

## Trends in Australian human resource management: what next?

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This article examines the trends in Australian human resource management (HRM) policies in the last fifty years. It briefly reports on the practices used in the period from the 1960s to the early 1990s and provides a brief description of the characteristics of the concept of strategic human resource management (SHRM). The article then examines the results of four surveys co-ordinated by the Cranet Network and conducted in Australia between 1996 and 2008–09. These surveys show there have been strong trends of HRM policies becoming more calculative and individual, a reduction in the role of collective organisations, the adoption of some HRM policies regarded as more effective than others and the development of the roles of HRM managers and HRM departments. There was increasing use of flexible working practices, greater use of performance appraisals, the development of policies such as career planning methods, career break schemes and targeting older workers and women. The representation of human resource managers on boards increased between 1996 and 2008–09.

**Keywords:** Australia, Cranet study, HRM, HR managers

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### Key points

- 1 Employment practices have developed towards a strategic human resource management approach during the last forty years.
- 2 There is strong evidence that Australian human resource practices have become more individualised, calculative and based on effective practice.
- 3 The role of the human resource manager has become more strategic and professional.

The approach, language, organisation and the methods used to manage people have ostensibly altered dramatically in the last fifty years. In the 1960s personnel management was widespread. There was increasing formalisation of employment practices, the promotion of industrial welfare and the development of management training. In addition, relationships and dealings with trade unions were varied, but in many large organisations they were

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frequently 'legalistic' and formal. Personnel management and industrial relations activities within organisations were usually distinct functions.

In the twenty-first century the picture of managing people is very different. The term 'human resource management' (HRM) is now almost universally used by practitioners and academics. At its core this HRM approach has a strategic element which seeks to link HRM to strategy in order to further an organisation's competitive advantage. Just as the term HRM has been used to replace personnel management, the term industrial relations has been replaced by employee relations.

This article reviews developments in managing people in Australia in the last fifty years. It briefly reviews the developments during the 1960s, 1970s and 1980s and highlights the changing context of work organisations. The paper then provides an overview of developments in HRM during the 1990s and 2000s. The data for this overview is predominantly provided by the Cranet surveys conducted during this period, specifically in 1996, 1999, 2005 and 2008–09. The surveys provide indications of a number of clear developments in strategic human resource management (SHRM).

However, it appears that there are some instances of developments which are contrary to the major trends. In addition, the Cranet survey is able to highlight the formal policies, that is, the intention of management regarding HRM activities. It is unable to provide evidence about the implementation of the HRM policies.

## **Personnel management, welfarism and industrial relations**

The processes of managing people have changed as Australia has developed. Wide-ranging changes involving the structure of the economy, the institutional arrangements regulating labour, the composition of the population and the workforce, the involvement of various stakeholders in management, and ideas about management, families and social roles have all influenced the processes for managing people.

The Australian economy developed from one reliant on agriculture in the pre-World War II years to one with a more mature industrial base after the war. The economies of the United States, Britain and Europe all developed more systematic labour management practices prior to the war; however, employers in Australia relied predominantly on ad hoc command and control management by shopfloor supervisors/foremen. In small firms the owner or supervisor relied on personal contact with the workers, using strict discipline and personal motivation. In larger manufacturing plants the foremen commonly exercised control through authoritarian rule, bullying and compulsion. There were a few exceptions to this, with some mass production firms introducing scientific management practices (Wright 1995, 1–66).

Organisations in other sectors such as banking, retail and engineering did develop some systematic employment policies. These owners often provided welfare (such as social activities, sick benefits, company provided services) in return for the loyalty or good service of their workers. Known as 'welfarism', this policy was seen as a key to increased production. Some industrialists believed mentally and physically healthy employees who were treated

fairly would be more productive. However, this approach to managing people was an exception (Wright 1995, 61–4).

Employers did not have unilateral control to manage labour. The arbitration system required employers to recognise trade unions and in some industries, the decisions of the courts and the wages boards did limit employers' power to establish employment policies and conditions. The adoption of the basic wage, the introduction of the automatic quarterly wage adjustments linked to changes in the retail price index and the determination of margins which reflected skill level of jobs were legally binding on employers (Dabscheck and Niland 1981).

Employer demand for labour had a profound influence on people management. This was highlighted in different ways during World War II, during much of the postwar period and during the years of economic uncertainty during the 1970s and 1980s. World War II ushered in a new period of economic development. No longer could Australia import manufactured goods such as electrical goods, chemicals, rubber, vehicles and machinery. Manufacturing plants were established to meet wartime and domestic needs. The modernisation of the economy was co-ordinated by a number of government departments. These departments were engaged in seeking sufficient workers for munitions plants and regulations established working conditions and wage rates. During the 1950s personnel departments were increasingly established (Wright 1995, 38–43).

A number of factors had a far-reaching impact of the management of labour after the war. These included the changing nature of industry structure, urgency of securing sufficiently skilled workers, the requirements of managing a workforce in which women were doing work previously done by men and a concern with establishing working conditions which increased labour productivity in a time of skill shortage. The economy was no longer highly protected and employers needed to think beyond the rational bureaucratic approach which had previously been adopted (Dunphy and Griffiths 1998; Mathews 1994).

Until the 1960s many personnel departments continued to focus on reducing inefficiencies. Bucklow (1961) claimed personnel management had largely atrophied during the previous decade. However, during the 1960s increasing numbers of employers sought to further increase employee productivity, employee motivation, and operational reliability and efficiency. The application of scientific management techniques, human relations and organisational development methods, and new organisational forms became more widespread (Dunford 1992; Dunphy 1987). These developments encouraged the expansion and the formalisation of the personnel function.

At the same time, trade unions continued to be active in pursuing minimum wage increases and working conditions. Although employers adopted a variety of approaches to unions, it is noteworthy that the tribunals maintained the principle of managerial prerogative. This ensured personnel departments had unilateral control over a wide range of employment matters (Dabscheck and Niland 1981). In the mid-1960s the mass media reported the progress of major hearings in the federal industrial tribunals 'with the breathless enthusiasm we might expect during the build-up to football finals' (Kitay 1997, 1).

All this changed in the 1970s. The challenges facing employers became more intense. Considerable industrial restructuring occurred and the economy experienced both inflation and unemployment. In addition, competition increased as the government deregulated financial markets and reduced tariffs.

The search continued for new ways of solving the labour problem. But the solutions explored in this context involved a different rhetoric. These solutions included the application of strategic planning and management to employee management (strategic human resource management), experiments with employee participation or industrial democracy, searches for best practice management and industrial relations reform. Although these solutions varied, they were based on assumptions that management and employees shared a common interest and that policies should be determined at the local organisational level. Strategic human resource management argued that organisations could most effectively deal with the uncertain economic conditions by integrating people management practices with corporate strategy and enhancing managerial prerogative.

At the same time, governments and the trade union movement were searching for new types of relationships. The Prices and Incomes Accord provided a mechanism for trading off wage increases for improvements in the social wage and policies for improving industrial competitiveness. In 1991, the employer push for an enterprise focus for employee management was achieved with the Australian Industrial Relations Commission (AIRC) determining that enterprise bargaining would be the main method of wage determination. A new approach to the management of people had emerged. The next section explores the concept of SHRM.

There are definitional issues about the terms SHRM and HRM. For the purposes of this article HRM refers to the 'management of work and people' in organisations (Boxall and Purcell 2003, 5). SHRM explicitly refers to organisational strategy providing the framework for the development of human resource management practices (Guest 1987).

## **SHRM concept**

SHRM provided a language for developing people management policies which sought to achieve organisational goals. This approach provided employers with a different, explicit rationale for managing people and a number of concepts which supported the rationale underpinning the link between people management policies and organisational strategy, goals and outcomes. Concepts such as integration, resource-based value (RBV), commitment, corporate values and culture, adaptability and performance are some of the central concepts of SHRM (Guest 1997; Keenoy 1990). Employers had always been concerned with increasing employee productivity through practices such as working conditions, job design and work organisation. However, these methods were introduced in an ad hoc way and were not explicitly linked to achieving organisational outcomes. SHRM provided the frameworks and language to develop this link in a systematic way.

The framework for SHRM explicitly uses people management policies to achieve HR outcomes, such as productivity, employee satisfaction and organisational outcomes such as

return on investment (ROI), profit, market share. Various explanations have been proposed to explain the way HRM practices contribute to performance outcomes. HRM practices have been found to develop unique and competencies (Barney 1991), behaviours (Schuler and Jackson 1987), positive psychological contracts or commitment among employees (Purcell 2003). HRM practices have also been found to ensure the organisation fully utilises its people and has the skills required. (Storey 1992). According to this view people are resources to be deployed as necessary.

SHRM requires a more complex and proactive approach to managing people (Storey 1992). Therefore, it is argued, the human resource professional or manager would need to be professionally qualified to work with senior management and with line managers and to adopt a number of roles. These roles have been identified as employee advocate, human capital developer, strategic partner and functional expert (Ulrich and Brockbank 2005). The human capital developer role recognises the importance of building a workforce for the future, while the employee advocate role seeks to make the employment relationship mutually beneficial. The functional expert refers to HR practices delivered in a number of ways, such as through technology, policies, menus and interventions. The strategic partner role involves multiple dimensions such as business expert, change agent, knowledge manager and being a consultant and adviser. One advantage of the Ulrich (1997); Ulrich and Brockbank (2005) model is that they acknowledge that HRM involves administrative activities, management of legal and employee relations issues and at the same time undertakes business-oriented, strategic activities.

There are many limitations to these models of SHRM. The models are based on assumptions that organisations operate in a rational way and that there is a considerable degree of organisational and managerial autonomy. In fact, management cannot control all development exactly as desired. Changes in SHRM reflect responses to changes in the firm's external environment (Sutton et al. 1994) and its institutional environment (Di Maggio and Powell 1983). For instance, the use of particular HRM bundles and the nature of competitive advantage (Stavrou, Brewster, and Charalambous 2010) have been found to be contingent on geographic context. Collaborative HRM has been found to be associated with superior firm performance and is strongest when national institutional and normative settings support it. A weak link has also been found between joint consultative councils (JCC) and collective payment methods and performance (Rizov and Croucher 2008). In addition, the link between HRM practices and performance outcomes consists a black box which is unable to explain the mechanisms for the link (Becker and Huselid 2006). Employees/employers can still have different, conflicting interests but management's focus on employees is driven by their concern to achieve organisational outcomes (Van Bureen III, Greenwood and Sheehan 2011). Finally, there is no guarantee that the formal policies are implemented in the workplace (Kramar 1992).

During the period in which the surveys were conducted there was considerable change in the industrial regulation of HRM in Australia. In 1996 the *Workplace Relations Act 1996* was enacted, in 2005 substantial amendments to this legislation occurred and these were known as the WorkChoices amendments. Then in 2009 *The Fair Work Act 2009* was enacted,

but for the purposes of this article the impact of this legislation was probably not evident on HRM at the time of the 2008–09 survey. A major development resulting from the 1996 act and the 2005 amendments was the encouragement of negotiations at the enterprise and the individual level, rather than at the collective level.

Also for much of this period Australia experienced considerable economic growth, and particularly in certain sectors. Mining grew from around 4.5% of GDP in 1993–94, to almost 8% in 2006–07; the services sector has also grown considerably, with property and business services in particular growing from 10% to 14.5% of GDP. During the same period the manufacturing sector contracted from just over 15% of GDP to 12% of GDP (ABS 2011).

The following sections explore the findings of four surveys of human resource practices undertaken between 1996 and 2009 as part of the Cranet survey on international SHRM. The next section very briefly describes the methodology and outlines some of the key findings and interprets these in terms of the literature discussed in the preceding sections of the article.

### **HRM trends, 1993–2009**

The trends identified and discussed in this section are based on the findings of four surveys conducted in Australia under the auspices of the Cranet network. This network involves researchers in 40 countries who survey HRM practices in medium and large organisations and so provide data suitable for longitudinal and comparative analysis. The Cranet survey was undertaken in Australia in 1996, 1999, 2005 and 2008–09.

For all of the four surveys, databases of public and private organisations employing 100+ employees were obtained from consulting organisations: Pricewaterhouse 1996, PricewaterhouseCoopers 1999, and Dunn and Bradstreet 2005 and 2008–09. The populations for these four surveys ranged from about 1700 to more than 2000 organisations depending on the particular year. Paper questionnaires were sent to the most senior HR Manager in the organisation and in latest survey additional data was obtained using an electronic survey instrument. The response rates were adequate in each survey, being 21%, 18%, 21% and 13% in 1996, 1999, 2005 and 2008–09 respectively.

The respondents to the survey were representative of the population of organisations in the public and private sector. They were also adequately representative of organisations across industries. More details about the methodology and the details of the samples can be found in Kramar and Lake (1997) and Kramar (2000, 2006), and McGraw (2002), McGraw and Peretz (2011) and Peretz and McGraw (2011).

Between 1993 and 2008–09 there were consistent trends in the practices used to manage people. First, these people management practices appeared to be harnessed to achieve organisational objectives. There was greater use of working hours which suited the business, increasing control of employees, the development of policies to meet the shortage of labour, and more widespread use of performance-based pay. Second, there was a trend to the individualisation of employment policies and a major decline in the recognition and role of

trade unions. Third, it appeared that more organisations were adopting more effective practices in 2008–09 than 1996, such as recruitment and performance appraisal. Fourth, the role of the most senior HR manager became more strategic and professional during these years.

### **HRM and organisational outcomes**

HRM practices appeared to be harnessed to achieve organisational outcomes. There was increasing use of flexible working practices and greater control of employees, through the wider use of practices such as performance appraisals and the development of policies such as career planning methods, career break schemes and targeting older and women. There was also increasing use of particular performance-based pay arrangements which linked employee performance to organisational performance.

The surveys asked organisations to nominate proportions of their overall staff who were on twelve different types of flexible work arrangements. These included weekend work, shift work, overtime, annual hours contracts, part-time work, job sharing, flexitime, casual staffing, fixed-term contracts, home-based work, teleworking and compressed working weeks. The results indicate a pronounced increase in the use of eight flexible work arrangements over time with more than 50% of the workforce being subject to these arrangements in 2008–09. These flexible practices were weekend work, shift work, overtime, annual hours contracts, part-time work, temporary contracts, fixed-term contracts and compressed working weeks. It is noteworthy that the use of weekend work and annual hours contracts increased dramatically. Declines were reported in the use of flexitime, job sharing, and home-based work. Responses with regard to teleworking were not conclusive either way. Overall, the data over time suggest a move towards methods that suit the requirement for organisation flexibility and away from employee-focused techniques designed to improve quality of working life.

Performance appraisals are a means of linking employee contribution to organisational outcomes. Data relating to the use of formal performance appraisal for four categories of staff shows consistently high use for managerial and professional staff over the period 1996 to 2008–09 (more than 90% for all periods) and an increase in usage for both clerical (78% to 91%) and manual (55% to 68%) during this period. Input into the performance appraisals from the immediate supervisor was consistently greater than 90% and employees, themselves, contributed in more than 80% of organisations in all four surveys. Slight increases were reported in the use of inputs from subordinates (14% to 19%), peers (14% to 21%) and customers (14% to 16%). Finally, between 1996 and 2008–09, the data from performance appraisals was increasingly used to inform decisions in the key HR areas of pay (58% to 79%), training and development (85% to 92%), career planning (79% to 84%) and workforce planning (58% to 67%).

The surveys also indicate that during the 1996 to 2008–09 period, where an organisation was part of a group of companies/divisions/ agencies there was increasing control exerted by the national headquarters. Between 1996 and 2008–09, policies for pay and benefits, recruitment and selection, training and development, industrial relations and workforce



**Table 1** Career planning and development methods

	Yes (%)			No (%)		
	1996	1999	2008–09	1996	1999	2008–09
Formal career plans	33	50	75	67	50	25
Development centres	8	16	32	92	84	68
Succession plans	35	58	80	65	42	20
Planned job rotation	39	43	66	61	57	34
High potential schemes	19	35	55	81	65	45

*Note:* data only available from three surveys.

reduction/expansions were increasingly determined at the national headquarter level, rather than at the international, division/subsidiary or site/local level. An interesting development was the increase in 2005 in all policies, except recruitment and selection, determined at the site level, and then the decline in the determination of policies at this level in the years until 2008–09.

The increasing use of particular HR practices indicate that organisations recognise the need to plan for future workforce capability. Although the surveys during the 1990s indicate staffing ratios increased and decreased at similar ratios, the surveys in 2005 and 2008–09 reveal almost double the number of organisations increased their staffing levels than had in 1996. A greater number of organisations were using formal career development programs, targeting people in particular groups as potential employees, making greater use of leave and career break arrangements and recruiting internally.

Table 1 reveals the substantial growth in the use of career planning and development methods. The use of formal career paths, development centres, succession plans, planned job rotation and high potential schemes increased. In the case of planned job rotation, the increase was 70% and in the case of development centres it was 400%. Similarly, although the use of action plans for people with disabilities, women and ethnic minorities decreased dramatically between 1996 and 2008–09 in the areas of recruitment, training and career progression, older workers (those over 50 years) and women returnees were increasingly targeted in the recruitment process. In 2008–09 16% of organisations were targeting older workers, compared to 4% in 1996, and 21% were targeting women returnees in 2008–09 compared to 12% in 1996.

An interesting development between 2005 and 2008–09 was the increasing use of internal recruitment for all four categories of employees. In 2005 36% of managerial positions were most frequently filled internally, while in 2008–09 the figure was 75%. The increases for the other groups were even more significant. In 2005 12% of professional/technical positions were filled internally, the figure in 2008–09 was 73%; the rate for administrative positions went from 21% to 78% and for manual positions from 22% to 51%.

Increasing numbers of organisations were also using leave and career break schemes in 2008–09 compared to 1996. The percentage of organisations using career break schemes,



maternity leave and paternity leave in excess of statutory requirements, increased from 12%, 49% and 50% in 1996 to 24%, 70% and 63% respectively in 2008–09. In addition, between 1999 and 2008–09 the percentage of organisations providing education/training leave increased from 42% to 54%.

Compensation was also being used to further organisational outcomes. Compensation arrangements which linked employee rewards to organisational or individual/team performance were increasingly used for all employees. Respondents were asked about the extent to which their organisation offered six elements of compensation (share schemes, profit sharing, stock options, performance-related pay, individual performance bonuses and team bonuses) for four categories of staff (managerial, professional/technical, clerical/administrative, manual). Between 1996 and 2008–09 the use of bonuses based on team performance more than doubled for all four categories of employees, while performance-related pay increased moderately for all groups, except manual employees, during the same period. Between 2005 and 2008–09 bonuses based on individual goals and performance increased for all four categories. The increase for managers was from 41% to 59%, for professionals it was from 35% to 56%, for administrative staff it almost doubled from 16% to 31%, and for manual employees there was a slight increase from 10% to 12%.

### **Individualisation and decline in trade unions**

There was a trend to the individualisation of employment policies and a major decline in the recognition and role of collective organisations such as trade unions. As discussed previously, performance appraisals and performance-based pay focused on the individual rather than the collective. In addition, the determination of basic pay increased dramatically at the individual level for managers, professionals/technical, administrative and manual employees. Between 1996 and 2008–09 these increases were from 38% to 72%, 24% to 59%, 14% to 46% and 5% to 17% respectively.

The role of collective bodies in influencing employment significantly declined between 1996 and 2008–09. In 1996, 72% of organisations had a joint consultative committee (JCC), but by 2008–09 this percentage had declined to 41%. Similarly, in 1996, 87% of organisations recognised trade unions for the purposes of collective bargaining, but by 2008–09 this had decreased to only 60%. Not only had recognition of trade unions declined, so had their influence and representation of employees. In all four surveys more than a quarter of organisations claimed trade union influence declined and in 2008–09 44% of organisations claimed trade unions had no influence at all. In 1996 only 8% of organisations had 0% of employees in trade unions, by 2008–09 this had increased to 28%. At the other extreme in 1996, 15% of organisations had 76–100% of employees in trade unions, but by 2008–09 this had been reduced to 4% of organisations.

The surveys indicated that direct communication between managers and employees continued to increase. In 1996 it was reported that in 45–60% of organisations, direct upward communication from employees to their senior managers and/or to their immediate superior increased. This occurred through the use of regular workforce meetings and/or through team briefings. Although it was not possible to compare this increase in

2008–09, the importance of communication through the immediate supervisor and team briefings continued to be used ‘to a great’ or ‘very great extent’ in the majority of organisations.

There was no consistent trend concerning the briefing of different types of employees about business issues. For instance, the proportion of organisations that briefed management, professionals/technical and administrative staff about organisation of work issues increased between 1999 and 2008–09 from 25% to 86%, 69% to 76% and 70% to 72% respectively. However, the percentage of organisations briefing these employees and manual employees on business strategy declined between 1996 and 2008–09 as did formal briefing on financial performance for all but administrative staff.

### Use of more effective HRM policies

It appeared that an increasing number of organisations were adopting more effective HRM practices in 2008–09, than in earlier years. These included more effective recruitment and selection practices, a greater variety of sources of information for performance appraisals, the evaluation of training against criteria such as changes in behaviour and meeting plans objectives and greater evaluation of the HR department. However, although there was increasing use of some effective practices, there were instances where the reverse had occurred.

In 2008–09 an increasing number of organisations were using a wider range of recruitment practices for managerial, professional/technical, administrative and manual staff. Table 2 shows how recruitment sources such as word of mouth, vacancy page on company website, and vacancies on commercial websites increased dramatically between 2005 and 2008–09. These changes suggest that there was a shortage of labour and HR activities were being delivered in different ways. In addition, an increasing number of organisations were

**Table 2** Use of practices most frequently used to recruit staff

	Mgt (%)		Professional/ technical (%)		Clerical (%)		Manual (%)	
	2005	2008–09	2005	2008–09	2005	2008–09	2005	2008–09
Internally	36	75	12	73	21	78	22	51
Recruitment agencies/ consultancies	41	77	39	74	18	46	17	22
Advertisement	19	71	34	78	38	78	38	60
Word of mouth	2	50	2	61	4	63	12	49
Vacancy page on company website	0	54	2	63	4	64	2	47
Vacancies on commercial job websites	1	62	10	71	14	63	7	41
Direct from educational institution	0	4	1	34	1	8	0	10

using interview panels, psychometric testing and references as a means of selecting employees in all four categories.

In an earlier section, the greater use of performance appraisals was revealed. Between 1996 and 2008–09 information for the appraisal was sought from a wider variety of sources and the appraisal data was used more frequently to make a variety of HR decisions. In 1996, 58% of organisations used appraisal data to make decisions about pay, while in 2008–09 this proportion had increased to 79%. Similarly, increases occurred for training and development decisions, going from 88% to 92%, career moves from 79% to 84% and workforce planning from 58% to 67% over the period.

The average number of days per year of training undertaken by employees in the four groups remained similar between 1996 and 2008–09 (between 4 and 8 days for the different groups), as did the expenditure on training (4% of annual payroll costs). However, there was a dramatic decline in the evaluation of training, and when evaluation did occur the methods used were different. In 1996, 82% of organisations reported they evaluated training; however, in 2008–09 the figure had declined to 56%. In circumstances when evaluation did occur, evaluation of training in terms of behaviour increased from 68% to 82%, while evaluation in terms of reaction and results declined from 78% and 56% to 48% and 14% respectively. In addition, in 2008–09 almost half of the organisations evaluated training in terms of whether it met the objectives in the training and development plan, and by gaining informal feedback from line managers and employees.

A further development during this period was the greater evaluation of HR departments' performance. In 1996 only 59% of organisations systematically evaluated the performance of HR, while in 2008–09 this had increased to 98%. Four groups were dominant in the evaluation of this performance. Top management was involved in 97% of organisations, line managers in 89%, the HR function in 85% and employees in 62%.

### **Role of HR managers and departments**

The nature of HR work and the provision of services changed. Between 1993 and 2008–09 the most senior HR managers' role was becoming more strategic, while between 2005 and 2008–09 the use of human resource information systems (HRIS) expanded to perform much of the transactional work. Not surprisingly, the size of the HR department declined during the 1990s and 2000s.

The role of HR professionals within organisations became more strategic and professional between 1996 and 2008–09. During this period the percentage of organisations with HR managers on the board or equivalent increased from 41% to 78%. There is evidence of increasing professionalisation, with HR staff becoming much more likely to hold a university degree in 2008–09 (74%) than in 1996 (61%). An increasing proportion of HR managers held business-related degrees in 2008–09 (40%) compared to 1996 (33%). Qualifications were reported in a wide variety of academic disciplines; however, a noticeable decrease occurred in the numbers of HR managers holding social science and humanities degrees. The percentage of HR managers with these qualifications declined from 22% in 1996 to 15% in 2008–09.

**Table 3** Use of computerised HRIS for particular HR areas

	Yes (%)		No (%)	
	2005	2008–09	2005	2008–09
Individual personnel records	56	79	4	21
Payroll	60	95	2	5
Benefits	46	73	13	27
Time registration and attendance	32	54	25	46
Recruitment and selection	14	45	42	55
Training and development	37	62	22	38
Performance management	20	51	36	49
Career planning/succession planning	9	32	46	68
Work scheduling	12	34	44	66
Health and safety	20	46	32	54

The senior HR manager who completed the surveys typically had between 12 to 15 years work experience in HR at each survey period and was recruited from outside the organisation. In 2008–09, 59% of the HR managers were recruited from HR positions outside the organisation and 11% were recruited from non-HR positions outside the organisation. This compared to 46% and 7% respectively in 1996. At the same time, there was a marked increase in the number of female heads of HR (up from 41% in 1996 to 62% in 2008–09).

While there was increasing professionalisation of HR work, an increasing amount of the HR work was being done by HRIS. Between 2005 and 2008–09 the use of HRIS increased dramatically in many areas of HRM. For instance, the use of HRIS for individual personnel records, payroll, benefits, and time registration and attendance increased from 56%, 60%, 46% and 32% to 79%, 95%, 73% and 54% respectively. There were even greater increases in their use for traditional HRM activities such as recruitment and selection, training and development, performance management, career planning and succession, work scheduling and health and safety. Table 3 reveals the extent of these increases.

At the same time as these changes were occurring, there was a sharp reduction in the number of people employed in HRM departments. Almost all the organisations had HR departments in 1996, 1999, 2005 and 2008–09. In 1999 the average number of staff was 36; however, in 2008–09 the average size had declined to 13. Just as women increased their representation as senior HR managers, their representation in the HR department also increased.

There was also a strong trend to more consultation between HR and line managers on a range of HR issues. The surveys asked respondents who had primary responsibilities for policy decisions relating to all core areas of HR decision-making (pay, recruitment and selection, training and development, industrial relations and workforce planning). Four response categories were available for each HR area: line managers; line managers in consultation with HR; HR in consultation with line managers; or HR alone. As Table 4 shows, there was a clear decrease in all HR areas for line managers to take decisions alone

**Table 4** Primary responsibility for major policy decisions on the following issues

	Line mgt (%)						Line mgt in consultation with HR dept (%)						HR dept in consultation with line mgt (%)						HR dept (%)					
	1996		1999		2006		2008-09		1996		1999		2006		2008-09		1996		1999		2006		2008-09	
Pay and benefits	10	4	4	9	6	6	24	21	27	32	41	56	45	46	25	18	19	16						
Recruitment and selection	6	4	4	8	5	5	35	35	37	42	43	47	44	42	16	14	11	11						
Training and development	8	4	4	6	4	4	33	34	29	38	48	52	53	47	11	11	12	11						
Industrial relations	4	2	2	3	2	2	19	19	15	16	47	51	42	44	30	27	40	38						
Workforce reduction/expansion	17	8	8	15	12	12	43	51	38	46	29	35	40	31	11	6	8	11						

and a similar decrease (with the exception of decision on IR) for HR managers to take decision alone. Corresponding increases were found in the categories where line and HR managers worked together, with the most pronounced increases in the line management in consultation with HR responses.

### Contrary trends

The four surveys using the Cranet surveys in Australia indicated that HR policies were increasingly linked to achieving organisational outcomes, the focus of HR policies was increasingly on the individual and the influence of trade unions was declining, more effective HRM practices were being used and the role of HR professionals and the delivery of HR services was changing. However, there were also indications of some developments, small in nature, which were contrary to these four trends.

Although there was evidence HRM practices were increasingly linked to longer term organisational outcomes, there was a decline in the use of written mission statements, business/ service strategy and personnel/HR strategy between 1996 and 2008–09. At the same time there was an increase in the use of unwritten strategies in these three areas. The use of written mission statements, business/service strategy and personnel/HR strategy declined from 92%, 89% and 70% in 1996 to 85%, 81% and 67% in 2008–09 respectively, while the use of unwritten mission statements, business/service strategy and personnel/HR strategy increased from 2% to 8%, 5% to 11% and 14% to 22% respectively during this period.

In addition, despite a much greater percentage of HR managers sitting on the board in 2008–09 than in 1996, the surveys indicate that the involvement of the HR manager in the development of corporate strategy has declined between 1996 and 2008–09. Only 46% of HR managers reported being involved in the development of strategy from the outset in 2008–09 compared to 50% in 1996.

Similarly, although organisations were targeting older workers and women returnees, the use of actions for women, people with disabilities and ethnic minorities showed a remarkable reduction. Although consistent data was not collected at each survey date Table 5 reveals the decline in action plans for these three groups in the areas of recruitment, training, and promotion/career progression.

**Table 5** Use of affirmative action programs

	Recruitment (%)			Training (%)			Promotion/career progression (%)		
	1996	1999	2008–09	1996	1999	2008–09	1996	1999	2008–09
People with disabilities	46	35	18	32	18	15	28	18	7
Women	73	68	28	54	45	26	60	60	31
Ethnic minorities	–	33	21	–	21	16	–	18	10

## Discussion and future directions in research

The Cranet surveys indicate that Australian HRM was becoming more individually calculative. This was reflected in the use of particular HRM policies such as performance appraisals, performance-based rewards and, increasingly, flexible working arrangements which would appear to support employer requirements rather than employee needs. At the same time, the declining influence of trade unions and of JCCs and increasing communication between senior managers and employees, particularly through workforce meetings, reinforces the individual nature of the HRM's focus. The calculative nature of the relationship is suggested by the reduction in the communication of information about financial performance and strategy. This development is not surprising given the changes in the institutional environment in Australia, particularly the strengthening of the liberal market economy, reduction in tariffs and the legislative changes. The survey involves organisations with parent organisations in a variety of countries. An area of possible future research could be to explore the influence of parent companies in 'collectivist', social democratic countries and assess the influence of the parent companies' HR policies in Australia during a period of economic uncertainty in many European and US companies.

The surveys, particularly the one in 2008–09, suggest HRM policies were being developed to deal with a tight labour market. In 2008–09 staffing levels and internal recruitment had increased, the use of policies to develop internal employees and the use of career break schemes were more widespread. As mentioned previously, women returnees and older workers were being targeted in recruitment, training and promotion. A further development involving the declining use of techniques to reduce staff between 1999 and 2008–09 from 43% to 17% also suggests a labour shortage. It indicates that HR managers are performing the role of a human capital manager as encouraged by Ulrich and Brockbank (2005).

However, although there is evidence there could be a labour shortage, the percentage of organisations viewed as operating in a growing market declined between 1996 and 2008–09 from 61% to 54%, while the percentage operating in a 'same' market increased from 27% to 40%. At the same time, there was a dramatic increase in the proportion of organisations being involved in acquisitions of other organisations (24% to 45%), relocation (9% to 14%) and takeover by another organisation (9% to 13%). The relationship between perceptions of an organisation's market and its labour requirements, now and in the future, could also be an area of future research.

The role of the HR manager and the delivery of HRM services were also continuing to evolve. A greater proportion of HR managers sat on the board of their organisations. Although employees in the four categories specified in the survey were increasingly sought for positions within an organisation, during the survey period the HR managers were increasingly sought from outside the organisation than from within. In addition, HR managers were increasingly working with line managers to make HR decisions and the use of HRIS continued to increase. These developments suggest that some of the transactional



HR work was being removed from the HR department, and that HR managers were playing a strategic partner role. However, the finding that the involvement of these managers in strategy/business development from the outset has declined a little seems to contradict the increasing representation of HR managers on the board. The exploration of this apparent discrepancy would be a fruitful area of future research.

The surveys also suggest that the people filling the role of HR manager were becoming more qualified, professional and integrated with the 'business'. The proportion of HR managers with university qualifications in business studies increased by 10% between 1996 and 2008–09. They were increasingly sought from outside, possibly because of their experience and knowledge in other organisations. In addition, the apparent use of HR policies which are regarded as a form of effective practice could indicate a more widespread knowledge of good practice among HR professionals, i.e. they are performing the role of functional expert. The criteria large organisations use to select HR managers, especially the importance of experience external to the organisation, would be another useful area for future research.

There is little opportunity in the survey or evidence from the results that the HR manager performs the role of employee advocate. The decline in workplace childcare from 12% in 1996 to 3% in 2008–09, the declining availability of home-based work between 2005 and 2008–09, the dramatic decline in action programs for people with disabilities, for women and ethnic minorities, and the decreasing use of JCC suggests employee needs are not assessed. This lack of assessment suggests a duality around the process of providing policies which enable the balancing of employees' work and non-work life. The decline in the sharing of information about business decisions and performance appears to be contrary to an open, engaging culture.

## Conclusion

Policies to manage people in Australia have changed during the last fifty years. The Cranet surveys conducted in 1996, 1999, 2005 and 2008–09 reveal that many HR policies, the role of the HR managers and collective organisations changed significantly. HRM policies were used in increasing numbers of organisations to achieve organisational objectives in the short term through the use of performance appraisals, flexible work practices and performance-based pay. They were also used to achieve organisational outcomes in the long term through career development practices, action plans targeting women returnees and older workers and evaluation of the performance of the HR department.

The changes indicate that HR managers bring a unitarist, rather than a pluralist perspective to the management of employees. Declining union influence, lack of recognition of trade unions and declining use of JCCs support this trend. In addition the use of performance-based pay, performance appraisals and direct communication through the supervisor manager reinforce this view of individuals who share a common interest with employers. However, it is surprising the sharing of information with employees has declined.

The surveys are able to report only on formal policies, not on the implementation of the formal policy in the workplace. The surveys are also unable to report on the impact of the policies on organisational outcomes, or the impact of institutional arrangements on HRM policies. Despite these restrictions, the surveys reveal employers are continuing to change the way they manage people to improve organisational outcomes.

The continuing growth and development of the Asia Pacific region and the role of Australia in these developments will pose an interesting context for the future of human resource management in organisations in Australia. If the present expansion of the mining sector continues and work continues to be 'off-shored' the requirements for managing employees and other people doing the work of organisations will continue to change.

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