

Managing High Performance Work Systems and Organizational Performance

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Abstract Workplace is primarily a social environment and value is created not by machines or computers but by people who operate them. Thus, high performance work systems should allow individuals to experience greater autonomy over their tasks and particularly self-managed teams are useful where a group of individuals can all together plan, organize and control their tasks without the need for micro-management. However, forming up and maintaining self-managed teams to achieve highest performance has always been a managerial concern but has never been easy.

1 The Essence of Organizing Work for High Performance

In an article published towards the end of the last century, Kling was drawing our attention to the competitiveness of the world economy: While adapting themselves to the changing conditions, American companies were more concerned with the product quality. As an outgrowth of these new dynamics, ‘creativity’, ‘ingenuity’ and ‘problem solving abilities’ became priority issues for the survival of these companies. Having carefully examined the conditions of the day, Kling put particular emphasis on the employees; they needed to be provided with ‘information’, ‘incentives’ and ‘responsibilities to make decisions for innovation, quality improvement, and rapid response to change’. Companies taking these issues into consideration were referred to as—according to the author—‘high performance work organizations’ [1].

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1.1 ‘Citius, Altius, Fortius’ in Business

Kling’s words are, of course, one of many similar opinions declared by management scholars in 1990s, and a retrospective view towards those years would prove that most of them—if not all—were right. Companies in developed and developing economies during the last decade of the twentieth century were experimenting this transition—a challenging period where (i) customers were getting more involved in product development efforts (ii) being part of a supply network was preferred over depending on a strictly controlled supply chain, and (iii) innovation became the motto for product differentiation and even for taking place in uncontested markets. Specifically for the first argument, a research conducted in 1990 by Zirger and Maidique revealed that ‘managerial excellence’ was highly critical to the product success, while a new product was meant to provide ‘significant value to the customer’ [2]. Products that were unique, or at least that were remarkably different in the market, were substantial to the company’s long-term success, but customers, on the other hand, were precious. A strong product concept, as stated by Clark and Fujimoto in 1990, was crucial; their development process was ‘a complex system for solving problems and making decisions’. However, according to the authors, organizing for integrity was as essential as the product integrity. Spending efforts on products with distinctive features that responded to the needs and requirements of the customers, who anticipated new products in line with their values and lifestyles, and integrating these efforts into the development process were also the major concerns of companies of the particular era [3].

When compared to today’s circumstances, mid-1990’s were far less ambiguous but served as a threshold before the gate into a new age for the business world. The Internet was only just introduced at the service of the public but its use in business organizations was rapidly increasing. As a matter of fact, even this little efflorescence of the knowledge age caused great excitement among management scholars, who began proposing countless ways for responding quickly as well as accurately to the *exact* needs and requirements of the customers. For example, Angell and Heslop’s book on ‘growing the business in the electronic age’ excellently described everything necessary to assess a company’s needs and opportunities for a better exploitation of the Internet and developing online strategies [4]. Following a newly built avenue in the field of post-modern management theories, knowledge management and learning organizations were regarded as providers of new and efficient formulas in business organizations to enliven people’s souls at work and motivate them (e.g. [5–7]). A revolutionary approach began to sail before the wind in the seas of the human resource management. In 1998, Ulrich set forth the following noteworthy formula [8]:

$$\text{Intellectual capital} = \text{Competence} \times \text{Commitment}$$

Ulrich’s article was quite refreshing; it revealed five particular tools in order to increase competence in a business organization: (i) ‘hiring new talents’ (ii) ‘investing in employee learning and training’ (iii) ‘organizing partnerships with suppliers, customers and vendors’ so that knowledge could be shared, new knowledge could be

created, new work methods could be brought into the organization' (iv) 'removing employees who fail to change, learn and adapt', and (v) 'keeping successful employees'. Concurrently with these efforts; empowering employees in terms of decision-making and participation, encouraging teamwork, sharing long-term information and strategies with employees, providing new technologies were only a few of the several initiatives that should be taken by the managers in order to enhance commitment [8]. On the other hand, in 1997, Baldwin and colleagues put an emphasis on the issue of 'learning', which could 'lead an organizations' response to changes within its business environment'. Their model remarkably brought a refreshing interpretation of the importance of learning: As the environmental turbulence increased, suggested the authors, the strategic role of learning evolved from a focus on 'employee development' into two consecutive stages—a focus on 'imminent business needs', and a focus on 'unknown business development'. Predictable environmental conditions were considered easy to manage; managers could focus on the development of their employees' individual knowledge in already existing business practices. However, as the environment became more complicated, necessary actions would be essentially taken from focusing on customer requirements and innovation in existing business practices to focusing on undefined market potential and assessments of changes to decide what the business should become [9]. The final stage apparently required managers to think beyond the boundaries of their organizations and to exploit diverse opportunities and resources.

Defending the fact that the managerial point of view had often been the point of origin when describing the evolution of management, in 1996, Gollac and Volkoff conceptualized the accelerated work life and used the expression *l'intensification du travail* to describe the context of working harder and faster. Their arguments were quite elucidative—'technical and organizational progress' were not sufficient enough to bring hard work to an end. Companies began to demand more (... and more) from their employees, and they were looking for 'better-trained employees' while practicing 'restrictive salary policies'. Just as the title of Gollac and Volkoff's study goes, the managerial situation in organizations had simply turned into a '*citius, altius, fortius*' fashion [10]. Being originally a Latin expression for 'swifter, higher, stronger', '*citius, altius, fortius*' is the motto of the Olympic Games coined by a liberal and controversial priest, Henri Didon, and introduced by the founder of the International Olympic Committee, Pierre de Coubertin to delineate the Olympic movement more than a century ago (p. 128 in [11]). Sports is generally a physical activity; competition among individuals or teams is encouraged to show highest performance possible, break records and play at full capacity to win games according to the rules that are previously set.

1.2 Searching For Excellence: A Dream or an Obsession?

First published in 1982, Peters and Waterman have introduced to the business world a ground-breaking book, *In Search of Excellence*, which is assumed to be one of the most widely read business books ever. Peters and Waterman delicately

and confidently put the *factual* conditions in the business environment into words based on three following postulates (Authors' Note in [12]):

1. People and organizations are *not* rational; therefore, managing just 'by numbers' is erroneous.
2. People are far beyond mere factors of production; treating people as cogs in a machine is demotivating and must be avoided.
3. The world is full of ambiguity.

Calling attention to these conditions, the two notable authors revealed eight 'attributes of excellence' that distinguished successful companies, and these attributes varied from taking action and learning from failures to keeping in close touch with customers; managing toward a value system; arranging simple and workable organizational structures; and delivering people the freedom of doing things their own way, while practicing a centralized management of such essential elements that needed careful supervision as 'one or two top strategic priorities', 'central values that make up the company's culture', and some 'key financial indicators'. A little more than twenty years later, in the reprint edition of their book, Peters and Waterman reframed their opinion about these attributes in an additional section before the preface called *Authors' Note: Excellence 2003*. In essence, they did not seem to have changed their mind—these eight attributes were still 'their eight attributes of excellence'. Having written numerous titles since 1980s, both authors enunciated their determination on sticking with these attributes (Authors' Note in [12]). In fact, *In Search of Excellence* was a seminal work that had repercussions. It was acclaimed by many scholars with great enthusiasm and served as basis to many studies. However, a great deal of critical writing was also evident (e.g. [13–15]). A debate on whether these eight attributes of excellence were genuinely (or scientifically) effectual may be considered a separate matter of discussion, which is out of our immediate scope. Nevertheless, using such a word—which denotes a level of quality that surpasses ordinary standards—as *excellence* seems quite tempting if one wants to open a ceaseless discussion crowded with alternative perspectives and opposing ideas in the field of management.

1980s and 1990s witnessed a revolutionary transition process underlying management thinking. *Organizational change* was perhaps the hot-button issue of the era and *change management* became the topic of endless discussions. If companies wanted to survive, or maintain their long-term existence in the markets, managers had to compromise. Successful managers were not perceived as *savoir-faire* type of heroes anymore. Power and knowledge had to be shared across the organization; and authority and responsibility had to be delegated with employees. Unilateral approaches of managers were considered archaic in successful companies. Quantified targets, or performance ratings were certainly still in vigor but operational goals, objectives and targets were determined in chorus so as to take employees' performances also into consideration. Particularly middle managers began to assume new responsibilities, and as explicitly highlighted by Bradford and Cohen in the introduction to the paperback edition of their book that was published in 1997 and called *Managing for Excellence*, managers gained

on the clear conception of their dependency on the knowledge and abilities of their subordinates in order to achieve excellence. In the era of the ‘post-heroic’ management, managers were required to act as leaders, and henceforth, these leaders were responsible to create circumstances for subordinates where they could show superb performances (pp. v-ix in [16]). Bradford and Cohen’s assessment of a fundamental problem encountered in the organizations of the era was quite a subtlety: The middle and upper-middle managers were the ones who were ‘holding the key to high performance’ since their current position was a striking example to the ‘underutilization of human resources’. Having experienced ordinary and routine tasks in the beginning of their careers, middle managers, in particular, were overwhelmed with responsibilities of transforming the sublime strategic plans issued by top managers into departmental plans that were understandable, feasible and doable by their subordinates. Yet, subordinates were not committed enough to the manager’s overall department. Their narrow focus was limited to the scope of their job descriptions and on these grounds; the critical real-time information or potential problems were not shared effectively even though the subordinates were usually aware of them. As put forth by Bradford and Cohen, Ouchi’s *Theory Z* and Pascale and Athos’ *The Art of Japanese Management in 1981*, Deal and Kennedy’s *The Corporate Cultures* and Peters and Waterman’s *In Search of Excellence in 1982*, or Kanter’s *The Change Masters in 1983*; they were all focusing on the total organization (pp. 2–6 in [16]) and [12, 17–20]. The managers in the new era intended to realign the cumbersome organizational structures, to revolutionize the workplace, and to put a new leadership style into practice that would guide employees for the use of their full—and real—capacities to achieve higher performance at work so as to introduce value added products to the markets. At this juncture, many questions follow: Excellence needed strict targets, but who was to put these targets? And once achieved, as whose success was it going to be declared and celebrated? The manager, or the employee?

1.3 High Performance Work Systems

Effective human resource practices definitely lead companies to considerable competitive advantages (e.g. [21, 22]); and taking this axiom into consideration as the point of departure, Ramsay and his colleagues called attention to the notion of a ‘high road approach to management’—an approach (or a paradigm) that highly counted on human resource development and praised employee contributions in order to maintain an organization’s competitiveness in the market. Reconciling these two points of view—human resource development and competitiveness in the market—the apparent role of high performance work systems, where advanced human resource management practices are combined in multiple ways [21, 23], might be a good point of reference to explicate the issue through a couple of examples. In 1974, departing from Braverman’s argument of ‘the Taylorist deskilling and direct forms of managerial control as the key mechanisms of work

intensification', and being inspired by *neo-Fordist* theory, Ramsay and colleagues stated that 'Taylorism had limits', and the work organization (of the era) tend to quit the Taylorist approach of direct control [21, 24, 25]. At this point, an intention to reorganize the work system should not be confused with a radical intention of breaking away from such fundamental pillars of the *conventional work system* as the division of labor and specialization, or abolishing the hierarchy and managerial levels; it should rather be considered as attempts to overcome certain rigidities within the work processes. Intensification of work is still as an outstanding matter; and the use of new technologies and task rearrangement in line with contemporary patterns in the business environment are appreciated to achieve high performance at work [26–28].

Performance can simply be defined as 'the extent to which an individual contributes to achieving the goals and objectives of an organization' (p. 155 in [29]). However, this simple definition embodies an excessive amount of factors and apparently minimizes the opportunity of a concrete definition for high *performance*. According to Kirby, the source of challenge relies on such a variety of dimensions as holding the highest market share, having the greatest market growth or long-term existence in the market; however, a consensus theory of high performance is hopefully possible as long as studies continue to reveal the secrets behind this multi-faceted problem [30]. A content rich explanation for high performance work was illustrated by Evans and Lindsay in 2012. According to these scholars, 'high performance work was characterized by flexibility, innovation, knowledge and skill sharing, alignment with organizational directions, customer focus, and rapid response to changing business needs and marketplace requirements' (pp. 155–156 in [29]). At this point, teamwork practices usually serve as the principal part of the whole picture—e.g. *cross-functional teams* where diverse ideas from a variety of sources are deliberately brought together to create a new product or a process; *quality circles* where a group of individuals willingly spend some time on problem-seeking and solving efforts in a proactive manner; or *self-managed teams* where a group of individuals attempt to combine their respective skills to plan, organize and control their tasks almost under no direct supervision. An individual employee participating in either of these practices, by all means, are anticipated to be aware of such conditions and values of the contemporary workplace as the significance of sharing knowledge with others, the severity of responding to the most—if not all—of the customer needs, or the necessity of exploiting training opportunities both for self-development and for the organization's interest.

Nearly a decade before Kirby's affirmative article, Gephardt and Van Buren stated that there was no consensus on a definition of a high performance work system—scholars had not agreed upon its components neither [31]. Although the general outlook of the prospective theory seemed to have evolved into a *jungle* (in memoriam Harold Koontz referring to his description of management theory in the early 1960s), works of scholars over the past years shared common ideas; and thanks to the mindful work of Kirkman and his colleagues in 1999, five components 'believed to be representative of all the definitions' made by many scholars

illustrate an organized big-picture. After presenting several definitions particularly proposed by leading scholars studying high performance work organizations; Kirkman and colleagues revealed their integrated definition comprised of five components: (i) ‘self-managing work teams’; (ii) ‘employee involvement, participation, empowerment’; (iii) ‘total quality management’; (iv) integrated production technologies’; and (v) ‘the learning organization’ (pp. 2–3 in [32]).

If, as stated by Appelbaum in 2000, ‘the core of a high-performance work system ... is that work is organized to permit front-line workers to participate in decisions that alter organizational routines’ (p. 7 in [33]), problem-solving and quality improvement efforts may only be possible by making good use of opportunities that appear as an outcome of interpersonal relations. Workplace is primarily a social environment and value is created not by machines and computers but by people who operate them. High performance work systems should allow individuals to experience greater autonomy over their tasks whereupon an efficient and effective communication about issues and problems at work with other individuals will become evident. Participating in decisions, digital literacy and contemporary incentive systems require qualified, experienced, well-trained and, without question, highly talented people with social and firm-specific skills (pp. 7–8 in [33], and [34–38]).

2 High Performance Work and Self-Management

The idea of management has always been ready to serve the founders, owners and shareholders. Early years of management science witnessed the search for the better use of division of labor. Efficiency was the great cause, and practitioners and a limited number of scholars were involved in interminable debates over many concepts—e.g. *authority, order, hierarchy, centralization, and command chain*. They were, in matter and in manner, big words for a small human being. Eventually, along with the modern management era that began to shape satisfactorily during the post-war years corresponding to 1950s, managers of organizations either vast or tiny have been interested in incorporating the human factor into operations as a whole. This initiative took roots from the intention to consider the individual human as a whole—a whole body of biological and physiological attributes as well as talents, skills, level of mental acuteness, feelings, emotions and idiosyncrasies isolating him or her from other individuals. Company founders, owners and shareholders (and occasionally top managers) might seem to have been preoccupied due to two specific questions in their minds—two questions of which could never be completely disposed: *How can maximize the profit? And, will the company exist without cease?* These two basic questions actually reproduce multiple questions that need to get answered. In our case, we will demand a question based on the human factor: *Does high efficiency necessarily mean high quality and high performance?* Yet, this seems another challenging question—certainly not intact but looks like a doubtful bill.

2.1 Semler's Way: Reorganizing for Self-Management

Let's imagine a company with no organization chart, and no job titles. Neither ten year plans nor mission and vision statements exist. No dress code or no come and go times, no written rules... This bold idea of a company seems rather fictional as it conflicts with many topics in the field of management that are taught at school; however it is as true as life itself. Most of us—if interested in management theories or reading business books—might already be aware of the captivating story of Semco.

Having implemented the idea of *extremely* participative management into an enjoyable work life, Ricardo Semler has transformed Semco—a Brazilian manufacturing company of industrial machines from Sao Paulo, which was previously known as a giant entity where autocratic management and traditional methods were in practice—from top to down in this context. He published his experiences and the narrative of how he built such a culture in his company in a well-written book, *Maverick*, offering its readers a pleasant reading. The book was translated into thirty-six languages and sold millions of copies worldwide. He has also gained a global recognition. This spectacular success is convincing enough to be accredited as evidence to the influence he made in the minds of an international audience. Putting theory into practice is always a challenging process, and Semler has been considerably successful in doing it [39].

In his seminal book published in 1960, *The Human Side of Enterprise*, Douglas McGregor suggested an alternative approach the way managers approached their subordinates. McGregor's theory was offering a simple but rich insight to readers—trusting employees was the key to a better management of an organization. Trust is so crucial as a driving factor in social relationships that even in a bureaucratic setting, employees would feel themselves as part of this interlocked environment and show devotion to organization's objectives—particularly if they were treated as adults, as mature individuals [39]. Furthermore, placing confidence in employees to put their creativity and skills into practice and to carry out important decisions without hesitation or interference would serve to the advantage of the whole organization. The 'human nature' was the underlying argument in McGregor's debate and by nature, humans needed not 'carrots and sticks' type of incentives to work but—as highly appraised by Semler himself—*self-administration*, *self-governance*, and *self-control* (see particularly p. 58 in [40]).

The core idea of Semler's approach was to deliver employees more incentive in order to attract them to taking part in important decisions. The subsequent step was encouraging them to take part in self-managed teams—the reason to follow these steps was apparent: Given the opportunity to contribute to making important decisions, individuals would be more motivated, and in return, would make better decisions. As he illustrated in *Maverick* [41] the route to self-management was a rocky one, and the methodology used in walking or driving this rocky route was not soft as anticipated, just as Semler's first action had been firing nearly sixty per cent of the company's top managers in a single day! His argument—if not called a defence statement—was as simple as his core idea: Changing the mind-set of *conventional* managers was almost impossible. In fact, conventional manager was

tantamount to managers accustomed to work ‘in his father’s way’. Semler’s words in *Maverick* provide a clear vision of his rightful argument:

Semco appeared highly organized and well disciplined and we still could not get our people to perform as we wanted or be happy with their jobs. (p. 62 in [41])

What if we could strip away all the artificial nonsense, all the managerial mumbo jumbo? What if we could run the business in a simpler, more natural way? (p. 63 in [41])

Discharging managers is indeed a courageous action. Once a final decision is made and arguments are settled, it may be as easy as tripping a few words of an explanation and some good luck wishes off the tongue. However, convincing and persuading employees for a change—in Semco’s case, for a drastic overhaul—is definitely one heavy duty for a boss. Semler’s heavy duty involved turning the company upside down and inside out. An unorthodox approach at that time against management theories was the basis of new practices. Nine layers of management were eliminated and an unprecedented type of corporate democracy was created. Since it seemed almost impossible to anticipate from an employee to transform immediately into an enthusiastic corporate individual who happily participates in making important decisions and take responsibilities as a member of a self-managed team, Semler decided to implement his plan gradually. He took initial steps by asking employees to generate solutions for small-scale problems like the improvement of the cafeteria food, or replacing overall colors with better ones. These baby steps helped employees realize the true adult-feeling essence of making decisions on their own issues. Many steps in quick succession empowered employees without the need for repulsive and annoying old policies and heavy bureaucracies that were created once upon a time. Below is the list of some of these revolutionary changes [41–43]:

- The traditional organizational chart was removed.
- Employees were given the freedom to set their own working hours and the responsibility to record them.
- Employees were encouraged to learn more about tasks other than their own, and to make suggestions for job improvements or departmental changes.
- Employees commenced to assess their supervisors’ efforts and performances and every six months, assessment results were announced straight out in the company.
- Employees were provided with the voice in recruitment affairs in their own departments and the right to vote for candidates.
- Rules and regulations that seemed useless, uncritical and indirect with job’s requirements like dress codes or reserved parking spaces were abolished.
- The workplace belonged to the employees—from painting, furnishing and flower planting to redesigning the layouts, employees acquired the right to make changes in their own working environment.
- Doors were declared open to unions for inspection.
- Corporate staff was eighty per cent less than any other comparable company.

As for Semler, employees were let to do whatever they wanted. In fact, Semco did not employ any performance analysts; there were only people who ‘sell or make’;

and this was not the outcome of the existence of two highly distinguished functional departments as one for marketing and one for production. In Semler's words:

Marketing is everybody's problem. Everybody knows the price of the product. Everybody knows the cost. Everybody has the monthly balance sheet that says exactly what each of them makes, how much bronze is costing us, how much overtime we paid, all of it. And the employees know that 23 % of the after-tax profit is theirs. (p. 84 in [41])

Dumaine referred to the introduction of self-managed teams, or their variations, as 'the productivity breakthrough of the 1990s' with some clear and convincing evidence. Semler's implication on Semco's survival during times of meager economic circumstances, thanks to the company's 'increased flexibility as the result of the efforts of the self-managing employees' is one example. Additionally, Procter & Gamble reported 'between 30 to 40 % higher productivity' in the plants that utilized self-managed teams than in plants that did not. Food manufacturing companies General Mills and Johnsonville also put similar claims of higher productivity thanks to their self-managed teams [44–47]. As stated by Semler, 'it is up to them (employees) to see the connection between productivity and profit, and to act on it.' [48].

2.2 *Google's Way: Creating a Platform for Self-Management*

So wouldn't you think that some of these computer companies would say, 'Apple does well because it has beautiful products'? So how much could the most expensive industrial designer in the world cost? You know, a million dollars a year in salary? Two million dollars a year? Five million dollars? That's what makes these products so beautiful. That level of commitment and dedication to the thing to make it the best thing possible.—Guy Kawasaki (author and former Apple Fellow) [49].

What is it that makes a great company more privileged than a merely good one? We have just witnessed that Semler was already aware of this question and the key to its answer even before taking the initiative and hitting a new trail. This time we will try to explore dynamics that emerge from within the organization—an organization that focuses on its social assets and sails on the waters of the blue ocean originated by its trustworthy individuals who dedicated themselves to creating and sharing knowledge.

Excellent companies thrive to find, recruit and retain the best people; and it is neither an exaggeration nor a myth that in certain cases, a company may find itself competing against other companies on the grounds of a human-resource-based battlefield. As put forward by Brown and Hesketh, 'where brand recognition is related to being a market leader, the best companies want to be seen to be recruiting the best talent, as these are mutually reinforcing.' (p. 85 in [50]) Besides, Smith and Kelly approach within a strategic human resource management framework embedded in the knowledge economy context, which we can comfortably observe in today's circumstances:

... future economic and strategic advantage will rest with the organizations that can most effectively attract, develop and retain a diverse group of the best and the brightest human talent in the market place [51, 52].

At this point, one may immediately ask these obvious questions: Who are these *best people*? What signifies the *best talent*? A simple answer might be that best people are ‘very intelligent people holding highest degrees and who have extensive knowledge, substantial experience and an exceptional background.’ Once recruited, these *best people*, or calling it another way, these *great stars* are usually expected to bring miracles into their organizations and show outstanding performances that energize the work place environment. However, whether that great star is to create its own ‘solar system’ energizing planets and satellites that surround it and whether to fulfill such expectations usually remain as open-ended—if not rhetorical—questions. A company may hire its industry’s greatest star at any cost; nevertheless, incurring this risk does not always guarantee that the great star’s social skills are compatible with organization’s internal environment. Besides, research show evidence that these great stars are also risk bearers, which can potentially turn into comets. Moving from one company to another may wear away their potential and their exceptional performance usually drops drastically. A justification to this argument may be that the star’s performance is predominantly dependent on the resources and the culture of the company rather than his or her capabilities. As suggested by Groysberg and colleagues in 2004, stars’ success depends on such company-specific factors as ‘resources and capabilities’, ‘systems and processes’, ‘leadership’, ‘internal networks’, ‘training’, and ‘teams’ [53]. Not claiming that Kawasaki has meant this; but within this context, we find his words (quoted here a few paragraphs before) reminiscent and inspiring.

Companies with clear vision and managerial conscientiousness are able to hire and retain best talents through psychological contracts, whereas the structure of an employment relationship between the *great star* and the company is mutually shaped. This initiative can be extended into more specific contracts, *idiosyncratic deals*—special agreements that individuals negotiate with their employees (e.g. [54–57]). The content of such agreements and whether they generate dynamism in the organization is another debate; however, why building such a *loose and tight bond* between the employer and an employee who is expected to be a precious part of a high performance work system remains within our scope. Owing much to the vast literature on knowledge management and networks, cases on companies associated with the digital age usually give fruitful insights.

The case of Google sets a good example to the *best talent* culture as the world’s leading Internet company hires exceptionally talented people and retains them in an ultimately mind-blowing workplace environment—usually envied by the best talented people who work in other companies. Being committed to having the most entrepreneurial environments in the world, Google aroused much interest in the public and gained image of a popular company for which a considerable number of MBA graduates wanted to work [58]. The company’s way of attracting talents has even come up for a movie, *The Internship*, which exhibits the essence of their culture, referred to as *Googliness*, and people experiencing it as *Googley*. Well-known for its new product development strategies and capabilities for entering new business areas; Google is a good example to a company, where high performance work system is not created by a magic-wand-waving and spell-casting boss or manager

but by constructing a platform—a platform for a high performance work system to *emerge*—where diverse talents could come together and get connected by means of social relationships and digital technology—the unique workplace environment, the popularity of products, the brand and everything else is only the reflection of it. Google’s website states the company’s culture with these words:

It’s really the people that make Google the kind of company it is. We hire people who are smart and determined, and we favor ability over experience. Although *Googlers* [59] share common goals and visions for the company, we hail from all walks of life and speak dozens of languages, reflecting the global audience that we serve [60].

Google also displays on a separate web page a list called *Ten Things Google has Found to be True*, which was prepared when the company was only a few years old. In point of fact, listed items reveal some of the fundamentals that underlie the company’s latent but efficient high performance work policy from providing the best user experience possible to designing time-efficient, location-free and easy-to-use products. Particularly for one item, the statement goes;

... work should be challenging, and the challenge should be fun. We believe that great, creative things are more likely to happen with the right company culture—and that doesn’t just mean lava lamps and rubber balls. There is an emphasis on team achievements and pride in individual accomplishments that contribute to our overall success. [61]

With a semantics approach, the final item on the list seems almost similar to ‘*citius, altius, fortius*’, the Olympic motto we have discussed earlier: ‘Great just isn’t good enough’ [60]. A first impression about this item might be that Google supports performance based on a conventional type of competition:

Do something, then check others and compare, and try to do something much better than others did!

However, the company explicitly describe on its webpage that the idea behind the item is about innovation and iteration:

Do something, and if it works well then *improve upon it in unexpected ways*. (italics from [61])

In *The Future of Management*, authors Hamel and Breen compared the way Google was organized to the Internet itself. The determining factors of their argument were that both organizations were ‘highly democratic’, ‘tightly connected’, and ‘flat’. Authority was disliked and a telling-people-what-to-do type of management practice was avoided since the company’s inception. In Hamel and Breen’s words, ‘To Google’s engineers, *Question Authority* is not an anarchist’s bumper sticker, it’s an innovator’s imperative’ (p. 109 in [62]). This explains satisfactorily why high performance work, according to Google culture, could be associated with efforts based on innovation and iteration rather than conventional competition.

Owing to perfectly capable and highly motivated employees already sharing a common vision, *Googlers* would never need to be micromanaged. Even so, leadership is appreciated in a company of hundreds of small self-managed teams. At the time when Hamel and Breen’s book was published, about half of 10,000 employees at Google were working in small teams of three (on average). Per contra, large-scale projects like Gmail could employ thirty people or more, with partitioned

into teams of three to four, each of which was assigned with one specific task. Each team had an ‘über-tech leader’; and these leaders rotated on teams, while engineers often worked on more than one project and were free to switch teams (pp. 111–112 in [62]). Despite all this haecceity, signs of crisis in the shape of ‘increasing bureaucracy’; high performance and rapid growth of the company caused problems, particularly in sustaining the entrepreneurial culture; which caused highly talented employees to feel dissatisfaction at work and leave the company [58].

3 Conclusive Remarks

As debated earlier, self-managed teams may be regarded as essential parts of a high performance work system’s infrastructure; and by all means, learning is *sine qua non*. According to Neck and colleagues, the developmental process of a self-managed team proceeds by a number of stages and the team continues to progress until its members finally arrive at the threshold where ‘constructive synergistic thinking’ is the key that opens the gate into ‘the highest levels of performance’ [63, 64]. In fact, as put forth by Senge in his invincible work in 1990, *The Fifth Discipline*, ‘team-learning begins with dialogue, the capacity of members of a team to suspend assumptions and enter into genuine thinking together.’ (p. 10 in [65]). Individuals at work want to think, share, collaborate, and enjoy this whole process all together. Self-managed teams emerge as an outcome of self-administration, self-governance, and self-control—all carried out in the possession of talented people selected with ensured cultural fit and diversity. Ricardo Semler was ready but Semco was not. He had to take the initiative to transform the company into a high performance organization. In the case of Google, the organization was ready. Google’s employees were already creative, well-trained and self-confident; there was no need for micromanagement. The high performance organization emerged through their interactions and activities. Both companies had very different management styles; however both did the same thing.

On top of all this, forming up self-managed teams to achieve highest performance possible has always been a managerial concern and has never been easy. A specific management style to overcome this problem is not possible since the nature of self-managed teams itself is highly situational. Depending on countless dynamic factors—from human related problems to business environment conditions—managers as well as employees should assume the responsibility of forming up and carrying on the high performance work system.

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