

# *A paper on “A Study On HPWS (High Performance Work System) At Garment Sector”*

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## **Abstract**

The high performance work system has become essential and gained more popular in almost all the agile organisations in the recent years. The high performance work system is a systematic and integrated approach to organisational design that sheds a spotlight on sustained organisational performance. It's a challenge for the organisations to respond with the organisational design and practices that enables to the higher level of performance. The purpose of this paper is to throw a light on the development of effective HPWS (high performance works system) design in garment sector by considering the variables such as organisation performance, employee attitude and behaviour, organisational practices, thereby enhancing the organisational performance.

Keywords: Effective HPWS design, Organisational performance, Employee attitude and behaviour, Organisational practices.

## Introduction

High-performance work systems (HPWSs), an integrated approach of HR system, is an important concept in a contemporary research on workplaces. HR systems or models are the clusters of work and practices of employment that are oriented to a particular group of employees. Large and agile organisations typically will have particular kind of HR system for managers and another for their main group of production or operations workers.

There are different definitions for the HPWS but a common view is that the HPWSs are systems of managerial practices that helps to empower the employees and enhance their skills and capabilities that enable and motivate the employees for the better performance.

### HPWS: what and why

The empirical studies on HPWS makes it difficult for the organisation to undertake it. There are issues concerning adaptability of HPWS in the organisation related to garment industry. The first issue is concerned with those situations where a company's HR systems for its production workforce do not fit with its current competitive context. In these situations, firms in the garment sector need to make some kind of serious change. They can either outsource their production to sites which perform much better in cost-effectiveness or revitalise their historical production sites through better HR systems and new technology. The HPWS literature is mainly concerned with studying western firms in garment sector that decide to revitalise their historical HR systems by examining why they change and what HR policies and practices underpin the change. The second set of issues is to do with how the links between these new HR systems and organisational performance can be improved in a garment sector. Research on HPWSs highlights the importance of the mediating links or intervening variables between HR systems and organisational outcomes, including critical variables to do with employee beliefs, attitudes and behaviours in garment related firms. The lessons from this line of HPWS research have much wider applicability: they are telling us important things about how any HR system in a garment sector needs to work.

Social exchange has always been a most important part of organizational behaviour paradigm (Cropanzano and Mitchell 2005) and commitment of employees with their employer is a signal of social exchange among them (Shore et al. 2006). As a result of these social interactions between employee and employer, a mutual bond emerges between them in the form of reciprocal obligations and these obligations are constituents of a psychological contract (Wikhamn and Hall 2012). Employee's positive perception towards HR practices and satisfaction with these practices predicts employee positive responses towards management such as employee engagement based on social exchange theory (Jose and Mampilly 2012). Organization relationships influence the linkage between HR practices and outcomes (Kuvaas, 2008).

When HR practices are perceived to be supportive by employees such as decision making authority, learning opportunities and fair rewards, employees experience high level of organizational commitment and

job satisfaction (Allen et al. 2003; Whitner 2001) and organizational commitment is a strong predictor of organizational effectiveness (Angel and Perry 1981; Sutanto 2004). Such employee outcomes positively mediate the link between HPWS and organizational performance (Zhang and Morris 2014). Despite the fact that HR practices leads towards commitment but this link varies among employee groups such as professionals, line managers and workers that's why managers face various challenges in designing HR practices resulting in high level of commitment among employee

HPWS has been proved as a source of enhancing labour productivity (Datta et al. 2005), organizational performance (Liu et al. 2006), less turnover among employees (Arthur 1994) as well as low turnover and profit per employee (Guest et al. 2003). HR practices systems organize work in such a way that ensures benefit to employer and employees as well as increased labor efficiency, employee involvement and productivity (Cappelli and Neumark 2001). Similarly, management to human resources was revealed to have a prime impact on performance in manufacturing firms (Youndt et al. 1996). Important studies by Delery and Doty (1996) and Black and Lynch (2001) advocate a positive association between HRM practices and firm performance.

We also want to encourage companies to begin to measure and report the impact of their organisation systems, particularly in terms of performance of workers. These systems are only useful where they are creating concrete change for workers in a garment sector towards the growth and development of employees as individually as well as organisation.

### **Literature review:**

Many researchers have made a study on how the high performance work system can influence on organisation performance in garment industry . Thomas Wallner and Martin Menrad(2012) suggested that systems theory can provide the theoretical framework to explain how and why particular HPWPs (high performance work production) and HPWSs helps to formulate the guiding principles for a further development. They viewed the High Performance Work Systems (HPWSs) as a way of organizing the work.

XING Hui'GAOSu-ying'ZHANGYan-li'ZHANGJin(2010) studied that the relationship between High performance work systems(HPWS) and organizational performance is an important issue in the area of Human Resource Management. After 2007's financial crisis, from the perspective of flexibility in the human resource which aroused from the practices of HPWS and thereafter results into to be organizational performance through the relative behaviours' of employees and thus, it bridges the relationship between HPWS and organizational performance.

Reviews the theoretical foundations for a HRM-firm performance relationship and focuses particularly on the potential of a high-performance work system to serve as a unique resource for supporting to increase the effectiveness of implementation of organisation strategy and the attainment of organisational goals in a garment sector. Superior attention is dedicated to the methodological challenges essential in the

prior empirical work that has been adopted this systems viewpoint, and the learnings we can do from research at different levels of this analysis. We then summarize the evolution of our own work on the subject and present new findings that bear on the magnitude of the relationship of HRM strategy-firm performance

Brian E. Becker and Mark A. Huselid(2009) studied that the theoretical aspects and basis for a relationship between HRM-firm performance and emphasizes on the potentiality of the high-performance work system to serve as an important resource supporting the effective implementation of corporate strategy and the attainment of the organisational and operational objectives. They summarised that the evolution of own work on the subject and present new findings that accept on the magnitude of the HRM strategy-firm performance relationship

Li-Qun Wei and Chung-Ming Lau(2014) Based on the dynamic proficiencies perspective, their study examined that the model with adaptive capability as the intermediary in the relationship between HPWS and organisation performance, directing to understand how HPWS is positively linked with organizational outcomes. Institutional environment as a contextual factor that influences the relationship between adaptive capability and performance is also examined. They have made the Empirical study and collected the results from a sample of Chinese firms which indicated that HPWS–firm performance linkage was partially mediated by adaptive capability. In addition, the effect of HPWS on adaptive capability was stronger for firms in an institutional environment with location advantage than firms in other environments.

The study made by DAE YONG JEONG AND MYUNGWEON CHOI (2015) showed that the existence of both the main effect of HPWSs, supporting the universalistic perspective, and the moderating effect of the HR function's influence, supporting the exigence perspective. Based on the findings they concluded that HPWSs can be regarded as universal or best practice but at the same time, the presence of an influential HR function may intensify the effect of HPWSs on firm performance.

### **Research Gap & Motivation:**

From the literature review study, we are clear that many researches has been done to understand the meaning and definitions, perception on high performance work system and their impact on the performance of employees sites at various geographical locations and in various industry sectors. However, we intend to conduct a pilot study on high performance work system at garment sector

### **Objective of the study:**

The main objective of this research is to study and examine the high performance work system at garment sector by providing questionnaire which consists of 20 questions for 100 random employees who work in garment sector at raised on denim.

## Research Methodology:

A primary research was carried out through a questionnaire. The questionnaire was well structured and the responses were sought from the respondents. The nature of the questions was such that, it avoided ambiguous responses from the respondents and, it also helped in quick analysis of the data collected.

We followed it by a descriptive research design in order to understand the problem and carry out the research in a lucid manner.

The survey research study method was employed and a structured questionnaire was used to collect data from the desired sample. The data was collected from 100 employees who were currently working at garment sector

A survey design provides a description of some fraction of the population that is sampled through the data collection process. The study also employed the questionnaire as the data collection Instrument for the study.

The responses are gathered in a standardized way, so questionnaires are more objective, certainly more so than interviews.

We are conducted a descriptive research study for understanding , specific and clear for employees working at garment sector and we have not selected exploratory research because of further research is not required much that problem is already completely defined and description for the research is very much required.

## Data analysis and interpretation:

Out of all the respondents of our research study, 66% of them are female and 34% of them are male.

We found that, 50% of the respondents belongs to 18 -29 years of age group, 25% of them belongs to 30-39 years of age group whereas 20% of them are of 40-49 years of age group and 5% of them are of 50 and above years of age group.

According to our survey 45% of the respondents have done their diploma/10<sup>th</sup> or 12<sup>th</sup> and 30% of them have done their graduation, 20% of them have done their post-graduation and 5% of them have done their doctorate.

It is interpreted that 15% of the respondents have 0-1 experience, 30% of them have 1-3 years of experience, and 34% of them have 3-5 years of experience while 25% of them have more than 5 years of experience in the garment industry.

It is found that 20% of the respondents disagreed and 80% of them strongly disagree that there is no job rotation employed in the organisation.

10% of the respondents agreed, 20% of them have a neutral opinion, 40% of them agreed and 30% of them strongly agreed that Employees are empowered to make decisions.

10% of the respondents agreed, 25% of them have a neutral opinion, 35% of them disagreed and 30% of them are strongly disagreeing that Jobs are designed according to employee skills and capabilities.

26% of the respondents agreed, 45% of them have a neutral opinion, 25% of them are disagreeing while 15% of them are strongly disagreeing that Selection focuses on selecting the best candidate, regardless of the specific job.

30% of the respondents are strongly agreeing, 35% of them agreeing, 30% of them have a neutral opinion while 5% of them are disagreeing that Training programs are conducted on a regular basis to develop firm-specific skills and knowledge.

5% of the respondents are strongly agreeing, 25% of them are agreeing, 35% of them are having a neutral opinion, 30% of them are disagreeing and 10% of them are strongly disagreeing that Performance is based on objective, quantifiable results.

25% of the respondents are agreeing, 40% of them have a neutral opinion, 30% of them are disagreeing while 5% of them are strongly disagreeing that Employees are Experts in their particular jobs and functions and innovative.

20% of the respondents are agreeing, 25% of them have neutral opinion, 30% of them are disagreeing while 35% of them are strongly disagreeing that Based on your performance rating, compensation will be decided.

10% of the respondents are strongly agreeing, 35% of them are agreeing, 40% of them are having a neutral opinion, 20% of them are disagreeing that in our organisation, organisation performance and profitability is greater than last year.

15% of the respondents are agreeing, 35% of them have a neutral opinion, 35% of them are disagreeing while 15% of them are strongly disagreeing that in my organization, and the percentage of skilled workers compared to the total workforce is greater than last year.

20% of the respondents are strongly agreeing, 50% of them are agreeing while 30% of them have a neutral opinion that frequent communication with other employees happens in group about the work to be done.

35% of the respondents are strongly agreeing, 55% of them are agreeing while 10% of them have a neutral opinion that frequently communicate with other employees in group about the work to be done to positively contribute to the company's performance

20% of the respondents are strongly agreeing, 50% of them agreeing, 25% of them have a neutral opinion while 5% of them are disagreeing that adequate follow of company's policies and procedures is done.

5% of the respondents are agreeing, 25% of them are having a neutral opinion, 45% of them are disagreeing while 30% of them are strongly disagreeing that the company provide with reasonable opportunities to express new ideas, concerns or get involved in decision making.

25% of them are agreeing, 35% of them have a neutral opinion, 35% of them disagreeing while 5% of them are strongly disagreeing that employees receives formal performance appraisals and feedback on a routine basis

5% of the respondents are strongly agreeing, 25% of them are agreeing, 30% of them have a neutral opinion, 30% of them are disagreeing while 5% of the strongly disagreeing that All in all, they are satisfied with their job.

### **Findings:**

In our research study, out of 100 respondents, we found that highest percentage of them are female and highest number of respondents belongs to 18-29 years of age group. Majority of the respondents are disagreeing the employees are empowered to take decisions and there is no job rotation in the organisation, and there is no formal performance appraisal and feedback on their routine basis and their compensation is not completely decided on the performance of the employees. But the employees also agreeing that the organisation policies are followed and frequent training programmes will be provided to the employees all in all the employees are neutrally satisfied with their job.

### **Conclusion:**

When organizations introduce HR policies that make employees come closer to one another in a functional way, they view themselves in a 'family' and exert more efforts for its prosperity. In addition, it should be taken into account by policy makers that effective relationship among individuals leads to creativity and problem sharing ultimately leading to better quality (Gittel 2002). In present era of high competition is a fundamental part of organizational strategy. Exchange relationships between organizations and employees were noted to have a positive impact on organizational performance.

Thus, the literature reinforces the value to any company concerned about its performance of looking internally at the chain of links that runs from management intentions through management practices and employee responses to organisational outcomes. Better information on employee perceptions of, and responses to, espoused and actual HR practices is a prerequisite to improving HRM's contribution to organisational effectiveness.

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