

## Chapter 52

# High-Performance Work Practices in Healthcare Sector

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### ABSTRACT

*High-performance work practices are described as human resource management practices that augment organizational performance through enhancing employees' competencies, motivation, commitment and productivity. Last decades have seen an increase in both research and practice on high-performance work practices. Yet, they have only recently received attention in healthcare settings. Nascent empirical studies have shown that high-performance work practices may play a vital role in fostering positive employee, patient and organizational outcomes. Given the problematic and limited environment of healthcare organizations, high-performance work practices are purported to be an effective "medicine" for organizational functioning. Thus, the purpose of this chapter is to delineate human resource management policies and their core high-performance work practices and also highlight their key role in ameliorating healthcare organizations' performance. By doing so, we provide some useful insights from healthcare literature in relation to the underlying mechanisms that account for this relationship.*

### INTRODUCTION

Contemporary business environment has become increasingly complex, turbulent, and competitive. As a result, organizational survival and prosperity is highly dependent on the effective utilization of potential resources. One of the most valuable resources of each organization relates to its human resources. For this reason, the past decades have witnessed a wide interest in human resource management and their policies and practices. One of the central tenets of human resource management concerns the fundamental role of employee emotions, attitudes and behaviors in enhancing organizational performance. The basic idea behind this ideology is that human resources comprise a source of competitive advantage (Barney, 1991; Wright & McMahan, 1992) and thus it is of utmost importance for organizations to develop and

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implement such bundles of contemporary human resource management practices that will increase employee performance and, in turn, will lead to higher levels of organizational performance. In the extant literature these practices are often called as high-performance work practices (HPWPs).

Not surprisingly, the vital role of such practices in fostering important outcomes also applies to healthcare organizations. Healthcare organizations have to cope with intensive competition, high operational costs, and limited resources. Even more, they are knowledge-intensive organizations with different professional groups which must be effectively coordinated. In light of these challenges, healthcare organizations strive to minimize costs and maximize effectiveness and service quality. In this pursuit, HPWPs constitute a useful tool for enabling healthcare organizations to achieve their goals.

Oddly, the related literature lacks of substantial theoretical and empirical studies that will point to the effectiveness of such practices. Therefore, the aim of the present chapter is twofold: first, to describe human resource management policies along with some key HPWPs and second, to provide a review of extant empirical evidence regarding the effect of HPWPs on employee and organizational outcomes in the healthcare industry.

## **HUMAN RESOURCE MANAGEMENT AND HIGH PERFORMANCE WORK PRACTICES**

Human resource management constitutes a contemporary approach to managing people. Despite the burgeoning interest in human resource management from both academics and practitioners, the literature lacks a universally agreed definition. Boxall and Purcell defined human resource management as *all those activities associated with the management of employment relationships in the firm* (2003, p. 1). Human resource management is consisted of a set of core policies namely human resource planning, recruitment and selection, training and development, rewards, performance management, employment relationships, health and safety.

In the extant literature, some scholars have considered human resource management as a contemporary label for describing personnel management policies and activities whereas others as a new, more strategic, approach to manage people in the workplace (Beardwell & Claydon, 2007). As regards the latter, which is the dominant approach, one of its core foundations relate to the fact that human resources constitute one of the major competitive advantages of each organization. Put differently, they comprise the most valuable organizational assets. Human resource management policies and practices should be integrated into the overall business strategy, demonstrating thus a more strategic role of human resource management often called as strategic human resource management. Even more, a key concept of this human resource management approach is the pivotal role of bundles of human resource management practices in facilitating the accomplishment of strategic goals.

Following this approach, various human resource management researchers have highlighted the vital role of human resource management policies and practices in engendering positive organizational outcomes. One of the most seminal studies pertains to Huselid (1995) who demonstrated the effect of human resource practices on both employee outcomes (turnover and productivity) and organizational outcomes (financial performance). In addition, MacDuffie (1995) showed that assembly plants which integrated a bundle of human resource management practices into their strategy presented greater productivity and quality compared to those that adopted more traditional practices. Likewise, subsequent empirical research (Delaney & Huselid, 1996; Delery & Doty, 1996; Huselid, Jackson, & Schuler, 1997,

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