

## Introduction of High Performance Work Practices through Performance Related Incentive Schemes (PRIS)

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1. The intrinsic satisfaction of work and creativity is as significant a motivator as higher pay. Studies on the implementation of performance related pay by the OECD, for instance have found that monetary incentives alone are unlikely to motivate a substantial majority of staff, irrespective of the design. Holistic job design with High Performance Work Practices (HPWP), multi-skilled work, new ways of organizing work, rewarding performance and greater employee participation in the decision making process are central to employee motivation. HPWP have the potential for developing the personality of the worker and productivity of the organization. . Further, a 'career entrenchment effect' occurs when an employee spends too much time in the same position weakening work motivation. Employees who have greater variety in their day to day work are more satisfied with higher work motivation levels. The shift from simple tasks to multidimensional work and employee empowerment leads to transformational changes. These practices are based on the realization that employees are the most important asset and have to be treated equitably. HPWP consist of a bundle of practices whose integration is critical for holistic workplace employment and raising employee effectiveness. The exact mix is dependent on the nature of work processes and culture in an organization. Inclusive and participatory management, on which HPWP are based, increase job satisfaction and raise productivity.

2. The International Labour Organisation (ILO) has recommended change in four main areas through sets of bundles of practices by which both management and workers stand to gain. These are:

- a) **Job design and employee involvement** - utilization of the intellectual and practical experience of employees with engagement in the decision making process;
- b) **Communication and information sharing** - dissemination of knowledge within the organization and commitment to the values and objectives of the organisation;
- c) **Support for learning skills** - through coaching-mentoring, feedback on performance and further training;
- d) **Rewarding and acknowledging performance through performance related monetary incentives and recognition.**

Productivity studies have shown that an integrated strategy combining several organization specific levers works best with changes in the ongoing process - work design and teamwork to increase employee involvement. (Source: Ashton, D. and Sung, J. (2002), ILO - Supporting workplace learning for High Performance Working, (2002), [www.ilo.org](http://www.ilo.org)). Adoption of HPWP requires an appreciation of change and constant adaptation with no final solutions.

3. HPWP practices include the following:

- cross training and job rotation
- multi- skilling and the development of employee skills
- self directed production and service teams, problem solving teams and quality circles
- job enrichment
- job enlargement
- mentoring
- systems of communication
- performance rewards
- peer review and 360° feedback
- growth in employee discretion and autonomy
- multiple career paths and career coaching with personal development plans
- flexible working
- flexible job descriptions
- knowledge management and sharing of learning resources

4. The IIM (Ahmedabad) in their Report have recommended HPWP as one of the six critical reform themes. Shift in government performance cannot be achieved without making changes in the way government employees are managed. Traditionally, government systems are oriented towards control with strong emphasis on procedures, approvals and concentration of power and the same applies to employee management also. The above approach may not be appropriate to achieve the objectives of modern governments. Experiences of organizations like United States Social Security Administration indicate that high performance work practices can be used to bring out the full potential of their employees. The level of HPWP adoption as measured by the number of practices adopted is linked to organizational performance.

5. The tool of PRIS will enable introduction of change in the organization of work through HPWP. This is also necessary given the potential for work process re-engineering and convergence made possible by information and communication technology (ICT). It entails a paradigm shift away from the way government works currently towards flatter organizations. The introduction of high performance work practices (HPWP) through PRIS will lead to greater effectiveness, productivity and cost efficiency at each level with greater employee participation.