

## **HIGH PERFORMANCE WORK PRACTICES FOR HUMAN RESOURCES - AMO MODEL**

**Munteanu Anca-Ioana**, *PhD Student, West University of Timisoara, Faculty of Economics and Business Administration*

**ABSTRACT:** *This paper focused on an overview of the approach of different authors in the literature, the concept of high performance work practices (HPWP), showing how this term evolve over time, and what it means today .*

*The implementation of high performance work practices of human resources is a current problem for organizations wishing to achieve a sustainable competitive advantage. In this sense, this article may provide information of interest to business.*

*Currently, customer needs are very diverse and changing at a rapid pace. Organizations need employees able to meet their needs, easily adaptable to customer requirements.*

*Therefore, organizations must on the one hand to satisfy their customers, on the other hand, employees, those in which firms can achieve their goals.*

*Currently have placed particular emphasis on employee motivation, training and perfecting their involvement in decision making, delegation of authority, remuneration based on performance, rewarding loyalty. Only in this way can increase retention of employees, reducing the migration of good employees.*

*All the above are high performance work practices for human resources.*

*The text makes reference to the AMO model, presenting it all in a purely theoretical manner, the practices listed above, but in a more organized form.*

**KEYWORDS:** *high performance work practices, high performance work systems, performance, motivation*

## 1. INTRODUCTION

Nowadays there are many more risks and uncertainties than any other time in the past as a result of disruptive innovations and strong shock suddenly came. This is the new normal, an era of constant turmoil and chaos increased. (Kotler & Caslione, 2009)

Period in which managers and other decision makers have focused organizations and provided a significant role only tangible assets, quantifiable, and financial resources, has long faded.

In this "new era" was aware of the importance of human resources within an organization, the role of human resource management evolved considerably in recent years. Much of the success is due to the current enterprise human resource practices used.

In recent years, several studies following the belief that the adoption of high performance work practices (HPWP) can stimulate both creating value substantially, labor productivity, and innovation in the workplace.

We wanted to illustrate what means these high performance work practices for human resources practices and to present the specific model, model AMO. For the implementation of high performance work practices in human resources requires a high performance work organization which, in published material within the "Office for observing labor market and job quality", Project financed Social Fund European Sectoral Operational Programme Human Resources Development 2007-2013, it would mean:

- Decentralization hierarchies;
- Delegating responsibilities of employees;
- Practice teamwork;
- Training of human resources in the workplace;
- Manageability performance and remuneration;
- Participatory practices;
- Partnerships between employer and employee;
- Workforce diversity and equality strategies;
- Flexible working time arrangements.

Recently introduced a new concept somewhat related work practices for high performance human resources, namely, the enterprise "creative". It is based on the idea that human resources within each organization have a great potential for creativity and should benefit from their interaction with the organization to which they belong.

## 2. THE CONCEPT OF "HIGH PERFORMANCE WORK PRACTICES OF HUMAN RESOURCES" (HPWP) IN LITERATURE

High performance work practices (HPWP) may increase organizational effectiveness by creating conditions where employees become highly involved in the organization and work hard to achieve his goals, in other words, by increasing their employees' commitment to the organization and satisfaction work (Eisenberger et al., 1997).

Most authors have introduced the concept of "high performance work practices" (HPWP),

referring to the implication that they have on obtaining performance in an organization.

Huselid (1995) defines high performance work practices human resources referring to the following elements: system management, rewards and incentives, employee involvement.

Delaney and Huselid (1996) found positive associations between HPWP, such as recruitment and training, and organizational performance.

Jeffrey Pfeffer, "The Human Equation" (1998), extends the meaning given to the term "high performance work practices of human resources", considering that it refers to the following issues: job security, selective hiring of new staff, the decentralization process making, rewards based on performance, extensive training, reduction of various existing barriers, intense exchange of financial and performance information throughout the organization.

This approach is closer to what was defined earlier work as "high performance work organization".

Harel & Tzafrir (1999) found, through a survey, the only human resource variable that had an impact on organizational performance was the training. According to this study, employing the right staff was also important in the perception of market functioning. So the view of the two is similar to that of Delaney and Huselid.

These high-performance work practices for human resources must adapt to each organization. There uniform solution.

Organizations must combine these practices to find the perfect formula in order to succeed to motivate their employees.

Finding the solution, by combining them, help create a high performance work system.

A high performance work system is more difficult to imitate by competitors, rather than high performance work practices taken individually.

In Kepes & Delery opinion, the high performance work system means a conglomerate of human resource management practices that increase organizational performance, eg in terms of productivity, quality, flexibility. They made reference to the fact that human resource management systems and individual practices are not sources of competitive advantage.

A high performance work system comprising, in the opinion of Boselie(2010), specific HR practices that create employee skills, in terms of knowledge and skills, motivating employees and their opportunity to participate in decision making. It is easily seen that this definition of Boselie is very close to what Bailey (1993) and Appelbaum (2000) have defined the AMO model.

Below is presented in table form, the time evolution of the concept of "high performance work practices in human resources". This table was made strictly on the basis that we have reached the stage in its own research literature in the field.

**Table 1.** Evolution of the concept of "high performance work practices human resources" (HPWP)

Year	Authors	Specifications
1995	Huselid	system management, rewards and incentives, employee involvement
1996	<b>Delaney &amp; Huselid</b>  <b>Delery &amp; Doty</b>	recruitment, training  internal career opportunities, formal training systems, rewards according to performance, employee safety, employee involvement, employee participation in any profit
1998	<b>Jeffrey Pfeffer</b>	job security, selective hiring of new staff, job autonomy in decentralization of decision making, rewards based on performance, extensive training, reduction of various existing barriers, intense exchange of financial and performance information throughout the organization
1999	Harel & Tzafrir  Hiltrop	recruitment of staff, training  attracting and retaining the most talented employees in the organization
2007	Kepes & Delery	human resource management practices that increase organizational performance
2009	Boselie	specific HR practices that create employee skills: the <i>AMO model</i>

Source: Own adaptation based on information held

Therefore, the concept of "high performance work practices human resources" was analyzed at first in terms of recruitment and training of human resources. It was considered important given these two HR practices is particularly important in obtaining performance for an organization. Over time, the practice of human resource management, and security of employees, involving them in decision-making authority granted to everyone, by reducing barriers to free communication, rewards based on performance, team work are those that have been assigned concept "high performance work system for human resources."

Authors in the literature have found that addressing these practices in a system, not individual, leads to superior performance in organizations. We can talk, in this respect, both on financial performance (increased productivity, profit) and on non-financial performance (increased employee satisfaction, their loyalty, decrease migration).

According to Huselid (1995) HPWS lead to increased employee retention and continuous investment in staff will amplify this effect.

### 3. ILLUSTRATIONS HPWP THROUGH AMO MODEL

In view of the authors mentioned above, part of the success of high-performance work system (based on a selective recruitment and selection, employee development, monitoring them) is the ideal combination of individual HR practices.

Individual practices can have a positive effect on performance, but integrating these practices with each other will create a synergy that will lead to achieving a much greater success than that which would obtain applying HR practices in each hand.

For a better understanding of high performance work systems for human resources is indicated AMO theory. (Bailey 1993, Appelbaum 2000)

AMO is an acronym derived from:

A - Abilities

M - Motivation

O - Opportunity to Participate

- A: individual skills necessary to perform (advanced human resource selection, opportunities for skill development in the workplace, training);

- M: motivation - the desire of the employee to perform: opportunities pay, benefits and incentives, the opportunity to promote;

- O: opportunity to perform: work autonomy, decentralization of decision-making, employee involvement in policy development workshops, teamwork.

Considering the AMO model, in the opinion of Boxall and Purcell performs better people when:

- are able to do something (can do the job because they have necessary knowledge and skills);

- have the motivation to do that (work because they want this);

- their working environment provides the necessary support and means of expression.

### 4. CONCLUSIONS

Central assumption in the literature is that the high-performance work systems create sustainable competitive advantage for organizations by the people and the processes in which these people work.

Much of the success is due to the current enterprise human resource practices used.

Best practices in human resource management creates high-performance work systems, the elements of the strategic management of human resources.

In this era of chaos, simple HR practices are necessary but not sufficient to achieve record performance able to support a sustainable competitive advantage.

The AMO specific high performance work systems demonstrates that mere recruitment and training of human resources is not sufficient to create a high performance organization. You need to go to another level, especially in this poor economic times, when companies can not afford to lose valuable people.

Therefore, special emphasis must be placed on motivating employees and the opportunities offered to them.

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