survey is not guaranteed to produce results that are easily translatable and promotable. We know, for example, from Wall and Wood's (2005) research that there are dozens of ways in which a researcher might define a set of HR practices and there are many ways in which performance may be defined. In most studies, some definitions and measures of HR practices will be associated with some positive performance outcomes while others will not be. A longitudinal survey may give us valuable information on causality but there are still issues regarding how long a time-lag we would need to allow between the introduction of HR practices and performance outcomes, and how big a survey would have to be in order for it to identify enough organisations in which HR practices have actually changed so that we may measure the impact of that change. This suggests that causal linkages are potentially easier to explore through a chain of causation (ie linking Intended Practices to Financial Performance) than through observations over time. Although such methods would not allow for an accurate measurement of impact, there is scope for understanding causal linkages through detailed case study research, eg focusing on multi-site organisations such as banks and retailers or very specifically defined sectors.

The suitability of existing data sets for assessing the relationship between HPW, skills utilisation and organisational performance is revealing. Most of these data sets have some deficiencies, not least because of their cross-sectional design (which prevents researchers from being able to draw substantive conclusions about cause and effect) or their reliance on single respondent interviewing. The possible options available are as follows:

### **Option 1: Adding new questions to WERS**

The survey which comes closest to meeting the objectives for a skills utilisation survey as proposed by the UK Commission is WERS. This survey has been used frequently to review the impact of HR practices but has limited employee data and is relatively small - making it less suited to analysis of the contingency model or a detailed modelling of the HPW chain discussed in Chapter 2. However, the addition of further questions (eg covering the effectiveness of management and leadership, employee perspectives on HR practices etc) would be one of the most cost effective options. The difficulty here, however, is that WERS is already very long and new questions on HPW can only be accommodated through the removal of existing questions (eg on industrial relations). This option may be difficult to pursue given the interests of some of the sponsoring bodies of WERS. Also, the survey is likely to be too infrequent to meet the needs of policy makers with regards to monitoring the take-up of HPW.

### **Option 2: Developing a bespoke survey**

This leads us to consider the options for a bespoke survey. Two points should be recalled:

- There is a strong preference among the experts consulted for a bespoke survey to incorporate the views of senior managers/director, HR managers, line managers and employees.
- Several of the experts consulted considered the ideal survey to be longitudinal.

As reported in Chapter 4 a multi-respondent survey and/or a longitudinal survey would require substantial employer 'buy-in'. As such, this is more likely to be achieved if the initial high-level interview is face-to-face. Face-to-face interviews are less cost effective than telephone interviews and we would therefore anticipate a greater budgetary constraint to the sample size. This would reduce our ability to analyse the survey from a contingent perspective. A methodology based on telephone interviews would be more cost effective and therefore allow for a larger sample size. A large-scale survey (eg 10,000 employers or more) would allow us to assess HPW relative to organisational context and allow for attrition in longitudinal follow-up but there may be problems in achieving employer buy-in (eg in order to secure employee interviews). Employee interviews could be undertaken using a telephone or postal questionnaire. One challenge in using postal surveys in preference to telephone ones, however, is that response rates are likely to be lower and the number of questions that can be asked before response rates fall significantly is very much lower. A bespoke survey would give greater flexibility to meet the needs of the research question and deliver against the information needs of

policy makers but whether there is room for an additional survey and the resources to support it are questions that will need to be explored further when considering this option.

### **Option 3: Developing an ad hoc module and employee survey extension on NESS**

A third approach would be to extend the National Employer Skills Survey - eg include a specific module on HPW and extend the survey to cover employees (although it is recognised that this module would be a substantial one and may require input from other senior management - eg on issues of business strategy). It would be possible, however, to focus on a dozen or so key HR practices that are unequivocally associated with improved organisational performance. Then a greater emphasis could be placed on exploring the effectiveness of these practices within the employee questionnaire. This approach could be more cost effective than engaging in a bespoke survey as the costs of recruiting respondents to the survey would partly be covered within the existing costs of NESS.

An extension to NESS would be the most cost effective approach to carrying out a survey of HPW, performance and skills utilisation and that this option is worth further exploration. There may, however, be issues related to the focus of the NESS (ie on establishments) which for the sake of consistency might suggest a need for some compromise on the part of any HPW module (eg focus on establishments rather than organisations). Given that NESS is an English survey consideration would need to be given to how to achieve UK wide coverage in partnership with the managing organisations of other employer skills surveys in the UK.

#### **Option 4: A multi-phase mixed methodology may be appropriate to address less tangible aspects of HPW practices**

While meeting the aims and objectives of the UK Commission in capturing the incidence and impact of HPW practices across different sectors, sizes of organisation and the four UK nations, a survey tool is unlikely to be able to capture fully the management motivations and philosophies which underpin the adoption of the practices and some of the more intangible factors which influence the success of skills utilisation strategies, such as organisational culture, climate and values. Nor can it unpick the processes of change by which organisations might be tempted to move up the value chain and potentially adopt high performance work practices. To understand these fully, a series of case studies may be required to understand how and why businesses make transitions into those higher value added product/service markets which may require more intensive use of higher level skills, or indeed, why businesses with lower value added strategies also adopt HPW practices. This might offer the opportunity to explore opportunities for appropriate kinds of policy support which might stimulate more organisations to shift their business strategies upstream and improve organisational demand for and utilisation of skills in the process.

To this end the UK Commission will publish a report of organisational case studies focusing on why and how HPW practices were adopted. A review of existing policies to support HPW, along with gaps in policy and available support will also be published by the UK Commission.

#### **5.6 Thematic survey tool**

In considering the design of a new survey, the analysis reported in Chapter 2 on the HPW causality chain, based around the extended 4A model framework, is useful. Six questionnaire modules are outlined. The first four capture information on HR and work practices related to access, attitude, ability and application. The tool assumes a multiple respondent methodology in which information is captured by telephone from a senior manager (senior official, managing director or chief executive officer); the HR director or personnel manager and a sample of employees. Each question within the four HR and work design modules is aimed at capturing information on a discrete aspect of the HR practice to performance logic chain (Chapter 2 - Figure 1), ie Intended Practice (IP); Actual Practice (AP); Employee Perception and Motivation (EP) and Employee Behaviour (EB).

Information on organisational and market context will also need to be gathered for the purposes of understanding contingency theories, external fit and the role of culture, climate and leadership as mitigating influences on the link between HPW and organisational outcomes; these are explored in Table 5. A distinction is drawn between variables that are assumed predominately to capture contingent perspectives (Contingency Theory control variables - CT) and variables aimed at capturing the overarching mitigating factors (Over arching control factors - OA).

Outcome and performance measures are considered in Table 6. These include employee outcomes (EO) that might either be attitudinal or behavioural, organisational performance outcomes (OP) and financial performance outcomes (FP).

An attempt is made to identify whether we believe a question should be core to a HPW questionnaire (C) or peripheral / optional (P). This classification involves a considerable amount of subjectivity, not least because issues related to the size of the questionnaires have been left open (and can only be estimated with any accuracy through piloting). We recognise that under a tight timescale, more 'core' questions are likely to be redefined as peripheral.

### 5.6.1 Access: Questions module

**Table 1: Access questions module**

		Survey respondent			Logic
		CEO	HR	Staff	Chain
<b>Recruitment</b>					
<b>Openness in selection</b>	Is there a deliberate attempt to provide a preview of what work in your organisation will be like, including the more negative aspects as part of the recruitment and selection process (yes, no scale)		C	C	IP, AP
<b>Sophisticated recruitment</b>	Which of the following do you use in your recruitment for the LOG: (application forms; references; structured interviews; unstructured interviews; psychometric tests; written or practical test (performance, ability, attitude or personality test)		C		IP
<b>Sophisticated recruitment</b>	Approximately what proportion of interviews (in the last twelve months) were conducted by interviewers who had received interviewing skills training? (banded response)		C		IP
<b>Recruitment consultation</b>	In the last 12 months have you been consulted over any of your organisation's recruitment decisions			P	AP
<b>Motivation for recruitment</b>	Which of these best describes your organisation's motivations when recruiting LOG (keeping costs down; getting the best people for the job; getting people that they can develop etc)			C	EP
<b>Equal Opportunities</b>	When filling vacancies, do you have any special procedures to encourage applications from		C		IP

		Survey respondent			Logic
		CEO	HR	Staff	Chain
	certain groups? Follow up question: which of these groups do you encourage (women returners, older applicants; disabled applicants, black and minority ethnic group applicants etc)				
<b>Equal Opportunities</b>	How is equal opportunity or diversity monitored in the organisation? (e.g. employee records;, monitor promotions by gender, ethnicity etc., review selection and other procedures to identify indirect discrimination)		P		IP
<b>Equal Opportunities</b>	Compared to three years ago, has there been any change in the proportion of women in managerial posts? Gone up, Stayed the same, Gone down		P		AP
<b>Equal Opportunities</b>	Are you male / female? How old were you at your last birthday? Do you have a long term illness, disability or impairment that affects your ability to carry out normal day to day activities? In which ethnic group do you consider yourself to belong?			C	AP
<b>Promotion and career development</b>					
<b>Internal labour market</b>	Are internal applicants given preference, other things being equal, over external applicants in vacancies at this workplace? (likert scale)		C	C	IP,AP
<b>Promotion</b>	Have you been promoted in the last 12 months?			C	AP
<b>Promotion</b>	To what extent do you agree or disagree with this statement ' <i>I am satisfied with the promotion opportunities I have with my job</i> '			C	EP
<b>Promotion</b>	To what extent do you agree or disagree with this statement ' <i>I am motivated to work harder by the promotion opportunities in this organisation</i> '			C	EP
<b>Promotion</b>	<i>Filtered on employee question covering frequency of unpaid overtime / voluntary training / organisational citizenship behaviour. What reasons do you have for working overtime / engaging in training (etc): Responses include 'necessary for promotion' / 'improve chances of promotion'</i>			C	EB
<b>Talent management</b>	Do you have processes in place to enable you to identify high potential individuals?		C		IP
<b>Talent management</b>	Do high potential individuals receive special treatment eg in terms of development opportunities, reward, retention strategies?		C		IP
<b>Talent management</b>	How good do you think your organisation is at identifying 'high potential' or talented individuals? (likert scale)			P	AP
<b>Talent management</b>	How good do you think your organisation is at rewarding 'high potential' or talented individuals? (likert scale)			P	AP
<b>Succession planning</b>	Approximately what proportion of your posts are covered by a succession plan? (banded answer)		C		IP
<b>Use of Career Development Plans</b>	Approximately what proportion of the workforce has a current personal and/or career development plan/objectives - (ie PDP a written agreement on the development they require and the means of delivery) (ie CDP a plan regarding		C		IP

		Survey respondent			Logic
		CEO	HR	Staff	Chain
	their career potential and any support they might need to achieve it, arrived at in discussion with their line manager or others? (banded answer)				
<b>Career development</b>	To what extent do you feel that your organisation supports you in your career development?			P	AP

*Key: C = core question; P = Peripheral question; IP = Question covering Intended Practice; AP = Question covering Actual Practice; EP = Question covering Employee Perceptions, Motivations and Attitudes; EB = Question covering Employee Behaviour.*



## 5.6.2 Ability: Questions module

**Table 2: Ability questions module**

		Survey respondent			Logic
		CEO	HR	Staff	Chain
<b>Training</b>					
<b>Proportion of experienced employees in receipt of training</b>	Approximately what proportion of experienced employees [defined by question on time it takes to achieve proficiency] in the LOG have received any planned training away from their normal daily work duties in the past year?		C		IP
<b>Amount of training received by experienced employees</b>	On average how many training days away from their normal daily work duties did a typical experienced employee in the LOG have in the past 12 months? (banded response)		C		IP
<b>Reasons for training</b>	Which of the following did this training cover? - read out and code all that apply (Health and Safety; computer skills, team working any others?)		P		IP
<b>Aims of the training</b>	Which of the following did the training aim to achieve (improve skills for current work; expand skills for current role; develop skills for future roles; increase commitment; help employees' career progression)		P		IP
<b>Training of supervisors</b>	What proportion of supervisors/first level line managers here have been trained in people management skills? (banded response)		C		IP
<b>Induction training</b>	Is there a standard induction programme designed to introduce new [employees in the LOG] to this organisation?		C		IP
<b>Amount of training received by new employees</b>	On average how many training days away from their normal daily work duties would a typical new employee in the LOG have? (banded response)		C		IP
<b>Amount of training received</b>	Approximately how many days training away from your normal daily work duties did you receive in the past 12 months? (banded response)			P	AP
<b>Aims of the training</b>	If more than 0: Approximately how many days training related to learning skills that would be relevant to (1) the work you currently do....work you might do in the future			P	AP
<b>Who initiated training</b>	Who decided that you should have this training: (you; your manager; joint decision between both; a senior manager; it is company policy etc)			P	AP
<b>Satisfaction with training</b>	How satisfied are you with the following aspects of your job? The training you receive (use format for promotion, pay etc)			C	AP
<b>Decisions on training needs</b>	To what extent are you involved in identifying your training and development needs?			P	AP

		Survey respondent			Logic
		CEO	HR	Staff	Chain
<b>Training adequacy</b>	To what extent do you agree or disagree with this statement: The training that I have received is sufficient for me to be able to carry out my job effectively			P	AP
<b>Development</b>	To what extent do you agree or disagree with this statement: I use skills to carry out my job now that I did not have a year ago?			C	AP
<b>Impact of training on attitudes</b>	To what extent do you agree or disagree with the following statements about the training you have received: It has made me feel valued by my organisation; It will help me gain promotion; it has helped me understand my role in the organisation etc etc			C	EP
<b>Reasons for non-participation</b>	Filter on non-participant: Have you been offered training in the past 12 months? What were the reasons you did not participate? - do not prompt - (unable to gain time away from work; unable to find training to meet needs; training not available at suitable time/location; didn't feel I needed it; didn't want extra responsibilities that might come as a result)			P	EB
<b>Impact of training on behaviours</b>	To what extent do you agree or disagree with the following statements about the training you have received: I have used new skills in my job as a result of my training; I treat customers/colleagues differently as a result of my training; I feel more committed to the organisation as a result of my training			P	EB
<b>Management of training</b>					
<b>Training evaluation</b>	Does your organisation conduct a formal return on investment evaluations of the cost/benefits of training?			P	IP
<b>Training evaluation</b>	And does your organisation formally assess whether the training and development received by an employee has an impact on his or her performance?			P	IP
<b>Training budget</b>	Does your organisation have a training budget?			C	IP
<b>Training plans</b>	Does your organisation have a training plan that specifies in advance the level and type of training your employees will need in the coming year?			C	IP
<b>Training needs assessment</b>	Do you conduct a training needs analysis, ie. an assessment of training needs against your business plan or individual competency profile?			C	IP
<b>Training evaluation</b>	To what extent do you agree or disagree with this statement: We evaluate development in a systematic way.			C	IP

### 5.6.3 Attitude: Questions module

Table 3: Attitude questions module

		Survey respondent			Logic
		CEO	HR	Staff	Chain
<b>Individual performance and performance monitoring</b>					
<b>Performance (appraisals)</b>	What proportion of those working in the LOG should have received performance appraisals in the past 12 months?		C		IP
<b>Performance (appraisals)</b>	Have to received a performance appraisal in the past 12 month?			P	AP
<b>Performance (appraisals)</b>	Do you operate upward appraisal (ie by which staff provide feedback on their line manager's performance)?		C		IP
<b>Performance (appraisals)</b>	Have you had the opportunity in the past 12 months to engage in upward appraisal (ie where you've been asked to provide feedback on your line manager's performance)?			C	AP
<b>Performance (appraisals)</b>	Approximately what percentage of your LOG has a proportion of their pay determined by a performance appraisal? (banded)		P		IP
<b>Performance (appraisals)</b>	To what extent do you agree or disagree with this statement ' <i>I have received extra training and support as a result of my most recent performance appraisal</i> '			P	AP
<b>Performance (appraisals)</b>	To what extent do you agree or disagree with this statement ' <i>Performance appraisals are a waste of time</i> '			C	EP
<b>Performance (appraisals)</b>	To what extent do you agree or disagree with this statement ' <i>I am motivated to work harder through my performance appraisals</i> '			P	EB
<b>Performance (one-to-one meetings)</b>	With what proportion of those working in the LOG have regular confidential one-to-one meetings with their managers to discuss work or performance issues?		C		IP
<b>Performance (one-to-one meetings)</b>	Do you have regular confidential one-to-one meetings with you managers to discuss work or performance related issues?			P	AP
<b>Performance (one-to-one meetings)</b>	To what extent do you agree or disagree with this statement ' <i>I have received extra training and support as a result of the one-to-one meetings I've had in the past 12 months</i> '			P	AP
<b>Performance (one-to-one meetings)</b>	To what extent do you agree or disagree with this statement ' <i>one-to-one meetings are a waste of time</i> '			C	EP
<b>Performance (one-to-one meetings)</b>	To what extent do you agree or disagree with this statement ' <i>I am motivated to work harder through my one-to-one meetings</i> '			P	EB
<b>Measuring individual performance</b>	How is individual performance or output measured or assessed? (piece rates; assessment by supervisor; acquisition of skills/core competences etc)		P		IP

		Survey respondent			Logic
		CEO	HR	Staff	Chain
<b>Monitoring effectiveness of managers</b>	To what extent do you agree or disagree with this statement: <i>we monitor the relationship between the effectiveness of managers and business performance</i>	P	P		IP
<b>Discipline and dismissal</b>	Is there a formal procedure for dealing with discipline and dismissals - other than redundancies - for non-managerial employees?		C		
<b>Discipline and dismissal</b>	What proportion of non-managerial employees are covered by the grievance procedure? (banded)		P		
<b>Discipline and dismissal</b>	In the last 12 months have any disciplinary sanctions have been applied to employees?		P		
<b>Discipline and dismissal</b>	In the last 12 months, how many employees have had sanctions applied to them?		P		
<b>Discipline and dismissal (what'd the law on this?)</b>	Do employees have the right to be accompanied in actions made under the procedure? and, if so, by whom? (eg union member, supervisor etc)		P		
<b>Discipline and dismissal (what'd the law on this?)</b>	Do employees have a right to appeal against a decision made under the procedure?		P		
<b>Pay and Reward</b>					
<b>Individual PRP</b>	What percentage of your staff in the LOG is covered by a system of individual performance related pay?		C		IP
<b>Individual PRP</b>	On average, what proportion is added to the basic pay of those in the LOG who are in receipt of individual performance pay? (banded)		C		IP
<b>Group pay (ex share ownership)</b>	What percentage of your staff in the LOG is covered by a system of group or team based rewards - not including share ownership schemes?		C		IP
<b>Group pay (ex share ownership)</b>	On average, what proportion is added to the basic pay of those in the LOG who are in receipt of team based pay? (banded)		C		IP
<b>Cash incentive plans</b>	What percentage of your staff in the LOG are eligible for some form of cash incentive plan?		C		IP
<b>All team based profit related payment or bonus</b>	What percentage of your staff in the LOG are eligible for some form of team based profit related payment or bonus?		C		IP
<b>All profit related pay</b>	Are you eligible for any individual performance related bonus or team based bonus - excluding shares schemes? (record individual, team, both)			C	AP
<b>All profit related pay</b>	How much did you receive from the (record separately for individual, team based) bonus in the last financial year? (estimate for cross-reference against salary)			C	AP
<b>Share Incentive Plan/ share ownership</b>	Do you operate a share incentive plan in your organisation? Which types of share incentive plans do you operate? (free, matching, partnership, dividends)		C		IP

		Survey respondent			Logic
		CEO	HR	Staff	Chain
<b>Share Incentive Plan/ share ownership</b>	What percentage of your staff in the LOG are eligible for some form of Share Incentive Plan share ownership option?		C		IP
<b>Share Incentive Plan/ share ownership</b>	What proportion of those who are eligible for the share incentive plan take up these shares? (banded estimate)		C		IP
<b>Share Incentive Plan/ share ownership</b>	How long, on average, do employees retain these shares (banded options)		P		IP
<b>Share Incentive Plan/ share ownership</b>	Do you participate in a company share incentive plan?			C	AP
<b>Share Incentive Plan/ share ownership</b>	Which of the following statements best describes how you view the shares you have obtained: I see the shares as something that can be sold off immediately; I would expect to retain the for no more than one year; I see the shares as a long term investment; I would sell the shares when the market is right			C	AP
<b>Motivation for PRP</b>	Which of these best describes your organisation's motivations for using performance related pay (increasing output / sales; improving output; balancing the budget; motivating staff; improving retention; encouraging less effective staff to leave)	C	P	P	IP
<b>Impact of PRP</b>	To what extent does performance related pay encourage you to do the following (work faster; work longer hours; pay more attention on quality; pay more attention to customer satisfaction; support my colleagues) - scales ranges from (too a large extent, slightly, not at all, encourages the opposite).			C	EB
<b>Adequacy of pay and benefits</b>	For each of the following statements I'd like you to tell me the extent to which you agree or disagree (1) the pay and benefits package is competitive for my occupation (2) the pay and benefits package is competitive for my qualifications and experience			C	AP
<b>Fairness of reward package</b>	Relative to what others in your organisation are being paid, to what extent do you believe the pay and benefits package in your organisation is fair (likert scale)?			P	AP
<b>Other rewards</b>	To what extent do you agree or disagree with this statement? Managers in my organisation are very good at celebrating success / offering positive feedback / etc / etc			C	AP
<b>HR communication and consultation</b>					
<b>Methods of communication</b>	Which of the following methods do you use to communicate or share information in this workplace: annual staff surveys; suggestion schemes; team meeting, intranet, etc		C		IP
<b>Annual staff survey</b>	What % of employees were distributed formal surveys that ask for their views and opinions in the last 12 months?		P		IP
<b>Annual staff survey</b>	Were the full results of the survey made available in written form to all employees?		P		IP

		Survey respondent			Logic
		CEO	HR	Staff	Chain
<b>Consultation on organisational plans, targets and initiatives</b>	By what methods does management communicate or consult with employees at this establishment? (e.g. regular meetings with entire workforce present, systematic use of management chain/cascading of information, suggestion schemes, regular newsletters distributed to all employees)		P		IP
<b>Consultation on organisational plans, targets and initiatives</b>	Is information on business plans and targets regularly provided to all employees?		C		IP
<b>Perception of HR communication</b>	In general how good would you say managers at this workplace are at keeping employees informed about changes to the business and business performance?			C	AP
<b>Seeking the views of employees</b>	Overall, how good would you say managers at this workplace are at...seeking the views of employees or employee representatives			C	AP
<b>Responding to the views of employees</b>	Overall, how good would you say managers at this workplace are at responding to suggestions from employees or employee representatives			C	AP
<b>Allowing employees to influence final decisions</b>	Overall, how good would you say managers at this workplace are at allowing employees or employee representatives to influence final decisions			C	AP
<b>Satisfaction with decision making</b>	Overall, how satisfied are you with the amount of involvement you have in decision-making at this workplace?			C	AP
<b>Workforce wellbeing</b>					
<b>Occupational health Service provision</b>	Do you have access to the services of Occupational Health Specialists?		P		IP
<b>Employee Assistance Programmes or welfare services</b>	Do you use Employee Assistance Programmes or a welfare Service - ie access to trained counsellors to assist employees with personal matters?		P		IP
<b>Work-life balance</b>	Relative to other companies in your sector how much does your company emphasise work-life balance? Much less, Slightly less, The same, Slightly more, Much more, Don't know		C		IP
<b>Absence management</b>	Do you have an absence management policy?		C		IP
<b>Absence management</b>	How confident are you that absence is managed effectively?		P		AP
<b>Worry about work outside working hours</b>	Do you worry a lot about your work outside working hours?			P	EP
<b>Psychological impact</b>	Thinking of the past few weeks, how much of the time has your job made you feel each of the following? Tense; Calm; Relaxed; Worried; Uneasy; Content			C	EP
<b>Work-life balance</b>	To what extent do you agree that managers understand about employees having to meet responsibilities outside work?			C	AP
<b>Work-life balance</b>	To what extent do you agree / disagree with this statement: It is up to individual		P		AP

		Survey respondent			Logic
		CEO	HR	Staff	Chain
	employees to balance their work and family responsibilities your views, as a manager at this workplace				
<b>Flexible working</b>					
<b>Flexible working arrangements</b>	What proportion of employees (in your organisation) have access to flexible work arrangements?		C		IP
<b>Flexible working arrangements</b>	If a non-managerial employee needed to take a day off at short notice due to child-carer problems or their child was sick how do they generally do this? Not allowed, Never been asked, take as leave without pay, take time off but make up later, take as annual leave, take as sick leave, take off as compassionate leave, Don't know		C		IP
<b>Home working</b>	What entitlements for employees are there for - Working at home in normal working hours? Managerial, LOG, Both, Neither, Don't know		C		

*Key: C = core question; P = Peripheral question; IP = Question covering Intended Practice; AP = Question covering Actual Practice; EP = Question covering Employee Perceptions, Motivations and Attitudes; EB = Question covering Employee Behaviour.*

#### 5.6.4 Application: Questionnaire module

Table 4: Application questions module

		Survey respondent			Logic
		CEO	HR	Staff	Chain
<b>Job design</b>					
<b>Flexible job descriptions</b>	What percentage of employees (in the LOG) have flexible job descriptions		C		IP
<b>Qualified / trained to do more than one job</b>	What percentage of employees in the LOG (in your organisation) are qualified or capable of performing more than one job		C		IP
<b>Pace of work</b>	Generally who decides the pace of work undertaken by the LOG? (Exclusively workers, Mostly workers, Equally, Mostly managers, Exclusively managers, Don't know)		C		IP
<b>Variety in job tasks</b>	To what extent would you say that individual [employees in the largest occupational group] here have variety in their work (A lot -None)		C		IP
<b>Extent of employee discretion</b>	To what extent would you say that individual [employees in the largest occupational group] here have discretion over how they do their work?		C		IP
<b>Work effort</b>	To what extent do you agree or disagree with the statement: my job requires that I work very hard			P	EP
<b>Work pace</b>	To what extent do you agree or disagree with the statement: I never seem to have enough time to get my work done			P	EP
<b>Influence over work pace</b>	How much influence do you have over the pace of your work?			C	AP

		Survey respondent			Logic
		CEO	HR	Staff	Chain
<b>Influence over tasks undertaken</b>	How much influence do you have over the tasks you do?			C	AP
<b>Influence over workload</b>	How much influence do you have over your workload?			C	AP
<b>Influence over task order</b>	How much influence do you have over the order you carry out your task?			C	AP
<b>Work difficulty</b>	To what extent do you agree or disagree with this statement: At times my job stretches me to the limits of my ability			C	EP
<b>Scope for initiative</b>	How satisfied are you with the amount of scope you have for using your own initiative in your job?			C	EP
<b>Team working</b>					
<b>Cross-functional teams</b>	What percentage of employees in your LOG work in cross-functional teams?		C		IP
<b>Project based teams</b>	What percentage of employees in your LOG work in project based teams?		C		IP
<b>Formally designated teams</b>	What proportion, if any, of employees in the LOG at this workplace work in formally designated teams?		C		IP
<b>Decision making in teams</b>	Do team members in the LOG jointly decide how the work is to be done?		C		IP
<b>Quality</b>					
<b>Continuous improvement teams</b>	Do you have groups at this workplace that solve specific problems or discuss aspects of work performance? They are sometimes known as problem-solving groups or continuous improvement groups.		C		IP
<b>Committed to quality standards (IIP, EFQM, ISO)</b>	Is your organisation committed or recognised in terms of any of the following quality standards? IIP - Investors in People EFQM - European Foundation for Quality Management ISO - International Standards Organisation etc etc Other		C		IP
<b>% engaged in continuous improvement teams</b>	In the last twelve months, roughly what proportion of the LOG have been involved in continuous improvement groups or quality circles?		P		IP
<b>How outstanding performance or suggestions made from groups are rewarded</b>	In what ways, if any, do you recognise outstanding performance or suggestions from these groups awarded? (Financial reward; Other; None)		P		IP

### 5.6.5 Organisational context and strategy: Questions module

Table 5: Organisational context and strategy questions module

		Survey respondent			Logic
		CEO	HR	Staff	Chain
<b>Background</b>					
<b>Region / locality</b>	From sample				CT
<b>Location of head office</b>		C			CT



		Survey respondent			Logic
		CEO	HR	Staff	Chain
<b>Establishment size</b>			C		CT
<b>Occupational composition in establishment</b>		C			CT
<b>Whether org is multi-site</b>		C			CT
<b>Organisational size</b>		C			CT
<b>Occupational composition of organisation</b>		C			CT
<b>Industrial classification</b>		C			CT
<b>Management and leadership</b>					
<b>Effective senior management</b>	To what extent do you agree with this statement: Those at the top best placed to make decisions about this organisation?			P	OA
<b>Relationship between management and employees</b>	How would you rate the relationship between management and employees generally at this workplace? (likert scale)	C	C	C	
<b>Employee perceptions</b>	To what extent do you agree or disagree with this statement: Managers here can be relied upon to keep to their promises?			P	OA
<b>Employee perceptions</b>	To what extent do you agree or disagree with this statement: managers are sincere in attempting to understand employees' views?			C	OA
<b>Employee perceptions</b>	To what extent do you agree or disagree with this statement: managers deal with employees honestly?			C	OA
<b>Employee perceptions</b>	To what extent do you agree or disagree with this statement: managers treat employees fairly?			C	OA
<b>Values, culture and climate</b>					
<b>Single status</b>	Does your organisation provide harmonised holiday entitlements?		C		OA
<b>Single status</b>	Does your organisation provide sickness and maternity entitlements?		C		OA
<b>Single status</b>	Does your organisation provide a harmonised pension entitlement?		C		OA
<b>Single status</b>	Does your organisation provide universal canteen or eating arrangements?		C		OA
<b>HR philosophy</b>	To what extent do you agree or disagree with this statement: we consciously try to create an organisational culture which optimises employee opportunities to contribute	C	C	C	OA
<b>Business philosophy</b>	To what extent do you agree or disagree with this statement: making the best use of the skills of our workforce is central to our business strategy	P	P	P	OA
<b>Quality of environment</b>	How much of a focus is placed on creating a great place to work? (likert scale)	C	C	C	OA

		Survey respondent			Logic
		CEO	HR	Staff	Chain
<b>Business and product</b>					
<b>Market geography</b>	Do you see the main markets for your products or services as being regional, national or international?	P			CT
<b>Industry innovation</b>	To what extent do you agree or disagree with this statement: Our industry sector is seen to be characterised by high levels of innovation?	C			CT
<b>Knowledge intensity</b>	To what extent do you agree or disagree with this statement: Our industry sector is considered to be knowledge intensive?	C			CT
<b>Market conditions</b>	Which of these statements best describes the current state of the market [for the main product or service] in which you operate? (market is growing, market is mature, market is declining, market is turbulent)	C			CT
<b>Product market</b>	What is the most important characteristic influencing the customers buying position? (price, quality, ability to tailor to their needs, ability to be different from other suppliers)	C			CT
<b>Product strategy: Price dependency</b>	To what extent would you say that the demand for your (main) product or service depends upon offering lower prices than your competitors?	C			CT
<b>Product strategy: Quality dependency</b>	To what extent would you say that the demand for your (main) product or service depends upon you offering better quality than your competitors?	C			CT
<b>Product strategy: Other product strategies</b>	Aside from price and quality, what two factors are most important to the competitive success of your (main) product or service? (1) Offering a complex product or highly-skilled service, (2) range Offering a product or service with unique features, (3) Developing new products or services, (4) Customising to meet the needs of particular customers, (5) Maximising availability or minimising delivery times, (6) Offering a high level of customer service.				
<b>Business strategy</b>	To what extent is focus placed on the following (1) ensuring that products and services offered to customers are of the highest quality (2) achieving substantial growth (3) ensuring this business leads the way in terms of innovations in the way that products or services are offered or delivered	C			CT
<b>Technological innovation</b>	Does the organisation mainly: (1) use tried and tested combinations of existing technology (2) develops its own technologies, or (3) buys in new technologies?	C			CT
<b>Just in Time</b>	Does the organisation operate a system designed to minimise inventories, supplies or work-in-progress?	C			CT

		Survey respondent			Logic
		CEO	HR	Staff	Chain
<b>Single or multiple products / services</b>	Is the output of this establishment concentrated in one product or service or several?	C			CT
<b>R &amp; D investment</b>	Does your business have a designated budget to spend on Research and Development?	C			CT
<b>Workforce</b>					
<b>Skills shortages</b>	To what extent do you agree or disagree with this statement: Our industry is characterised by skills shortages?	C	C		CT
<b>Sector skills</b>	To what extent do you agree or disagree with this statement: Our industry is characterised by a highly skilled workforce	C	P		OA
<b>Skills usage</b>	What proportion of staff in your LOG would you regard as having skills which could be useful to your organisation but which you do not currently make use of?	C	C		OA/EO
<b>Reasons for under utilisation</b>	Why are some staff are not called on to utilise their skills to the highest level? (e.g. Higher skills are not needed to get the job done; More suitable positions are not available; Individuals do not want more demanding roles)	C	C		OA/EO
<b>Skills match</b>	How well do the work skills you personally have match the skills you need to do your present job? (scale)			C	OA/EO
<b>Skills usage</b>	To what extent do you agree or disagree with this statement: managers encourage people to develop their skills?			C	OA
<b>Time to reach proficient standard</b>	About how long does it normally take before new [employee in the LOG] are able to do their job as well as more experienced employees already working here? (scale)	C	C		OA
<b>Level of proficiency / skills gaps</b>	Thinking about employees in the LOG, What proportion do you think are fully proficient at their job. A proficient employee is someone who is able to do the job to the required level.	C	C		OA/OA
<b>Reasons for skills gaps</b>	What are the main causes of some of your LOG not being fully proficient in their job...? (Failure to train and develop staff; Recruitment problems; High staff turnover)	C	C		OA/EO
<b>Skills proficiency</b>	Approximately what proportion of your LOG employees would you describe as fully proficient - able to undertake all the requirements of their job to the required level?	C	C		OA/EO

*Key: C = core question; P = Peripheral question; CT= Contingency control variable; OA = overarching condition*

## 5.6.6 Outcomes and performance: Questions module

Table 6: Outcomes and performance questions module

		Survey respondent			Logic
		CEO	HR	Staff	Chain
<b>Employee outcomes</b>					
<b>Organisational commitment</b>	To what extent do you agree or disagree with this statement: Employees are fully committed to the values of this organisation? (likert scale)	C	C	C	EO
<b>Organisational identification</b>	To what extent do you agree or disagree with this statement: you share many of the values of the organisation?			C	EO
<b>Organisational identification</b>	To what extent do you agree or disagree with this statement: This organisation has a great deal of personal meaning to me			C	EO
<b>Job or work satisfaction</b>	How satisfied are you with: the sense of achievement you get from your work; your job overall; the way you are managed; opportunities for promotion; (see internal LM section) your pay; (see pay section) the scope you have to use your skills; the amount of influence you have over the time you start or finish your working day.			P	AP/EO
<b>Motivational Source Inventory</b>	To what extent do you agree or disagree with the following statements: how hard I work depends on how much I enjoy it; how hard I work depends on the requirements of my job; it is important to me that others approve of my behaviour; how hard I work reflects the standards I set myself; Agreeing with what an organisation stands for is important to me			P	EO
<b>Organisational citizenship behaviour</b>	To what extent do you agree or disagree with this statement: Given the chance, employees at our workplace sometimes try to take unfair advantage of management	C	C	C	EO
<b>Organisational citizenship behaviour</b>	To what extent do you agree or disagree with these statement: I give advanced notice if I am unable to work; I volunteer to do things that I'm not required to do; I often offer to help others who have high work loads; I take steps to try to prevent problems with other workers; I attend meetings that are not mandatory but are considered important; I do not take extra breaks; I obey company rules even when nobody is watching; I focus on the positive rather than what is wrong			C	EO
<b>Intentions to quit</b>	To what extent do you agree or disagree with this statement: I would like to leave my job in this organisation within the next 12 months			C	EO

		Survey respondent			Logic
		CEO	HR	Staff	Chain
<b>Absence rate</b>	What is the average number of days absent per year per employee in the LOG?			P	EO
<b>Long term absence</b>	How many of your employees in the LOG have taken more than 2 weeks off at any time due to illness or a health related problem?			P	EO
<b>Absence rate</b>	How do you believe absence rates in your organisation compare with others in your industry (likert scale)		C	C	EO
<b>Long term absence</b>	How do you believe long term absence rates - more than two weeks - in your organisation compare with others in your industry (likert scale)		C	C	EO
<b>Labour turnover</b>	How many voluntary leavers have there been in the last 12 months?		C		EO
<b>management retention</b>	Do you expect to retain most of your managers for 5 years or more?	C	C		EO
<b>Labour turnover</b>	How do you believe labour turnover in your organisation compare with others in your industry (likert scale)		C	C	EO
<b>Staff grievances</b>	How many staff have made use of a formal grievance procedure in the last year?			P	EO
<b>Tribunal cases</b>	How many tribunal cases have been brought against the organisation in the last year?			P	EO

		Survey respondent			Logic
		CEO	HR	Staff	Chain
<b>Organisational performance</b>					
<b>Subjective financial performance</b>	Which of these measures corresponds most closely to your interpretation of financial performance? Profit or value added; Sales/Fees/Budget, Costs or expenditure, Stock market indicators (eg. share price), 5.Other )	C			FP
<b>Focus on shareholder</b>	How much of a focus is placed on meeting the requirements of shareholders? (not a particular focus to prime focus)	C			FP
<b>Focus on other external stakeholders</b>	How much of a focus is placed on meeting the needs of other external stakeholders (eg central/local government, community, suppliers, consumers)? (not a particular focus to prime focus)	C			OP
<b>Subjective Financial Performance</b>	How would you assess your workplace's Financial performance (A lot better than average, Better than average, About average for industry, Below average, A lot below average, No comparison possible, Relevant data not available)	C			FP
<b>Subjective Labour productivity</b>	How would you assess your organisation's (labour productivity a lot better than average, better than average, about average for industry, below average, a lot below average, no comparison possible, relevant data not available)	C			OP
<b>Total capital expenditure</b>	What was the total capital expenditure over the last financial year? (a) Total cost of acquisitions (b) Total proceeds from disposals	C			FP / OP
<b>Total variable costs</b>	What was the total value of purchases of goods, materials and services over the last financial year? (a) Employment costs (b) What were the total employment costs over this period?	C			FP / OP
<b>Turnover</b>	What was the total amount received in respect of sales of goods and services during the last financial year?	C			FP / OP
<b>Fixed assets</b>	What is the approximate value of buildings, machinery and equipment?	C			FP / OP
<b>Fixed assets</b>	For owned or rented/leased buildings, please estimate their current market value if sold. For all other assets, whether owned or rented/leased, please estimate the cost of purchasing equivalent items, not the cost of replacing them with new, improved items.	C			FP / OP
<p><i>Key: C = core question; P = Peripheral question; EO= Employee outcome; OP = Organisational performance; FP = Financial Performance</i></p>					

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## List of previous publications

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