‘High-performance work practices, negative job experiences and employees’ psychological well-being’

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Abstract: The purpose of this paper is to analyze the impacts of High-performance work practices (H-PWPs) on employees’ job experiences and psychological outcomes. Survey of literature on High-Performance work systems suggested that HPWS envisages a ‘win-lose’ situation for employers and employees, respectively, and the competitive advantages are gained at the cost of individual employee. Thus, the study aimed at examining the effects of work-intensification perceived by employees engaged in organizations implementing High-Performance work culture on their psychological well-being. The study was conducted on 134 employees of managerial level randomly selected from Private sector Banks in UP, India. Psychometrically standardized tool were administered to assess the extent of work intensification, occupational stress and psychological well-being. Findings revealed that implementation of HPWPs have positive significant correlation with work-intensification and occupational stress which further correlates with employees’ psychological ill-health. Further statistical analysis of data obtained revealed that there was a significant difference in degree of perceived occupational stress of male and female employees. The results throw light on the darker side of High-Performance Work Practices, which suggest that High Performance culture is being fostered on the expense of well-being of the employees.

Keywords: High-Performance Work Practices, Work Intensification and Employees’ Well-being

I. Introduction

Organizations today are remarkably different from the past. The global competition, work-force diversity, organizational restructuring, the best quality service and revolution of innovative technologies have forced organizations to think about their approach to compete in this fast paced global business environment. During the last few years, to survive, a large number of companies are inclined towards designing and implementing high performance work practices (HPWPs) in order to improve organizational performance and productivity. These are bundle of practices tailored to the needs of the individual organization, in order to enhance employees’ efficiency and then fully utilize and develop their skills for the benefit of organization. The deliberate adoption of such practices is referred as a High Performance Work System (HPWS) and the practices integrated are High-Performance Work Practices (HPWPs). These work practices denote a strategic approach to human resource management and its utilization in the organization, in order to develop highly skilled, motivated, flexible and creative work force diversity. HPWPs are intended to use the employee skills and knowledge in better way to facilitate the organizations becoming cost efficient, versatile, and more responsive to reforming markets and technologies. This system of HR management practices is focused to motivate employees by adopting best HR practices such as employment security, job design, training and skill development, selectivity in recruiting, comparatively high wages (Snell and Dean, 1992), information sharing (Martín-Tapi et al, 2009), incentive pay based on performance appraisal (Wright et al, 2003), participation and empowerment (Delery and Doty, 1996; Godard, 2001), self-managed teams (Evans and Davis, 2005; Guthrie et al, 2009), and measurement of the HR practices through regular employee surveys (Huselid and Becker, 2000; Guthrie et al, 2009; Martin et al, 2009).

With the advent of High Performance Work Practices (HPWPs) in the mid-90s, researchers have linked innovative HRM practices to various organizational-level outcomes such as profitability (Huselid, 1995; Wright et al., 2005) and productivity (Askenazy, 2001; Ichniowski et al., 1997). This has reaffirmed the status of the HRM domain as a primary source of sustainable competitive advantage for an organization. But, in recent years another theoretical point of view has emerged that challenges the “rhetoric versus reality” of the conventional HPWPs that were previously perceived as advantageous to organizational outputs. This viewpoint suggests that HPWPs adopted with the objective of creating a competitive lead and advancement for organizations often seems to oversee the employees that results in increased work-intensification, increasing occupational stress,
burnout, anxiety and psychological ill-health for them. Despite the enormous amount of research on organizational-level benefits of HPWPs, it is surprising that comparatively less empirical energy has been channeled towards ascertaining employee-level benefits of such practices (Godard, 2001; Macky and Boxall, 2007; Kalmi and Kauhanen, 2008; Takeuchi, Chen and Lepak, 2009; Atkinson and Hall, 2011). Surprisingly, the review of literature suggests that the impact of HPWPs on employee health and job experiences has received scant attention from both academics and practitioners. Researchers have suggested that more attention must be paid in exploring inside the “black-box” or mediating link between H-PWPs and organizational productivity, particularly how employees perceive and psychologically react to these H-PWPs. Especially, in developing country like India, where we are going through the “Make in India” phase, increasingly turbulent environments, heightened competition, and unpredictable technological changes have brought to the forefront of management cognition the recognition, development and sustenance of employees. Thus keeping the above facts in view, the objectives of the present study are:

1. To provide an insight towards the effects of HPWPs on employees’ perceived negative job experiences (work intensification and occupational stress), and employees’ psychological well-being.
2. To examine the gender difference in the nature perceived job experiences and employees psychological well-being.

II. Literature Review:

The purpose of the present research is to examine the influence of High-performance work practices on psychological well-being and job experiences of bank employees. Thus, the variables involved need to be reviewed in the context in which these variables have been studied.

High Performance Work Practices and Employees’ Negative Job experiences and Psychological well-being

The movement to new technology and automation puts a lot of pressure on employees and organizations, demanding more immediate and direct changes across all functionalities. It has brought in faster processing, exposing the banking professionals to ever increasing flow of information and customer satisfaction at the same time, thereby causing work overload leading to stressful conditions.

Work Intensification has become the integral part of jobs today. Ramsay et al. (2000) also found some evidence for work-intensification in organizations with a larger number of H-PWPs. Studies by Godard (2001) show that HPWPs are mostly welcomed as a positive impulse for organizations as well as for employees, although critics warn that the unilateral focus on performance increases the risk of employee exploitation. In a longitudinal study in Canadian workplaces, Godard (2001a) found that initially H-PWPs yielded positive outcomes for employees, but it was explained through work intensification. Some recent studies have found positive associations with employee experience of work (Macky and Boxall, 2007), while others have found negative ones (Berg and Frost, 2005). Whether innovative HRM practices result in “mutual gains” for both employers and employees, or only constitute a vehicle for work intensification and brings benefits to organizations alone, has become a research domain worth investigating (Appelbaum et al, 2000; Macky&Boxall, 2008; Biswas et al, 2007; Hafferman&Dundon, 2012). Batt et al. (2010) who argued that the productivity gains associated with team-based forms of work often arise from increased work intensification and peer monitoring and practices such as team-based work systems and group-based decision-making activities increase perceptions of work intensity among employees.

Occupational stress has been noted as an ever increasing problem for employees. Evidence has been presented to suggest that occupational stress is related negatively to mental and physical well-being, job satisfaction; and positively to absenteeism, turnover rate and intent to quit. A number of studies have reported that introduction of High-performance work organizations accompany higher levels of work intensification and occupational stress (Ramsey, 2001 & Green 2006). Guest (2007) acknowledged some evidences that H-PWS increases the demands of the job, which can be associated with slightly higher work pressure and work stress. Relevant studies have shown how performance appraisals may cause employees to expend more work effort, leading to increases in work-related stress and pressure (Gallie, White, Tomlinson, and Cheng, 1998; Green, 2004; Brown and Benson, 2005; Williams, 2009). The study by Chaudhuri, 2009 has shown that H-PWS has an increased possibility of imposing strains, anxiety, frustration, burnout, overload caused by intensity and stress of such workplaces.

Psychological well-being, as summarized by Huppert (2009), is about lives going well, it is the combination of feeling good and functioning effectively. Although studies regarding the H-PWS and organizational performance have shown positive association, there has been disagreement regarding the actual effect of H-PWS on employees’ health and well-being. Godard (2001) found that higher levels of adoption of high-performance practices lead to a decline in satisfaction and increased stress, and both stress and fatigue are associated with team-based work. Cumulative trauma disorders and increased short-term sickness absence have
also been found to be associated with certain productivity/quality centered practices, such as quality circle, just-in-time production, innovative work practices, incentive pay, etc. However, some mixed results have also been reported by the researchers. Literature indicates that findings of these studies have found statistical associations without explicitly modeling and measuring the intermediary mechanisms (Kalleberg et al., 2009). Regarding the well-being impacts that originate from the design and implementation of HRM in organizations (Grant, Christianson, & Price, 2007); the analysis suggests the negative impact on psychological and physical well-being. If indeed the implementation of HPWP regime is associated with increase in work demands and pressure, then work intensification can be said to play a mediating role between such practices and poor employee attitudes and well-being (Ogbonnaya& Daniels, 2013).

According to Fan et al., (2014), we can conclude that the employee psychological outcome can serve as a potential mediating link that has been neglected in HPWS research when examining negative employee experiences at workplace. This study is intended to add to the body of research in the field of Strategic HRM by exploring the neglected role of employees as the primary recipients of HPWPs. By doing so we also extend the theoretical understanding of how HPWPs may affect the employees’ job experiences and how these employees experiences may relate to psychological well-being. It is therefore important to explore beyond the organization level to focus on the relevance of employees in shaping the outlook of High-Performance Work Culture driven Organizations.

III. Methods

The objectives of the study were to examine the effects of HPWPs on employees’ perceived negative job experiences (work intensification and occupational stress) and psychological well-being, as well as, to see the gender difference in the nature of perceived negative job experiences and psychological well-being. Psychometrically standardized tool were administered to assess the extent of work intensification and psychological well-being.

Research Design

The study was conducted on 154 employees of managerial level randomly selected from Private sector Banks in UP, India. The measure of the extent of High-Performance Work Practices developed by author was employed in randomly selected small sample in order to ascertain the suitability of the organizations for present study. For data collection, a structured questionnaire was administered. The response rate to survey was 89 percent.

Tools Of Measurement

Following The questionnaire had two parts. First part consisted questions seeking information about the respondents in terms of their age, gender, experience. Second part contained the psychometric tools which are as follows:

1. High-Performance Work Practices Index

HPWPs Index was developed by author. It was employed in randomly selected small sample in order to ascertain the suitability of the organizations for present study.Cronbach’s alpha coefficient for the scale was found to be .935. The High-performance work practices that were taken into consideration were: Selective Hiring, Extensive Training, Regular Appraisal, Performance Based Pay, Job Rotation and Autonomy and High Prod. & quality

2. Work Intensification

Work intensity was assessed by a scale (α = 0.84) developed by Burke, Singh and Fiksenbaum. Some items are taken from Hewlett and Luce (2006), while others are developed by the researchers.

3. Occupational Stress Index

The scale developed by Srivastava and Singh (1981) was used to assess the stress resulting from different aspects of Job, namely role over load, role ambiguity, role conflicts, group pressures, low status, strenuous working conditions, etc. Split –half reliability and Cronbach’s alpha coefficient for the scale were found to be .935 and .90.

4. Psychological Well-being

The General Well-Being (GWB) Schedule, developed by Harold Dupuy (1977) was used. The General well-being schedule is a self-administered questionnaire that focuses on one’s subjective feelings of psychological well-being and distress.Cronbach’s alpha of the scale was found to be 0.85.

IV. Findings And Argument

The obtained data were analysed using suitable statistics in order to test the proposed hypotheses regarding relationship of HPWPs, work intensification and occupational stress to employees’ well-being. Findings revealed that implementation of HPWPs have positive association with work-intensification and occupational stress which further results into employees’ psychological ill-health. The results throw light on the
darker side of High-Performance Work Practices, which suggest that High Performance culture is being fostered on the cost of well-being of the employees.

The obtained results are shown in following Tables:

Table 1. Coefficient of correlation of HPWPs, Work intensification and Occupational Stress with Employees Psychological Well-Being (N=154)

<table>
<thead>
<tr>
<th>Constructs</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>HPWPs</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work Intensification</td>
<td>.202*</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupational Stress</td>
<td>.175*</td>
<td>.069</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Psy. Well-Being</td>
<td>.148</td>
<td>-.229*</td>
<td>-.439**</td>
<td>1</td>
</tr>
</tbody>
</table>

**p< .01, *p<.05

Table 1: The results recorded in table shows the coefficient of correlation between HPWPs, participants negative job experiences and psychological well-being. The results indicate the existence of significant positive correlation between HPWPs and participants experienced work intensification and occupational stress. Expectedly, perceived work intensification and occupational stress were found to be significantly negatively correlated with participants’ psychological well-being.

Table 2. Coefficient of correlation of dimensions of HPWPs index with Work intensification and Occupational Stress

<table>
<thead>
<tr>
<th>Predictors</th>
<th>SH</th>
<th>ET</th>
<th>RA</th>
<th>PBP</th>
<th>HPQ</th>
<th>JR</th>
<th>AUTO</th>
<th>WI</th>
<th>OS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selective Hiring</td>
<td>1</td>
<td>.352**</td>
<td>.492**</td>
<td>.449**</td>
<td>.204*</td>
<td>.473**</td>
<td>-.053</td>
<td>.161*</td>
<td>-.056</td>
</tr>
<tr>
<td>Extensive Training</td>
<td>1</td>
<td>.578**</td>
<td>.227**</td>
<td>.042</td>
<td>.223**</td>
<td>.292**</td>
<td>.138</td>
<td>.363**</td>
<td></td>
</tr>
<tr>
<td>Regular Appraisal</td>
<td>1</td>
<td>.559**</td>
<td>.010</td>
<td>.419**</td>
<td>.182*</td>
<td>.273**</td>
<td>.293**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance Based Pay</td>
<td>1</td>
<td>.163*</td>
<td>.563**</td>
<td>-.142</td>
<td>.349**</td>
<td>.024</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High Prod. &amp; quality</td>
<td>1</td>
<td>.338**</td>
<td>.083</td>
<td>.219**</td>
<td>.232**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Rotation</td>
<td>1</td>
<td>.103</td>
<td>.186*</td>
<td>.231**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Autonomy</td>
<td>1</td>
<td>-.092</td>
<td>.260**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work Intensification</td>
<td>1</td>
<td>.029</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupational Stress</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**p< .01, *p<.05

Table 2: Results of correlation analysis indicate that seven High Performance Work-Practices (selective hiring, extensive training, regular appraisal, performance based pay, high productivity & quality, Job rotation and autonomy) are significantly correlated with work-intensification and occupational stress experienced by personnel in banks. Five practices (SH at 0.05 level, RA at 0.01 level, PBP at 0.01 level, HPQ at 0.01 level and Job rotation at .05) were found positively correlated with employees’ experienced work-intensification. Similarly, The results suggest a clear direct relationship between five practices (ET at 0.01 level, RA at 0.01 level, HPQ at 0.01 level, Job rotation at 0.01 level and Autonomy at 0.01 level) and experienced occupational stress.

Table 3. Showing the Stepwise regression with Work-Intensification as the depndedent variable and the dimensions of HPWPs as the predictors

**p< .01, *p<.05

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R'</th>
<th>R'change</th>
<th>beta</th>
<th>F-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.349</td>
<td>.122</td>
<td>.122</td>
<td>.419***</td>
<td>21.356***</td>
</tr>
<tr>
<td>2</td>
<td>.420</td>
<td>.176</td>
<td>.054</td>
<td>.419***</td>
<td>16.365***</td>
</tr>
<tr>
<td>3</td>
<td>.487</td>
<td>.237</td>
<td>.061</td>
<td>.290***</td>
<td>15.733***</td>
</tr>
<tr>
<td>4</td>
<td>.516</td>
<td>.266</td>
<td>.029</td>
<td>.211*</td>
<td>13.698***</td>
</tr>
</tbody>
</table>

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Table 3: The results of regression analysis further suggest that HPWPs have made significant contribution in the prediction of employees’ experienced work-intensification (R² = .290, F=13.698, p<.001). Performance based pay alone accounted for 12.2% variance in the prediction of work-intensification (R2=.122; F=21.356, p=.001) and along with Job rotation, High-productivity & quality and Regular appraisal accounted for 26.6% variance (p<.001). Beta values of each variables revealed that performance based pay (β= 419, p=.001), job rotation (β=.419, p=.001) and high productivity & quality (β=.290, p<.001), are more significant predictors of experienced work- intensification.

Table 4: Showing the Stepwisedregression with Occupational Stress as the dependnet variable and the dimensions of HPWPs as the predictors

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R²</th>
<th>R²change</th>
<th>beta</th>
<th>F-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.363</td>
<td>.132</td>
<td>.132</td>
<td>.240***</td>
<td>23.401***</td>
</tr>
<tr>
<td>2</td>
<td>.440</td>
<td>.193</td>
<td>.061</td>
<td>.170*</td>
<td>18.320***</td>
</tr>
<tr>
<td>3</td>
<td>.475</td>
<td>.225</td>
<td>.032</td>
<td>.189**</td>
<td>14.747***</td>
</tr>
<tr>
<td>4</td>
<td>.505</td>
<td>.255</td>
<td>.029</td>
<td>.267***</td>
<td>12.894***</td>
</tr>
<tr>
<td>5</td>
<td>.534</td>
<td>.285</td>
<td>.030</td>
<td>.233*</td>
<td>11.963***</td>
</tr>
</tbody>
</table>

Table 4: The results of regression analysis further suggest that HPWPs have made significant contribution in the prediction of employees’ experienced Occupational stress (R2=.285, F=11.963, p<.001). Extensive training alone accounted for 13.2% variance in the prediction of occupational stress (R2=.132; F=23.401, p<.001) and along with High productivity & quality, Autonomy, Job rotation and Regular Appraisal accounted for 28.5% variance (p<.001). Beta values of each variables revealed that extensive training (β= 240, p=.001), job rotation (β=.267, p=.001) and Autonomy (β=.189, p<.01), are more significant predictors of experienced occupational stress.

Table 5.Indicates the Mean, SD, and t-value of Perceived Work Intensification, Occupational Stress and Psychological Well-Being of Female and Male Employees

<table>
<thead>
<tr>
<th>Construct</th>
<th>Gender</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work-Intensification</td>
<td>Females</td>
<td>68</td>
<td>46.9265</td>
<td>12.89026</td>
<td>-1.478</td>
</tr>
<tr>
<td></td>
<td>Males</td>
<td>88</td>
<td>49.6591</td>
<td>9.26356</td>
<td></td>
</tr>
<tr>
<td>Occupational Stress</td>
<td>Females</td>
<td>68</td>
<td>75.8235</td>
<td>19.5134</td>
<td>1.720*</td>
</tr>
<tr>
<td></td>
<td>Males</td>
<td>88</td>
<td>70.9091</td>
<td>15.0169</td>
<td></td>
</tr>
<tr>
<td>Psy. Well-Being</td>
<td>Females</td>
<td>68</td>
<td>66.1912</td>
<td>17.9952</td>
<td>-3.60</td>
</tr>
<tr>
<td></td>
<td>Males</td>
<td>88</td>
<td>67.1364</td>
<td>13.7549</td>
<td></td>
</tr>
</tbody>
</table>

Table 2: An independent samples t-test was conducted to examine whether there was a significant difference between female and male employees in relation to their perceived work intensification, occupational stress observed and psychological well-being. The results indicated no significant difference between the two genders on experienced work-intensification and psychological well-being at any level of significance. Even the difference in the mean obtained for the level of WI and PWB was not found to differ vastly in male and female participants. While there was significant difference in the occupational stress experienced by both genders at 0.05 level, where women scored higher at levels of stress. The possible reason for this might be the facts that female are no more a minority in this field. The banking Sector in India which was male dominated till 1980’s, in last three decades the gender equality became fairly poised. Increasing women literacy, growing economic pressure, and desire to gain economic and social independence are pushing womenfolk to take up gainful career...
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in banks. As a lot of women play both primary breadwinner and primary care taker role, the women job-seekers find jobs in banks more attractive and more suitable to their nature. (Ramya and Raghurama, 2016).

V. Discussion

The theoretical significance of the findings of this study is noteworthy as it has tried to explore the antecedents (High-performance work practices) of experienced work intensification and occupational stress in the commercial banks. It has also pointed out the need for private sector banks to give emphasis on providing opportunities for better learning and sustainable development to its employees. As this sector is characterized by the service providers who adhere to strict deadlines set up by their customers, they are more prone to work-intensification and occupational stress caused due to the fast-paced work practices. A high level of occupational stress, not only detrimentally influence the quality, productivity and creativity of the employees but also employee’s health, psychological well-being, morale and quality of work life. The HPWPs namely Performance-based pay, Job rotation, High-productivity & quality, Regular appraisal, Extensive training, and Autonomy found to be associated with high level of experienced work-intensification and occupational stress in the employees. Thus, by examining the relationships between HPWPs and behavioral outcomes, our study informs the field’s understanding of the causal chain by which high-performance HR practices are likely to have an impact. Based on social exchange theory, our findings suggest that employees’ perceptions of high-performance work practices use likely affect employees’ psychological well-being to at least some extent through their effect on important psychological outcomes—that are experienced work-intensification and occupational stress.

In the present study, we examined gender differences in experiencing work intensification, occupational stress, and psychological well-being. The results indicate that when gender differences are examined on their own, women appear to experience significantly higher levels of occupational stress. These results are not unexpected and are similar to the results of Matud (2004), McDonough and Walters (2001), Osorio et al. (2003), and Pines and Zaidman (2003), who in their studies also reported women scoring at higher levels of stress. We can mention that the higher stress levels reported by women are related to the multiple roles that women are expected to play: wife, mother, employee and housekeeper (Cooper & Payne, 1988; Taylor, 1995). It has also been suggested that men respond to questions about stress more defensively, underestimating their stress levels, while women respond more openly and honestly, admitting their feelings more than men (Iwasaki, McKay, & Ristock, 2004).

VI. Conclusions

The present study demonstrated that in High-Performance work organizations, employees maintain a higher level of work performance, but at the same time, they go through the high degree of work intensification and occupational stress. It ultimately affects their psychological health drastically. Presently, high-performance work culture has given rise to stress due to consistently increasing cut-throat competition. The results of this study are in conformity with the earlier and recent studies proving the relationship between occupational stress and employees psychological health. The results did support the “win-win” hypothesis of HPWPs rather suggested “win-lose”situation, wherein employers win, while employees gradually lose their health and well-being, though they are being rewarded with higher monetary returns for their higher efforts.

Thus, there is a need to make a balance between organizational profits and productivity and employees’ well-being and satisfaction for sustainable growth of both, employers and employees. Stress-management programmes and strategies on how to efficiently deal with negative outcomes resulted from work pressure should be added by the management.

References


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