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Employee experiences of high-performance work systems: An analysis of sectoral, occupational, organisational and employee variables

KEITH MACKY* and PETER BOXALL**

Abstract

An overall assessment of work quality in New Zealand has rarely been attempted. This paper explores the extent to which a sample of 1004 New Zealand employees experience a range of organisational processes and managerial practices associated with ‘high performance work systems’ (HPWSs). Particular attention is given to occupational and sectoral differences but the study also includes organisational and participant controls. The big picture is that New Zealand workers – across both sectors and occupations – perceive themselves as relatively empowered. On the other hand, there are some interesting differences in workplace experiences. Private-sector workers perceive themselves as having better chances of internal promotion than those in the public sector, and professionals, technicians, and associate professionals in the private sector feel much better informed than their public sector counterparts. Employees in larger firms see themselves as having a better internal labour market but they do not, in any other respect, see themselves as experiencing more HPWS processes than those in small firms. Older workers and those with longer tenure experience greater autonomy at work and the better paid feel both better informed and better rewarded. Those in unionised firms perceive better opportunities for training and development but do not otherwise experience higher levels of the HPWS variables we measure. The key implication for the productivity debate is that while empowerment levels are healthy in New Zealand, organisational performance and employee commitment would likely be higher if the links between empowerment, training, rewards and communications were stronger.

Introduction

To what extent do workers find their jobs empowering and rewarding? How many people have ‘good’ rather than ‘bad’ jobs? Is work pressure increasing? How many people enjoy work-life balance? These and other questions continue to fuel a worldwide interest in the quality of working life. We enter this debate through a New-Zealand-based study of worker experiences of high-performance work systems (HPWSs). Popularised by leading studies conducted in the United States, the notion of HPWSs is the flag-bearer for current interest in workplace reform. HPWSs hold out the prospect of a win-win outcome for firms and workers: better organisational performance in exchange for a better experience of work (Appelbaum et al., 2000; Handel and Levine, 2004; Macky and Boxall, 2008). What do we mean by HPWSs? The term itself is a loose one, with early reviews of the HPWS literature pointing to a confusing array of definitions (Becker and Gerhart, 1996; Delery, 1998), much of this caused by writers compiling lists of ‘best practices’ without establishing an internal logic for their chosen system. Our approach mirrors that of Cappelli and Neumark (2001). We see changes to the structure of work as central to the concept of HPWSs and, in particular, changes towards greater employee autonomy and involvement, on the job and off it. Reforms which enhance employee discretion help firms to move away from Taylorist/Fordist (i.e. low discretion) work practices and compete more effectively on quality, creativity, and flexibility. They lead naturally to improvements in skill formation (better training and selection to build the human capabilities needed) and a better mix of incentives (to ensure workers want to take part in new work

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processes, want to acquire new skills, and increase their loyalty to the firm). As MacDuffie (1995: 201) makes clear in his study of automobile manufacturing, reforms to work structure lead naturally to changes in how management tries to manage employee skill and commitment. Because involvement in decision-making is central to this understanding, we think the term, high-involvement work systems (HIWSs), stemming from the work of Lawler (1986), is more descriptively useful in pushing forward the research agenda on HPWSs (Boxall and Macky, 2007). In this paper, we base our analysis squarely around the high-involvement tradition, but we also include three other concepts frequently associated with HPWSs: teamworking, selective hiring and use of internal labour markets. This enables us to measure workers' perceptions of a broadly-based set of organisational processes and management practices commonly associated with the notion of HPWSs.

Our aim in the paper is to use the experience of high-performance work systems as a litmus test or criterion for assessing the quality of work in New Zealand. An overall assessment of work quality in New Zealand has rarely, if ever, been attempted. It inevitably involves a value judgment. While some scholars question the benefits to workers of HPWSs, particularly in terms of the possibility for stress or work intensification (e.g. White et al., 2003, Godard, 2004), we take the view in this paper that more empowering forms of work (i.e. greater exposure to HPWSs) are generally seen by workers as positive. Like the work of Bauer (2004) based on the European Survey on Working Conditions, research in New Zealand indicates that greater worker experience of high-involvement processes is associated with higher job satisfaction and lower levels of job-induced stress, fatigue and work-life imbalance (Macky and Boxall, 2008).

In this paper, we therefore pose some questions about which groups of New Zealand workers are most likely to experience HPWSs. Are they more likely to be located in the private or the public sectors? Does experience of high-performance work processes vary across occupations? And what about other key organisational variables? For example, are those who experience HPWSs more likely to be found in larger organisations or to be in unionised firms? The paper is conventionally organised. It sets out its theoretical basis and hypotheses, explains its data and methods, analyses the data, and then engages in a concluding discussion.

Variation in the Experiences of HPWSs

The purpose of this section is to establish hypotheses about variations in worker experiences of HPWSs, which we can then test in the New Zealand context. This does not require an elaborate theoretical justification as it has long been observed that work systems, and the experience of work, vary across sectors, industries and occupations (e.g. Blauner, 1964).

We focus first on broad sectoral differences. Historically, the interest in HPWSs arose largely from concerns in private-sector manufacturing. The central HPWS focus on employee involvement and organisational commitment has, of course, a long history dating back to the Human Relations and Tavistock Socio-Technical schools, as well as the quality of working life (QWL) movement of the 1970s (e.g., Davis and Cherns, 1975; Lawler, 1986; Walton, 1985). Manufacturing interest in HPWS escalated with the rise of Japanese high-quality production systems in the 1970s and 80s, including such techniques as quality circles, just-in-time inventory and delivery, and flexible, team-based production (Boxall and Purcell, 2008; Lincoln and Kalleberg, 1990). Faced with competitors who were simultaneously raising product quality, reducing production costs, and improving rates of innovation, some elements of Western manufacturing simply disappeared while others learnt they had to fundamentally change their production systems and grow their reputation for quality and value. In the automobile manufacturing industry, struggling Western firms made major efforts to reform their production systems by adopting Japanese 'lean production' principles (Womack, Jones

and Roos, 1990). This meant moving away from the low-discretion, control-focused work systems associated with Fordist operations management towards work systems which increased the involvement of production workers and raised their skills and incentives (MacDuffie, 1995).

Along with the QWL movement and the Japanese quality challenge, another key driver of change in HR systems in manufacturing over the last 20 years has been the advent of advanced manufacturing technology (AMT). This includes such technologies as robotics, computer-aided design (CAD), computer numerical control (CNC) machine tools, and electronic data interchange (EDI) systems. Research on AMT, including work conducted among Australian and New Zealand manufacturers (Challis, Samson and Lawson, 2005), shows that such technologies reach more of their potential when production workers' jobs are redesigned and their skills improved to enable them to enhance the operating performance of these technologies. For example, studies by Wall et al. (1990, 1992), show how work redesign, and training that enables production operators to solve technical problems as they occur, reduces reliance on the need to call in specialist technicians for problem solving and thereby enhances productivity.

But while the interest in HPWSs sprang from manufacturing, it is not simply a manufacturing issue. There are also, for example, studies of private-sector services which point to the value of ensuring that HR systems fit appropriately with the nature of the industry or with the competitive segment within the industry (Batt, 2000; Boxall, 2003). High-involvement systems of managing people are a necessary feature of professional services because of the degree of autonomy and authority professionals must exercise in order to carry out their work (Hodson and Sullivan, 2008). They are also becoming important in those service industries which are able to segment customer needs and provide greater value to some customers, usually at a price premium (Boxall and Purcell, 2008). In the hotel industry, for example, luxury hotel operators can improve revenue and customer retention through HR systems that empower front-line employees to personalise service (Haynes and Fryer, 2000). They therefore have an interest in investing in the employee development and management practices that will support a high-quality competitive strategy in this industry. There therefore appears to be a growing interest in HPWSs in private sector services, at least in those parts in which competitive differentiation via employees is possible and cost-effective.

What then of the public sector? Researchers regularly note the distinctive features of the public sector that differentiate it from the private sector (e.g. Kalleberg et al., 2006; Bach and Kessler, 2007). Despite a rhetoric of union-management 'partnership', public sector workers tend to operate within a higher level of bureaucratic constraints than those in the private sector. The standard government response to perceived performance issues in public sector services involves increased use of bureaucratic controls, including audits, performance targets and appraisal systems (Bach and Kessler, 2007). Reliance on bureaucratic interventions, and tall organisational hierarchies across which messages can be distorted, does little to enhance trust levels in the public sector (Boxall and Purcell, 2008). Bureaucratisation as a way of managing people is inherently at tension with the process of increasing employee discretion through HPWSs, and may result in lower levels of adoption in the public sector than in the private sector. We therefore hypothesise that:

H1: There will be differences between the public and private sectors in the extent to which workers experience HPWSs.

It has also been suggested that HPWSs are more likely to be applied to workers in the more highly-skilled occupations, where the benefits of increased autonomy are more likely to be realized (Harley et al., 2007). More highly skilled jobs typically enjoy higher levels of discretion (Gallie, 2003; Lorenz and Valeyre, 2005). Professional, managerial, technical and other highly educated workers

also typically cost more to employ, a fact that is likely to motivate employers to invest in management practices that enhance their contribution to organisational outcomes. As Lepak and Snell (2002) have argued, managers tend to establish different employment modes for employees that reflect differences in the value of their human capital. Melian-Gonzalez and Verano-Tacoronte (2006) have also argued that employees with higher value and who are more unique (rarer) in the labour market require management by more sophisticated HR practices, including those aspects of high involvement and high commitment incorporated under the HPWS banner. Our second major hypothesis is therefore that:

H2: There will be occupational segmentation with regard to the level of HPWSs experienced by employees.

It is, of course, possible to envisage interactions between sector and occupation. There is a higher concentration of professionals in the public sector, for example (Bach and Kessler, 2007). We therefore examine interaction effects between our two key variables of sector and occupation.

Several organisational variables have also been identified as potential determinants of management's adoption of HPWSs. These include the size of the firm, in terms of employee numbers, with larger organisations identified as being more likely to adopt more sophisticated HR systems (e.g., Jackson and Schuler, 1995). This is, in part, because they can – HPWSs are more resource intensive to implement and larger firms tend to have greater access to the resources needed to implement them. HPWSs may also be implemented by larger firms as an alternative to traditional and costly hierarchical organisational structures, thereby enabling reductions in managerial staff through delayering and/or the adoption of teams as the fundamental unit of structure. Organisational size has therefore been included as a potential control variable acting on employee experiences, independent of sector and occupation.

Unionisation was also included as an organisational control variable for two reasons. Firstly, labour innovations aimed at building employee commitment via involvement and participation programs have sometimes been seen as simply exchanging one form of managerial control for another, and not therefore in employees' interests. HPWSs may represent what Orlitzky and Frenkel (2005: 1330), in their discussion of alternative pathways to high-performance organizations, refer to as “an iron fist in a velvet glove”. As a result of union resistance, unionised workplaces might therefore be expected to have lower levels of HPWSs. Secondly, it has also been suggested that implementing an HPWS represents a managerial strategy to fend off unionization (e.g., Lincoln and Kalleberg, 1990) by, for example, providing employees with non-union forms of representation and influence. In these terms, the presence or absence of unions at the workplace may serve as a variable influencing the experience of HPWSs independent of sector and occupation. A number of participant variables – age, gender, years' tenure, average weekly pay, weekly hours worked, and permanent or temporary employment status – were also included as potential control variables.

Method

Procedure and Participants

Data were collected by computer-assisted telephone interviews (CATI) of 1004 randomly selected New Zealand employees. The interviews were conducted by a professional survey firm commissioned by the researchers and took, on average, thirty minutes to complete. To be included in the study, participants needed to be employees aged 18 and over, have worked for their employer for at least 6 months, in a firm with a minimum of 10 employees. Of those contacted who met these

criteria, the response rate for the survey was 34.2%. Respondents with more than one employer (7.2%) were asked to respond to the survey questions for the job in which they currently worked the most hours.

Of the participants, the vast majority were permanent (93.5%) rather than temporary employees, worked an average of 39.12 hours a week (SD = 12.94) with a range from 3 to 95 hours, had a median weekly take home pay of NZ\$600 (range: \$40 to \$2500), and had worked for their main employer for a median of 4.5 years (range: 6 months to 40 years). The respondents were more likely to be female (60.8%) than male, and were aged between 18 and 89 years at their last birthday (mean = 43.60 years; SD = 11.65). In terms of firm size, the median number of employees was 120 (range: 10 to 21,000) and 64.2% of the respondents had a union at their place of work that they could join if they wished (54.3% of whom were members of that union).

The main limitations in the sample are that women are over-represented relative to their proportion in the national workforce (a common problem with telephone surveys). Nor do we report the views of any workers in micro-firms with less than 10 employees. However, as the analyses below show, gender does not appear to be related in any systematic way with the reported experience of HPWSs.

Measures

The two independent variables for the study were occupational grouping and whether or not the participant worked in the public or private sector. For occupation, participants were asked the open-ended question: "What kind of work do you do? That is, what is your main job usually called?" Responses were then coded using the New Zealand Standard Classification of Occupations (NZSCO) (Statistics New Zealand, 2001) into the following major groupings: administrators and managers (13.5%), professionals (26.8%), technicians and associated professionals (19.1%), clerks (12.4%), service and sales workers (11.9%), and 'others' (16.3%). Because of their comparatively small numbers, the latter combines the NZSCO major categories of trades, agriculture and fisheries' workers, plant and machine operators or

For the sector variable, public sector participants (42.3%) comprised all those employed in either a government department (12.7%), state-owned enterprise (2.5%), local government (2.6%), or a publically-funded organization such as a school or hospital (24.5%). Private sector participants (57.7%) comprised all those who were employed by an overseas-based multinational (12.7%), a company listed on the New Zealand stock exchange (6.3%) or a privately owned company (38.7%).

The dependent variables comprised seven managerial domains associated with high performance work systems. As noted above, we adopt an involvement-oriented model of HPWSs operationalised through Lawler's (1986) 'PIRK' framework in which high involvement work processes encompass workplace power (P), information (I), rewards (R) and knowledge (K) (see also Lawler, Mohrman and Ledford, 1998). These four variables are seen as mutually reinforcing. In other words, high-involvement work processes empower workers to make more decisions, enhance the information and knowledge they need to do so, and reward them for doing so. These PIRK dimensions were measured using the four scales developed by Vandenberg et al. (1999). These are: the power employees have to make decisions and act autonomously in their work (7 items; coefficient alpha = .91); the information they receive regarding organisational mission, goals, policies, procedures and changes, reasoning behind critical company decisions, and important business-unit issues (11 items; coefficient alpha = .93); the rewards employees receive, both intrinsic (praise, recognition and personal development) and extrinsic (promotion and pay), in regard to their individual, team and organisational performance (9 items; coefficient alpha = .90). Also included, as a measure of the

participants' experiences of human capital development, is an eight-item measure of their knowledge of the job to be done (coefficient alpha = .94). While labelled as 'knowledge' to fit the PIRK acronym, the main emphasis of this variable is on the opportunities employees experience for training and development.

In addition to the PIRK variables, we included three others that help to create a broader concept of HPWSs. The first of these is a measure of teamworking, on the grounds that teams are often advocated as a high-performance practice (e.g., Appelbaum et al. 2000). We used Knight-Turvey's (2004) six-item measure, developed from Lawton et al. (1997) (example items: "Management organises work so that most people work in teams"; "People here work individually rather than as members of teams") (coefficient alpha = .88). Following Huselid (1995) and Guthrie (2001), we also included measures of selective hiring and the use of internal labour markets. Selective hiring was measured with a five-item measure (example items: "In my work unit, I believe we hire people who can do the job"; "New staff members often lack the competence to do their job well") (coefficient alpha = .79) and a three-item measure was included for a firm's use of its internal labour market for hiring (example item: "This company always tries to fill vacancies from within") (coefficient alpha = .81).

All items were measured on a five-point Likert agree-disagree scale (anchored 5 to 1 respectively) with negatively phrased items reverse scored. Principal axis factor analysis with varimax rotation was used to verify the expected a priori factor structure of the seven HPWS variables. An eight-factor solution was identified accounting for 59.02% of the variance, and all items loaded most strongly on their expected factors (the eighth factor accounted for only 1.31% of the variance).

While there are powerful arguments to the contrary (e.g. Spector 2006), there may nonetheless be potential for common method variance (CMV) in self-report cross-sectional studies such as the present one. However, the factorial independence of the measures observed here should mitigate concerns over common method variance in the present study. It is also worth noting that the first factor of the unrotated solution accounted for only 34.02% of the variance, not indicative of any marked degree of CMV (Podsakoff et al. 2003). Structural steps in the construction of the questionnaire were also used to reduce the potential for CMV, including using both positively and negatively phrased items to reduce response acquiescence. The occupation and sector questions were also of a more factual nature and therefore not particularly susceptible to CMV (Crampton and Wagner, 1994).

The Control Variables

As mentioned, a number of participant and organisational variables were analyzed as potential controls: respondent age in years, gender, years' tenure with main employer, average weekly pay, the usual hours worked in a week, and whether the participant was a permanent or temporary employee, firm size in terms of the number of employees, and whether or not a union was present at the participant's workplace that they could join (coded 1,0). Because of their skewed nature, the log of tenure, firm size, and weekly pay was used in these analyses to normalize their distribution. Initial multivariate tests did not find any significant effects for gender ($\Lambda(7, 890) = 1.30, p = .246$), usual hours worked ($\Lambda(7, 890) = 1.67, p = .113$), or whether the participant was a permanent or temporary employee ($\Lambda(7, 890) = 1.97, p = .056$). These variables were therefore dropped from further analysis.

Results and Discussion

Table 1 reports the descriptive statistics and correlations between the HPWS and retained control variables. We note first of all that the seven HPWS variables are all significantly and positively associated. This means that workers who experience more of one type of high performance process or practice are also more likely to report experiencing the others. The correlations among the PIRK (power, information, rewards, knowledge) variables are moderate (mean $r = 0.54$, range = 0.62 to 0.44), suggesting there is clearly room to enhance systemic linkages among the PIRK variables. While workers who experience one of the involvement HPWS dimensions are more likely than not to experience one or more others, there is clearly considerable variability in this.

With seven correlated dependent variables and a number of covariates to be controlled for in the analysis, MANCOVA was used to test the hypotheses stated previously. Sector and occupation were entered as the fixed independent variables in the analysis, and an interaction term included between these in the multivariate model. To test for possible multi-collinearity between HPWS dependent variables, a regression analysis was conducted using the seven HPWS variables as predictors and sector (public 0 private 1) as the dependent variable. Examining the collinearity statistics shows the highest variance inflation factor (VIF) to be 2.44 for the *information provision* variable (tolerance = 0.41), well below commonly used cut-off thresholds for collinearity (e.g. Hair et al., 1998). Furthermore, a visual examination of the scatterplots showed no departure from the assumption of linear relationships between the HPWS variables.

Significant multivariate tests were obtained for the participant control variables of age ($Lambda (7, 894) = 2.64, p = .011$), tenure ($Lambda (7, 894) = 2.86, p = .006$), pay ($Lambda (7, 894) = 5.18, p = .000$), and the organisational variables of firm size ($Lambda (7, 894) = 4.17, p = .000$) and unionisation ($Lambda (7, 894) = 3.27, p = .002$). Significant multivariate effects were also found for sector ($Lambda (7, 894) = 8.28, p = .000$), occupation category ($Lambda (35, 3763.1) = 2.26, p = .000$) and for the interaction term between these ($Lambda (35, 3763.1) = 1.78, p = .003$).

Table 2 reports the tests of between-subjects effects for each HPWS variable and the controls, together with the sector and occupation marginal means. Consistent with Table 1, the marginal means show that, from the perspective of employees, the variable with the highest level of adoption in New Zealand has to do with employee empowerment; incorporating notions of having sufficient autonomy of action in fulfilling day-to-day job responsibilities, being able to decide how to accomplish the work, and being encouraged to participate in decisions impacting on the employee. This finding holds for both public and private sector employees, and also for all occupational groups. Older workers and those with longer tenure in their organisations are also found to report higher levels of personal power-autonomy in their jobs.

The remaining HPWS variables were each found to approximate a normal distribution with the marginal means centred slightly above the mid-points of the possible score ranges. For teamwork and the levels of training and development opportunities experienced by employees (knowledge), no significant sector or occupational differences were found (see table 2). From the workers' perspective, levels of adoption of these HPWS processes seem moderate and uninfluenced by either sector or occupation. As such, these findings reflect those of Edgar (2003), who also found only moderate levels of employee-centred human resource management practices in a study of public and private sector employees in 40 New Zealand organisations.

In the present study, there is clearly room for room for improvement in the extent to which workers feel they have an opportunity to improve skills, have had sufficient job-related training to enable them to improve performance, and feel supported by their managers to obtain additional job-related

training when they need it. Workers in unionised firms were, however, more likely to report higher levels on the training and development dimension.

For teamwork, interpretation is more ambiguous given that not all work needs to be, or indeed can be, done by teams. Overall, however, irrespective of sector or occupation, New Zealand employees are more likely than not to agree that their organisations either train people to work in teams, encourage them to do so, or organise work so that they have to.

While employee perceptions of their power-autonomy, need to work in teams, and training and development appear unaffected by either sector or occupation, other work dimensions are affected by these variables. The extent to which workers perceive a link between their job related performance and the receipt of rewards *does* differ by sector, with those in the private sector reporting higher levels than those in the public. While statistically significant, the magnitude of this difference is, however, small (see Table 2). On the other hand, public sector employees report higher levels of selective hiring practices than private sector employees, although, again, the magnitude of the difference is not large. Finally, occupational differences are apparent with regard to a firm's use of selective hiring, with those in professional, managerial and administrative roles reporting greater use compared to those in the sales and service or 'other' occupational category.

Table 1: HPWS and control variables means, standard deviations and intercorrelations

Variables	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12
1 Power-autonomy	4.11	0.79	.91											
2 Information	3.54	0.91	.62**	.93										
3 Rewards	3.19	0.94	.49**	.60**	.90									
4 Knowledge	3.56	1.05	.44**	.55**	.53**	.94								
5 Teamwork	3.58	0.94	.31**	.52**	.46**	.45**	.88							
6 Selective hiring	3.45	0.87	.41**	.51**	.37**	.38**	.35**	.79						
7 Internal labour market	3.34	1.02	.16**	.26**	.33**	.23**	.19**	.09**	.81					
8 Age	43.60	11.65	.15**	.13**	-.02	.09**	.07*	.08*	-.06	-				
9 Log tenure	1.47	1.04	.11**	.06	-.05	.08*	.04	.00	-.01	.38**	-			
10 Log pay	6.32	0.61	.05	-.05	.08*	.06	.02	.07*	-.03	.09**	.21**	-		
11 log size	5.07	1.93	-.07*	-.04	.00	.10**	.02	.03	.11**	-.04	.13**	.23**	-	
12 Unionised	0.65	0.48	-.01	.02	-.10**	.16**	.06	.06	-.02	.10**	.17**	.04	.2	

Notes: N = 938 with listwise deletion of missing values * = $p < .05$ ** = $p < .01$ two-tailed. Coefficient alpha is on the diagonal.

Table 2: MANCOVA between-subjects effects and marginal means

	Power		Information		Rewards		Knowledge		Teamwork		Selective Hiring		ILM	
	Mean	F	Mean	F	Mean	F	Mean	F	Mean	F	Mean	F	Mean	F
<i>Sector</i>		0.71		0.06		6.54*		0.83		2.83		8.03**		24.57***
Public	4.16		3.57		3.13		3.62		3.69		3.58		3.14	
Private	4.11		3.59		3.33		3.54		3.55		3.37		3.56	
<i>Occupation</i>		1.52		1.15		1.27		1.55		0.11		3.81**		2.62*
Administrators & Managers	4.30		3.69		3.29		3.57		3.62		3.69		3.24	
Professionals	4.09		3.60		3.14		3.74		3.95		3.65		3.30	
Technicians	4.07		3.50		3.25		3.45		3.62		3.51		3.33	
Clerks	4.16		3.53		3.39		3.60		3.64		3.43		3.47	
Service & Sales	4.05		3.44		3.09		3.58		3.68		3.23		3.01	
Other	4.12		3.68		3.21		3.51		3.58		3.34		3.65	
<i>Sector*Occupation</i>		0.98		3.06*		2.15		0.44		0.95		1.38		5.95***
<i>Controls</i>														
Age		8.49**		11.14**		0.21		2.88		3.29		2.62		0.02
Years tenure(log)		3.93*		0.49		2.05		0.31		0.01		2.69		0.01
Weekly pay (log)		0.74		4.55*		7.19**		0.12		0.22		0.00		0.96
N employees (log)		3.46		0.41		0.16		2.25		0.02		0.00		17.65***
Unionised		0.42		1.17		0.79		8.54**		1.37		0.07		1.10

Notes: N = 917 * = $p < .05$ ** = $p < .01$ *** = $p < .001$

labour markets when recruiting its administrators, managers, professionals and technical workers than the public sector, while both sectors are similar when it comes to service, sales and other workers, including trades. The public sector is least likely to use internal labour markets when hiring professional and managerial-administrative staff (Figure 1). In a nutshell, employees in private-sector organisations are more likely to perceive that they can be ‘promoted from within’ and that managers try to fill vacancies internally before going to the external labour market. At first glance, this seems contrary to common perceptions that the public sector remains a bastion of traditional career hierarchies within departments.

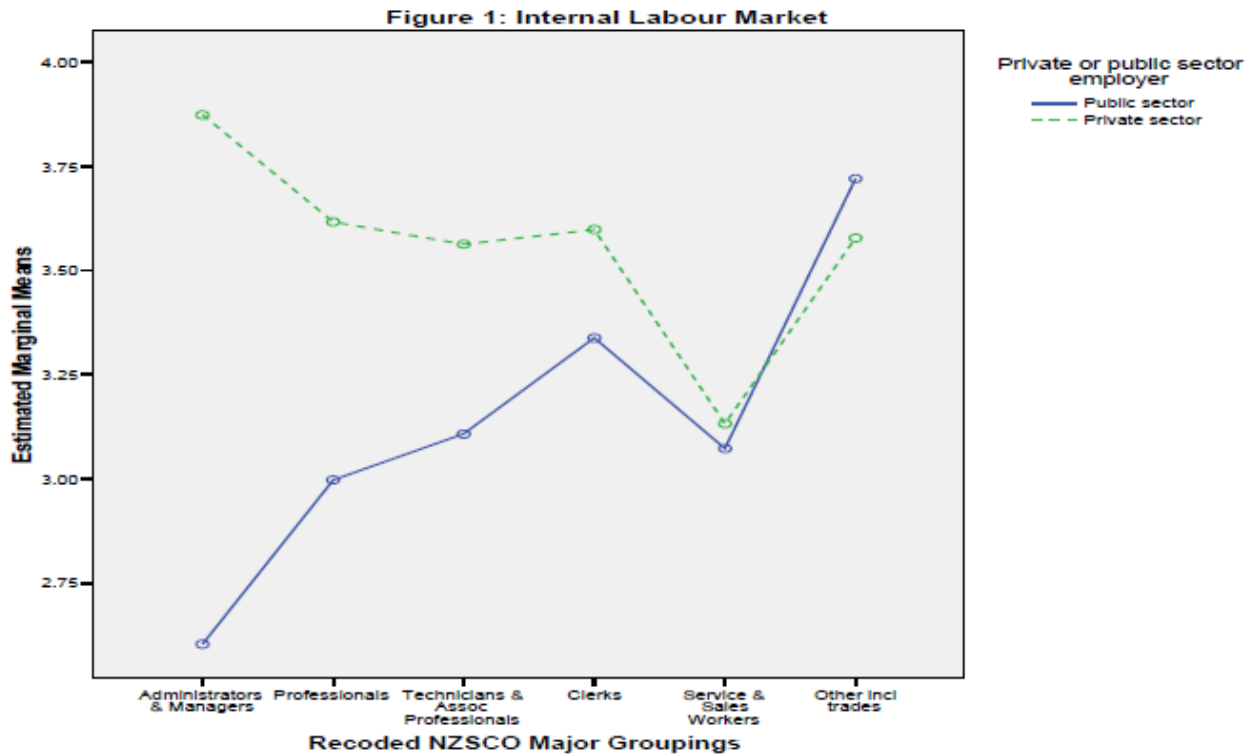
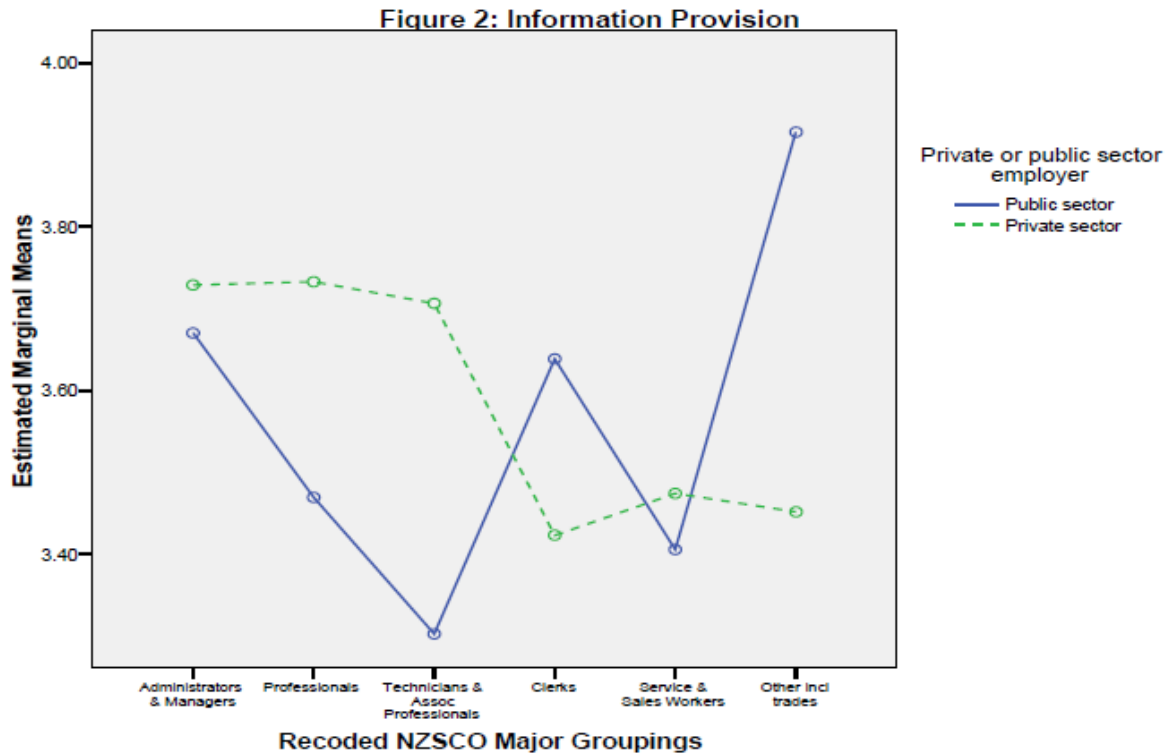


Figure 2 shows the marginal means for the disordinal ‘information provision’ interaction term by sector and occupation. A large gap between the private and public sector appears for the technicians and associated professionals’ occupational group, with public sector employees in this occupational group reporting the lowest levels of managerial communication on issues such as changes to company policies and procedures, critical company decisions, the mission of the firm, and employee concerns. Professionals in the private sector also tend to receive more of such communication from management than their public sector equivalents, while the reverse appears true for clerical workers (see figure 2).



Overall, the results in Table 2 and the figures above indicate a mixed picture with regard to hypothesis 1, which is concerned with sectoral variation in the experience of HPWSs. Employees in the public and private sector were not found to differ significantly with regard to the extent to which they report having autonomy or power over their work, nor in their level of training and their skill development opportunities, and not in the degree to which they work in teams. Differences between the two sectors are, however, apparent in the areas of rewards, selective hiring, internal labour markets, and information provision, and the latter two are also occupationally influenced. From these analyses, Hypothesis 1 appears partially supported.

The findings with regard to hypothesis 2 are also mixed. No significant differences were found in the extent to which New Zealanders in different occupational groups experience the variables of power-autonomy, rewards, knowledge acquisition opportunities, and teamwork. But differences between occupational groups were found for selective hiring, and in interaction with sector, in management's use of an internal labour market and in their communication with employees. On balance, hypothesis 2 is also partially supported.

With regard to the control variables, Table 2 indicates that older employees and those with longer tenure are likely to experience greater autonomy-power in their work, and older workers also feel better informed. Those with higher levels of weekly pay also feel better informed and are more likely to report that performance results in them receiving rewards. Those in unionised firms are not significantly different in their perception of HPWSs, except that they perceive better opportunities for training and development, scoring more highly on the knowledge variable ($B = .24, p = .004$). And there is only one area in which employees in large firms see any difference in the HPWS variables: they are more likely to perceive their organisation using an internal labour market ($B = .08, p = .000$).

Conclusions

This paper reports the first analysis, from an occupational and sectoral perspective, of variations in employee experiences of high-performance work systems in New Zealand. In terms of employee perceptions of HPWSs, we find much that is similar, suggesting that there is something of a New Zealand management style. The big picture is that New Zealand workers – across sectors and occupations – perceive themselves to be relatively empowered. As a general rule, New Zealanders at work are entrusted with a fairly high level of authority and can participate in decisions to a relatively high degree. We clearly need more research but the picture seems to be one of a fairly egalitarian workplace in terms of allowing individuals, of varying skill levels, to exert control over decisions in their day-to-day work. This confirms the picture of high levels of employee influence found in the *New Zealand Worker Representation and Participation Survey* (NZWRPS) (Haynes *et al.* 2005).

We might sound a critical note, however, about the associations between empowerment and the other three variables in Lawler's (1986) PIRK model of high-involvement. These associations are not as strong as they could be if firms are seeking a high level of complementary reinforcement in a high-performance work system (e.g. Becker and Gerhart; 1996; Delery and Shaw, 2001). Prior research (e.g., Macky & Boxall, 2007, 2008) suggests that employee motivation and loyalty would likely be improved if the quality of information, rewards and training more closely matched the level of empowerment we find in New Zealand.

While we may be seeing a general New Zealand management style in the data, there are some nuances in the picture associated with employment sector and occupation. Employees in the private sector feel better rewarded for their performance, though not as much as we might expect. Since the state sector reforms of the 1980s, public sector pay practices may well have converged towards private sector ones in terms of performance appraisal, 'merit pay' and bonus practices (Boxall 1991). At the same time, perceptions of a strong internal labour market may have diminished in the public sector. Private-sector workers perceive themselves as having better chances of promotion from within than those in the public sector. The statutory requirement on public sector agencies to openly advertise vacancies at all levels may well have contributed to the view that internal candidates are not particularly advantaged. The other contrast is that professionals, technicians, and associate professionals in the private sector clearly feel much better informed than their public sector counterparts. Thus, to some extent, our data confirm the problems that others, such as Bach and Kessler (2007), see with the management of professionals in the public sector.

While the control variables used in this study were not central to its purpose, there is an interesting story in respect of organisational size and unionisation. Employees in larger firms see themselves as having a better internal labour market, as one would expect, but they do not, in any other respect, see themselves as experiencing more HPWS processes or practices than those in small firms. While lack of internal career opportunities is a serious problem for small firms trying to retain talented workers in a hot labour market (Boxall *et al.*, 2003), there is much that small firms can do to work with HPWS processes to enhance worker well-being. Although small size often imposes career constraints, smallness actually offers advantages in terms of flexible work design. We have also noted that older workers feel both more empowered and better informed and that those with longer tenure feel more empowered. As in the UK (Green 2008), greater employee loyalty is associated with greater autonomy. We have also noted that the better paid are better informed and feel better rewarded in terms of their performance.

The story in respect of unions is that employee feelings of empowerment, information and reward are not any higher in unionised firms. However, employees in unionised organisations do perceive better opportunities for training and development. This suggests some broadening of the impact of New Zealand unions and an important one because skill formation is critical to productivity growth. That

said, the challenge for unions lies in making a more distinct impact on the organisation of work. A union role in fostering high-involvement work practices is not yet evident in the perceptions of New Zealand employees. Furthermore, given the likelihood that the participants for this research worked in many firms of varying types, our findings do not provide any support for the notion that the implementation of HPWSs is linked to whether or not a firm is unionised. If managers have implemented HPWSs as a way to reduce or avoid unionisation, we find no evidence that it has had any effect.

In summary, we hypothesised that there would be sectoral and occupational differences in HPWSs, and conducted an analysis that enabled us to examine interactions between sector and occupation and to examine the impact of a range of employee and organisational controls. Our focus was on a major set of HPWS processes and practices as seen by employees. While the study has the advantage of being a national population survey, traversing industries, employees in micro-organisations (those with less than 10 employees) are absent. In a nutshell, we find that people feel relatively empowered right across the New Zealand workforce. At the same time, there are some statistically significant differences between employee experiences in the private and public sectors, across occupational groups, and across variables such as employee age, tenure, pay levels, organisational size and unionisation. The general implication stemming from our analysis is that those managers who want to develop their workforce through high-involvement processes could do more to enhance the systemic linkages involved. Empowerment levels look healthy in New Zealand but if links between empowerment, training, rewards and communications were stronger, employee productivity and commitment would likely be higher.

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Partnerships in Development: developments in mental health service provision in New Zealand. A case study

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Abstract

It is estimated that 46.6% of the population of New Zealand will experience some form of mental disease or disablement over their life time. (MOH, 2006 p.xix). Of these about 3% will have severe mental health conditions, and a further 5% will have moderate/severe needs. Services for those experiencing severe mental illness are delivered through varying patterns of partnership between District Health Boards (DHBs) (clinical care) and non-government organisations (NGOs) (community-based support services). The nature of these partnerships has changed considerably over the past twenty-five years, as paradigms of mental health care and provision, and conceptualisations of illness and recovery have also changed. Using our experience of one District Health Board (hereafter WDHB) as an illustrative case study, we trace key changes in partnership concepts from de-institutionalisation to the present day, and explore the implications of such changes for partnership relationships. This paper will trace some of the key changes in mental health provision in the light of these contextual changes, and explore the human resource development implications of our analysis on the dynamic relations amongst clinical providers, NGOs and consumers.

The case study briefly highlights steps taken in the past eighteen months to build partnership between clinical and community services, to strengthen the capacity and capability of the NGO sector, in order to redress in small part the imbalance of power between the statutory (clinical) and community support services, in order to overcome the fragmentation on services and to achieve a more systemic approach service integration, and the development of consumer-directed pathways towards recovery.

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(community-based support services). The nature of these partnerships has changed considerably over the past twenty-five years, as paradigms of mental health care and provision, and conceptualisations of illness and recovery have also changed. Using our experience of one District Health Board (hereafter WDHB) as an illustrative case study, we trace key changes in partnership concepts from de-institutionalisation to the present day, and explore the implications of such changes for partnership relationships. Across the board staffing shortages, internal competition for scarce resources and anticipated changes in the financing of mental health services in the future challenge capacity and capability in both DHBs and NGOs. We examine the systemic implications of these changes and the particular impact they may have on workforce development and mental health service delivery.

The complex and changing partnership between statutory and non-statutory agencies within Mental Health has to be understood in the context of major health reforms in New Zealand since the mid-1980s. Changing attitudes towards mental health outcomes; changing patterns of service provision in terms of the capacity as well as capability of the various agencies to respond effectively to the range of mental health needs in the community and changing public attitudes towards those experiencing severe mental illness, and the emergence of the consumer movement, with its focus on recovery and empowerment rather than passive receipt of treatment, bring further dimensions to partnership relationships. This paper will trace some of the key changes in mental health provision in the light of these contextual changes, and explore the human resource development implications of our analysis on the dynamic relations amongst clinical providers, NGOs and consumers. Figure 1 expresses a simplified statement of these relations.

Figure 1: Relationships between the different parties

