

Highlight, copy & paste to cite:

Teo, S. (1998). Changing Roles of Australian HRM Practitioners, *Research and Practice in Human Resource Management*, 6(1), 67-84.

Changing Roles of Australian HRM Practitioners

Stephen Teo

ABSTRACT

Recent studies have shown that Australian human resource management (HRM) has taken on a 'strategic' status. Implicit in these studies is the need for practitioners to effectively manage both macro and micro environmental challenges. Successful repositioning of the HRM function suggests that practitioners must perform three major roles, categorised as (i) strategic; (ii) consultancy; and (iii) service roles. Effective performance of these roles requires a mixture of three different types of skills, such as (i) strategic; (ii) organisational; and (iii) personal skills. The future direction of Australian HRM practitioners is to form a collaborative business partnership with line managers to ensure enhancement of their organisational and professional status.

INTRODUCTION

The main concern of this paper is to review the strategic status of HRM in Australia and to identify the roles and skills required of practitioners to achieve this status. To assess the status of HRM, evidence from several recent studies will be reviewed. International comparison will also be made with studies from New Zealand, the United Kingdom, and the United States of America. Subsequent discussion will focus on the three different roles (namely strategic, consultancy, service roles) required to improve the professional reputational effectiveness of these HRM practitioners. To perform these roles effectively, three different categories of skills must be acquired, such as (i) strategic; (ii) organisational; and (iii) personal skills. Consistent with the trend in the decentralisation of HRM to line managers, the future direction of Australian HRM is to form a collaborative business partnership with line managers to ensure enhancement of their organisational and professional status in the new millennium.

Status of HRM in Australia

This section reviews the strategic status of HRM, drawing evidence from several Australian studies. The 1993 national survey of HRM practices by the Australian Graduate School of Management/CCH Australia shows that there is a relationship between Australia's socio-economical environment and the HRM priorities of Australian organisations (CCH Australia, 1993). There is an increase in the use of short term planning time horizons (due to economic uncertainties), reflecting changes in business mission, goals and strategies, organisational structures and culture. This survey indicates that organisational change strategies have been used by Australian organisations as the link required to match HRM with business strategies.

The 1993 survey by the Institute of Personnel Management New Zealand (1994) examines the perceptions of Australasian practitioners regarding the changes in the priorities of HRM activities, and the changing roles of the function. This survey replicates an earlier study by Towers Perrin/IBM conducted in 1991. It supports the view that HRM is becoming strategic in the Australasian region and the respondents appear to recognise the importance of strategic and effective HRM to organisational success. There is evidence to show that the role of HRM in the region is changing, moving away from the traditional model of personnel management. However, the Australian representation in the sample is small (only 14.4 percent) and thus, it is difficult to generalise about the Australian population.

A similar findings is reported in the 1995 national survey of 10,000 members of the Australian Human

Resources Institute by Dowling and Fisher (1997). Comparison of this survey to an earlier one by Dowling and Deery (1985) shows an increase in the 'strategic' nature of the HRM activities. Some of these improvements included (i) an increase in the number of personnel departments being renamed as Human Resource Departments; (ii) HRM functions receiving more recognition and prestige; (iii) evidence of senior executives discussing HR matters in committees; and (iv) involvement of line managers in HR matters (Dowling and Fisher, 1997). The strategic role of the senior HR practitioner in the 1997 study supports an earlier finding by Deery and Purcell (1989). Deery and Purcell (1989) report that there is a relatively higher rate of senior HR representation in Australia (61 percent) compared with an equivalent British study (34 percent).

The qualitative case studies by Dunphy and Stace (1992) show that there is a definite relationship between organisational change strategies, HR strategies and business strategies. Their study, focused on a number of large Australian private and public sector organisations, provide an in-depth understanding of the strategic role of the HRM function in achieving organisational transformation. Similar to the conclusion reach in the CCH Australia survey (1993), Dunphy and Stace (1992) report that the case organisations used organisational change strategies to match HRM with business strategies. The recent study by Kane (1995) also provides some support for the strategic approach to HRM. Despite a large number of respondents reporting the presence of corporate strategy (73.8 percent) and formal HR strategy (46.4 percent), 17 percent of these respondents reported a positive influence of a market-oriented (or strategic) approach to HRM. An on-going study by the author (Teo and Southey, 1997a; 1997b) has found evidence of strategic HRM in a number of Queensland monopolised statutory organisations, after the corporatisation process. The findings suggest that a strategic HRM focus increases in these corporatised organisations. Prior to corporatisation, HRM seems to reflect that of personnel management, with little or no integration with business strategies in Queensland public service organisations (Robertson, 1994).

However, contradictory findings by Kane and his colleagues (Kane, 1993, 1995; Kane, Abraham and Crawford, 1994; Kane and Palmer, 1995) suggest that strategic HRM is still novel. Only a small minority of the respondents agreed that HRM policies and practices are considered to be long range, integrated or effective. The study by Kane and Palmer (1995) examines the consistency between the sub-functions of HRM and their match with business strategy. They did not find any significant evidence to support the influence of business strategy on HRM strategy. This conclusion supports the findings of two earlier studies (Kane, 1994; Kane, Abraham, and Crawford, 1994), suggesting that no evidence of complementarity exists between training and staff development strategy and business strategy in Australian organisations.

Other researchers, such as Kitay, Lansbury and their team of colleagues, have supported this claim. As part of their study, they conclude that ER management in Australia has not been fully transformed (for detailed discussion, see Kitay and Lansbury 1997). Within the six Australian industries studied, the case organisations demonstrate different degrees of ER management, ranging from bureaucratic and centralised personnel management to the integration of HR and business strategies. The challenge is for HRM practitioners in the 'personnel management' type organisations to attempt to achieve programs which are complementary and align with business strategies (Schuler, 1992). Other factors which would impact on the successful adoption of strategic HRM, include (i) personal social values and standards of managers; (ii) social relations amongst managers; (iii) perceptions about the support of senior management; and (iv) consistencies in the coordination of policies.

Based on an earlier AWIRS 90 data, the review of the status of strategic HRM in Australia by Bamber and Sappey (1995) show that on a national level, unions and employers have strategically adopted approaches which no longer focused on the militant relationship of the 1980s. However, on the enterprise level, they conclude that people management strategies are still characterised by short-term, inconsistent and ad hoc activities. The same finding is reflected in the recent release of the AWIRS 95 report. Despite an increase in the number of workplaces where a specialist ER manager is present, the role of the ER area has changed little over time especially in relation to ER's role in work reorganisation in the event of new product introduction. These studies tend to support the view that the status of HRM is similar to the UK experience, described by Torrington and Hall (1996) as 'chasing the rainbow' as the function is basically personnel management, typified by its short term and reactive approach to ER management.

These studies, summarised in Table 1, provide conflicting evidence regarding HR Management. Part of this confusion seems to derive from the inconsistency in how HRM has been operationalised in extent literature. Jackson and Schuler (1995) in their review, criticised the inconsistent definitions of HRM. For example, Kane (1996) outlines ten different HRM concepts which have been operationalised in the literature, including strategic HRM, unitarist HRM, and multiple constituency HRM. Furthermore, these studies adopt competing research methodologies (ranging from structured questionnaires to qualitative case studies),

Table 1
Summary of Recent Studies into the Status of HRM in Australia

Authors	Aspects of HRM	Methodology and sample size
CCH Australia (1993)	HRM practices; extent of organisational change	structured questionnaire survey (time 1 and 2); N=796
Deery and Purcell (1989)	ER management practices; focusing on IR practices	structured questionnaire survey (time 1); N=142
Dowling and Deery (1985)	HRM practices; status of HRM department in organisations	structured questionnaire survey (time 1, followed by Dowling and Fisher, 1997); N=1,398
Dowling and Fisher (1997)	HRM practices; status of HRM department in organisations	structured questionnaire survey (replicating Dowling and Fisher, 1985); N=2,795
Dunphy and Stace (1992)	organisational change, HR and business strategies	longitudinal qualitative case studies of service industry; N=13
Frenkel and Shaw (1991)	relationship between ER strategies and business policy;	case study; N=1
JPM New Zealand (1994)	HRM practices; role of HRM in Australasia	structured questionnaire survey; N=264 (small Australian sample)
Kane (1993)	long range planning and HRM	structured questionnaire survey (time 1); N=91
Kane (1994)	training and staff development practices and business strategy	structured questionnaire survey (time 1); N=525
Kane (1995)	HRM practices	structured questionnaire survey; N=2,085
Kane, Abraham, and Crawford (1994)	training and staff development practices	structured questionnaire survey (time 1); N=53
Kane and Palmer (1995)	HRM practices and influence on strategy	structured questionnaire survey (time 1); N=26
Kitay and Lansbury (1997)	ER management practices	longitudinal case studies; N=six industries
Kramar (1992)	employment of managers	longitudinal case studies; N=3
Morehead et al. (1997)	ER management practices, both IR and HRM; trade unions	structured questionnaire survey (time 1 and 2); N=2,001
Robertson (1994)	strategic integration between HRM and strategic management	structured questionnaire survey of public service organisations; semistructured interviews; N=16
Teo and Southey (1997a; 1997b)	strategic integration between HRM and strategic management	Structured questionnaire survey; of corporatised public sector organisations (time 1 and 2); N=11

To provide better insights into the status of HRM in Australia, several researchers (e.g. Boxall, 1993; Huselid, Jackson, and Schuler, 1997) have suggested that data should be collected (i) using methodologies which can provide generalisation about Australian industries; (ii) longitudinal in nature (e.g. panel survey of the AWIRS 95); (iii) research the impact of HRM strategies and financial performance; and (iv) using case study methodologies to explain the content and process of HRM. Looking at the longitudinal progression of HRM research in Table 1, there is no consistent pattern which supports the quantitative (or exploratory) methodology first, followed by qualitative (or in-depth understanding of contents and process) methodology later thesis in the development of HRM theory.

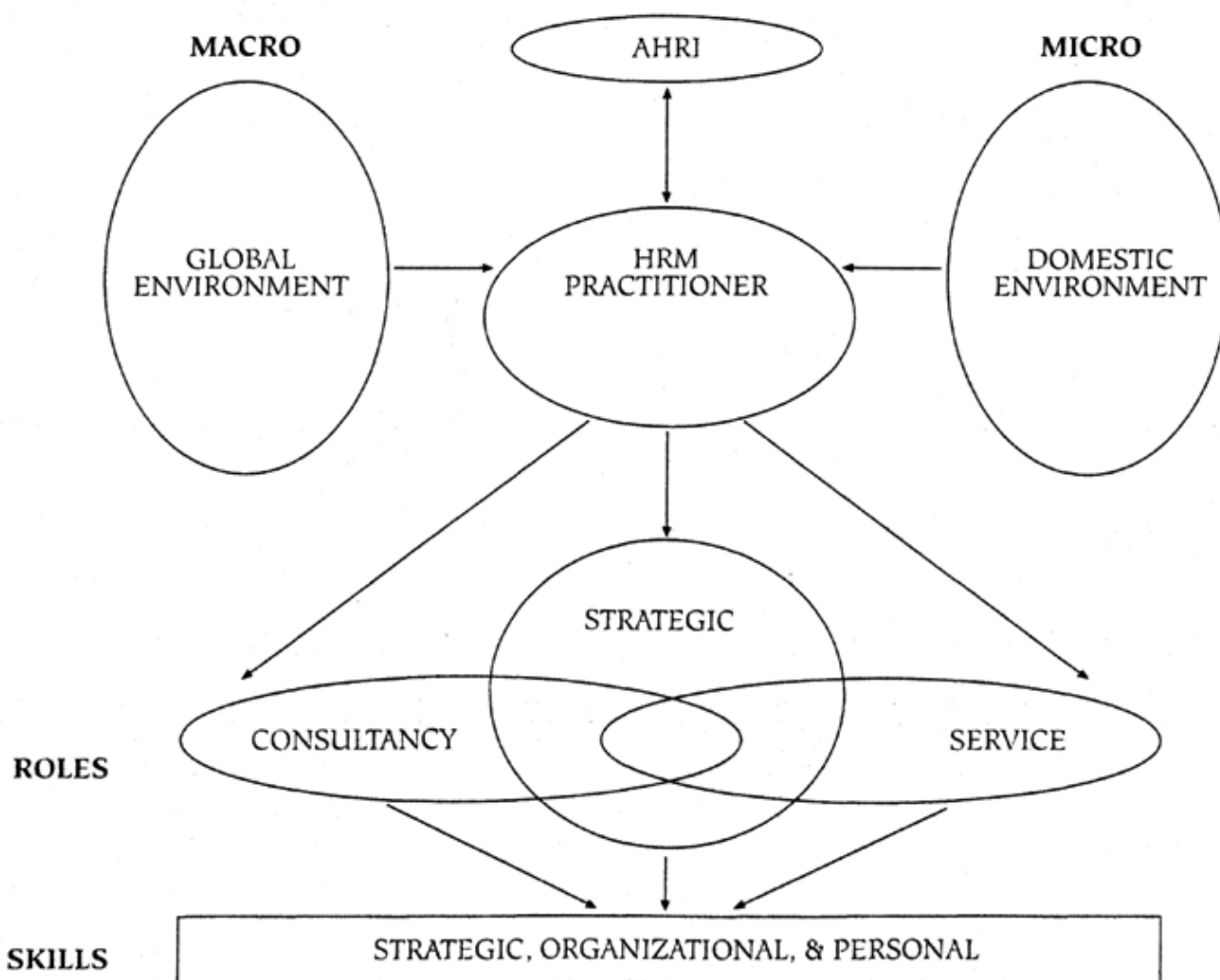
The above review suggests that research into the status of HRM in Australia is still in its early stage, despite a number of studies over the last fifteen years which have attempted to address this particular issue. Rigorous research methodology still has an important part to play in the development of HRM theory and research (Boxall, 1993; 1995). In addition, practitioners must understand how their respective HRM roles could change to make themselves more visible and effective. The next section will examine how practitioners can learn from research (e.g. roles of HRM) originating from other countries. This research (e.g. Ulrich, 1996) highlights three main roles which practitioners in other countries have successfully played to improve their reputational effectiveness.

The above discussion suggests an increasing emphasis on making HRM more strategic in Australian organisations. However, practitioners must benchmark the organisational roles of the people management function (Glanz and Dailey, 1992). To understand these roles, this section will focus on the roles required of Australian practitioners to succeed in achieving a strategic status within their organisations. Prior to identifying these roles, the following section will highlight the influence of environmental factors on the extent of HRM (Frenkel and Shaw, 1991; Jackson and Schuler, 1995).

Jackson and Schuler (1995) highlight the importance of macro and micro environmental factors on the HRM function. For example, macro environmental factors include changes in economic and business structures (e.g. economic downturn, globalisation, new organisational forms, knowledge based organisations); changes in industry characteristics and structures (e.g. Hilmers National Competition Policy); product and labour markets characteristics (e.g. consumer sophistication, high unemployment, workforce diversity); and financial and technological advances (see Carter, Nicholson, and Barlow, 1995 for detail discussion).

Micro dimensions are concerned with individual level factors such as professional and technical skills/competencies (Ulrich et al., 1995), reputational effectiveness of the HRM function in the organisations (Thui, 1994) and the development of strategic mindset by HRM practitioners (Ulrich and Yeung, 1989). The influence of these two dimensions would determine the extent to which different roles are required of HRM practitioners (Schuler, 1990; Ulrich and Yeung, 1989), illustrated in Figure 1.

Figure 1
Changing Roles of Australian HRM Practitioners



The influence of macro and micro dimensions require practitioners to undertake three closely related roles (strategic, consultancy and service) with the multiple stakeholders of the HRM function (shown as the overlapped section in Figure 1). Figure 1 also takes into consideration the importance of the Australian Human Resource Institute (AHRI) as the professional association representing the interests of Australian practitioners (Smart and Pontifex, 1994). In addition, AHRI provides the professional development to enable practitioners acquire the right mix of competencies required in their new roles.

The role effectiveness of senior HRM practitioners in the strategic decision making process is an important micro dimension factor. In Australia, supporting an earlier study by Deery and Purcell (1989), Dowling and Fisher (1997:9) report that senior HRM managers are well represented on boards and executive committees. However, Gennard and Kelly (1997) caution practitioners that HR representation on the board of directors should not be seen as an Indicator of high status and influence. This is because it does not indicate active representation of the people management function in strategic decision making and strategy formation processes. Torrington and Hall (1996) suggest that the strategic role of the senior HRM practitioners in the UK is a workplace rhetoric. They argue that the main issue is how personnel practitioners can add value by demonstrating the skills and competencies required to engage strategically in business processes. Individual competencies of the personnel directors can play an important part in influencing the strategic business decision making process (Gennard and Kelly, 1997; Ulrich et al. 1995). Others, such as Thai and Gomez-Mejia (1988) suggest that there are a range of indicators which reflect the process (e.g. absenteeism rate, average time to fill jobs) or outcome (e.g. revenue per employee, value added on HR investment) effectiveness of the HRM function.

Research has suggested that the roles of the HRM function should change in order to successfully meet the demands placed by external and internal environments (Schule 1990; Ulrich and Yeung, 1989; Ulrich, 1996). Traditionally, the roles of practitioners can be classified as maintenance (e.g. salary and leave processing), reactive (lack of strategic approach), and operational (e.g. recruitment and selection). Practitioners have to relate their activities in a more holistic manner to the business activities in a complex and changing environment (Jackson and Schuler, 1995). There is a growing need for practitioners to be part of the top management team, engaging in a business partnership with line managers (Eisenstat, 1996; Gennard and Kelly, 1997; Ulrich, 1996). Eisenstat (1996) argues that the primary source of competitive advantage is the centrality positioning of the HRM function within any organisations. Business partnership with line management and other stakeholders requires HRM practitioners to undertake three main roles within their organisations, namely, strategic, consultancy, and service roles. The change in roles are consistent with developments in New Zealand (IPMNZ, 1994) and reflected in the 1995 national survey of AHRI members (Dowling and Fisher, 1997).

Strategic Role

Australian HRM practitioners have to change their outlook from focussing on operational issues to strategic issues. There is an increasing emphasis on the contribution by practitioners to business decision making by participating in the strategic management process (Dowling and Fisher, 1997). To qualify for this transition, practitioners can take an active role in marketing their products and services to the line managers (Fitz-enz, 1986; Schneidet 1994). They must focus on the needs of customers (Schuler and Jackson, 1987), both internal and external (Ulrich, 1992) to achieve competitive advantage. Eisenstat (1996) urges practitioners to focus on the centrality of the corporate HRM function as a means to align themselves with line managers in the strategic management of HR.

This is similar to the findings identified in Gennard and Kelly (1997), stating that decentralisation of the HRM function to line managers does not imply HRM function is losing control in the people management process. Instead, the relationship between line and HRM managers can be explained through 'mutual influence by contributing jointly to the solutions of business problems' (1997:40). For example, practitioners can contribute strategically (i) by working with senior management to ensure the next generation of Australian managers are educated in appropriate skills and competences (Carter, Nicholson, and Barlow., 1995); (ii) by involving themselves in the reorganisation of work (Morehead et al, 1997); and (iii) by sharing responsibilities for key HRM functions and activities with line managers (IPMNZ, 1994).

Consultancy Role

HRM practitioners should reposition themselves within the organisation to act as internal consultants to line managers (Adams, 1990; Thnner, 1997). For example, Adams (1990) finds that British organisations have outsourced their HRM function to external parties. A smaller corporate HRM unit has been used to provide consulting services to line managers. In this instance, HRM practitioners act as change agents or facilitators of the organisational change process (Anon., 1997; Ulrich, 1996). As demonstrated in Ulrich's (1996) analysis, the grouping together of both change agent and strategic roles reflect the importance of the ability of practitioners to manage change in a volatile environmental conditions. This role is applicable in Australia as organisational change (e.g. competitive pressures, new office technology, and organisational restructures) is widespread (Morehead et al., 1997:257).

Service Role

Practitioners have a role to play in the process of providing guidance and support to line managers in the implementation of innovative business strategies (Hiltrop, Despres and Sparrow, 1995). This role supports the decentralisation of HRM responsibilities to line managers (Dunphy and Stace, 1992; Morehead et al., 1997) and is similar to the proposition made by the IPMNZ (1994) study. Besides its functional support role, practitioners have a service role by working together and involving their stakeholders/clients in the design and delivery of HR/IR/ER products and services (Schuler and Jackson, 1987; Ulrich, 1996). This role is similar to that of an administrative expert (Ulrich, 1996). With major reforms in the Australian IR arena (Morehead et al, 1997), practitioners can provide the support and guidance required in the negotiation of individual employment contracts, interpretation of the new legislation and on-going negotiation with the trade unions (Wittingslow 1997). This role is similar to that of the employee champion, suggested in the research by Uhich (1996) and it is important as the responsibility for industrial employee relations are being devolved to line managers in Australia (Deery and Purcell, 1989; Morehead et al., 1997).

Organisational downsizing is another area in which HRM practitioners can provide service to line managers (Papalexandris, 1996). This situation is relevant to the Australian environment as both private and public sector organisations have undergone downsizing (Littler et al, 1997; Morehead et al, 1997). Practitioners play a key role in ensuring that downsizing is implemented effectively, minimising the negative impact (such as decreased job satisfaction, staff motivation, and increased concern over job security) on those who survive (Littler et al., 1997).

MAJOR SKILLS REQUIRED BY HRM PRACTITIONERS

Evidence has shown that Australian practitioners have a diverse range of working experience and levels of academic background. For example, only 22 percent of the respondents began their career in the HRM/IR functions; and the single largest group began their people management career in the clerical area (Dowling and Fisher, 1997). The combination of various roles and various backgrounds suggest that practitioners should acquire a number of different skills (Blancero, Boroski and Dyer, 1996; Connor and Ulrich, 1996) in order to demonstrate their contribution to firm performance (Huselid, Jackson, and Schuler, 1997). Davidson (1996) urges practitioners to acquire general management competences and to accept responsibilities for their organisation's bottom line. Others, such as Cunningham and Debrah (1995), support this idea by stating that practitioners should adopt an HRM approach which focuses on roles and skills necessary to manage the ambiguity in the people management function.

Recent research in the USA (Blancero, Boroski, and Dyer, 1996; Elsenstat, 1996; Huselid, Jackson, and Schuler, 1997; Ulrich et al., 1995) conclude that specific HR competences can be used to add value to the bottom line of business. These studies highlight three different categories of HR competences, namely (i) knowledge of business; (ii) management of change; and (iii) HR functional expertise. Simultaneously, a number of recent studies examine generic managerial/professional skills and competencies (Hearn et al., 1994) and leadership skills (e.g. Santos, Tanewski, and Santora, 1995; Wallace and Hunt, 1996). Given the managerial nature of the HRM function, these generic managerial and professional competences can be adopted for the development of HRM practitioners in their changing roles.

Strategic Skills

In Australia, evidence exists to show that personnel management departments have changed to the title of 'human resource management' (Dowling and Fisher, 1997). Kelly and Gennard (1996) suggest that strategic thinking rather than the labels attached to the people management function is the key to HRM role effectiveness. Ulrich and Yeung (1989: 42) state that 'the differences in paradoxical expectations and roles will require new thinking'. This exemplifies the need for practitioners to acquire new competences to meet the business issues and challenges of their new roles.

The need for strategic skills is also highlighted in the Karpin Report (1995) on managerial and leadership skills in Australia. Strategic skills can include the abilities of seeing the macro (or bigger) picture, especially in terms of business knowledge and strategic planning skills. Ulrich (1996) and his colleagues (Ulrich et al, 1995) conclude that effective performance of HRM would require a combination of business knowledge, together with functional and change management skills.

Organisational Skills

Organisational capability. To become business partners with senior and line management, practitioners must

acquire new skills to equip themselves for their new roles. These can be gained through management development programs offered by institutes of higher learning or professional associations (Smart and Pontifex, 1994). It is also important for practitioners to acquire skills in the management of change (Anon. 1997; Guest, 1992; Ulrich and Yeung, 1989; Ulrich et al., 1995). As HRM is in the business of influencing the behaviour of employees, cognitive and behavioural skills are also required in order to meet the challenges of these new roles. As HRM becomes more customer focused (Schneider, 1994; Schuier and Jackson, 1987), practitioners have to embark on marketing exercises to improve their reputation and profile within their organisations (Pitz-enz, 1986). Therefore, there is a need for practitioners to acquire marketing and public relations related skills.

Functional capability included in this category are technical skills such as selection techniques, HR information systems, compensation and remuneration packages. These skills can be acquired through benchmarking (Glanz and Dailey 1992) or through external course providers. Changes to IR (Morehead et al., 1997) have a major impact on the way HRM is being performed in Australian from the short to medium term (Dowling and Fisher, 1997). As a consequence, IR-related skills such as negotiation, conflict resolution, and performance management are critical in assisting practitioners to raise line management awareness of the HRM function. Other skills would include financial (Armstrong, 1995) and technological skills (Ulrich et al., 1995). The findings by Huselid, Jackson and Schuler (1997) suggest that HRM technical expertise is important also.

Global capability. International business skills, such as foreign languages and cross-cultural understanding (Bigelow 1994; Carter, Nicholson, and Barlow, 1995) must be developed if practitioners are to assist their organisations compete successfully in the international arena. An understanding of HRM issues regarding the employment of global managers (e.g. expatriate management, taxation, performance appraisal, and repatriation) requires practitioners to think and behave differently (Adler and Bartholomew, 1992). As the degree of multiculturalism increases in the Australian workplaces, cross-cultural understanding can also be beneficial for domestic conditions.

Personal Skills

Personal skills are relevant for both domestic management and international management. Managerial skills, such as stress management, time management, career development, Interpersonal skills (see Bigelow, 1994), leadership skills (Sarros, Tanewslid, and Santora, 1995; Ulrich, 1991), and HR core competencies, including personal integrity, ambition and drive, and team skills (Blancero, Boroski and Dyer, 1996) are included in this category. As practitioners undertake consultancy roles, they will have to focus on acquiring effective facilitation and consultancy skills as a means of influence within their organisations (Anon. 1997; Tanner, 1997).

The above discussion highlights the three different categories of skills which would improve the effectiveness of the HRM functions. Successful repositioning of the function will require the performance of three key roles, each requiring a different mix of HR skills (briefly summarised in Table 2). The development of the above 'soft and hard' skills can be acquired through tertiary institutions, private colleges and institutes of further education.

Table 2
Critical HR skills required of HRM practitioners

Critical HR Skills	Description
Strategic skills	strategic mindset, e.g. ability to see macro picture; business knowledge;
Organisational skills	
(i) organisational capability	change management; cognitive and behavioural skills; marketing skills
(ii) functional capability	technical skills, e.g. recruitment and selection, HRIS; IR-related skills, e.g. negotiation and conflict resolution, performance management; financial and technological skills; strategic planning
(iii) global capability	cross-cultural skills; international business skills, e.g. taxation
Personal skills	managerial skills, e.g. stress and time management; HR core competencies, e.g. personal integrity, team skills, facilitation and consulting skills.

The above review demonstrates the importance of the micro dimension in assisting practitioners in enhancing the status of HRM in their organisations. In particular, skill acquisition is an important facet as both technical and strategic skills are essential for HRM effectiveness. Similar to other regions such as Europe (Hiltrop, Despres, and Sparrow, 1995), UK (e.g. Adams, 1990; Anon, 1997) and the USA (e.g. Eisenstat, 1996; Ulrich, 1996), there is an on-going change to the role and status of the people management function. As such, Australian HRM practitioners can learn from the experiences of their counterparts in these countries.

For example, European HRM practitioners are undergoing a period of change as a result of international competitiveness and a greater emphasis on the strategic management of organisations (Hiltrop, Despres, and Sparrow, 1995). Their roles have taken on a strategic approach to the management of human resources and the realisation that an increasing range of expertise are needed for their new roles. It has also been found that there has been a ' balkanisation' of British personnel management, evident by the fragmentation of the function into different kinds of specialist expertise such as external consultancy, in-house agency, internal consultancy, and business within a business (Adams, 1990). These different roles of the people management function seem to be consistent with the recent research on HR roles (e.g. Connor and Ulrich, 1996; Eisenstat, 1996; Ulrich, 1996).

One of the most important HRM changes in these countries has been the decentralisation of the HRM function to line managers (e.g. Gennard and Kelly, 1997; Hiltrop, Despres, and Sparrow, 1995; IPMNZ, 1994; Torrington and Hall, 1996). This decentralisation may be difficult as line managers may not have the right skills to manage their employees (Hiltrop, Despres, and Sparrow, 1995). However, research has shown that the decentralisation of the HRM function to line managers does not reduce the influence of HRM practitioners (Gennard and Kelly, 1997). Instead, practitioners can adopt a general business management approach to HR issues by becoming flexible business managers. Again, this description of a flexible business manager is consistent with that of HR champions (Ulrich, 1996) and supports the central role of HRM function in organisations (Eisenstat, 1996).

The strategic status of HRM can also be determined by examining the extent to which practitioners add value by acquiring strategic thinking capabilities (Torrington and Hall, 1996). This is consistent with the idea of using intellect as a leverage in achieving competitive advantage (Quinn, Anderson and Finkelstein, 1996). Others, such as Eisenstat (1996) and Ulrich and his colleagues (Ulrich et al., 1995), support this idea by suggesting that the possession of strategic thinking skills in HRM can provide the capacity for integrating HR activities with business decision making process, in conjunction with line management and other stakeholders. This business partner relationship is essential in the on-going development of the profession (Gennard and Kelly, 1997; Ulrich, 1996).

CONCLUSION

Beginning with the first Australian survey of the profession by Dowling and Deery (1985) to the latest national AWIRS 95 survey, evidence indicates the HRM profession has undergone several changes. From its humble beginning as provider of personnel management services, the profession has gradually evolved into being part of the top management team. The business of HRM must further change in order to meet the new demands of the domestic and international business environments. Practitioners must take on an active role in the strategic management of HR in their organisations. Responding to the possibility of using HR as a source of competitive advantage, the profession has an important role to play in the business decision making processes.

In response to the challenges highlighted in this review, new roles and skills are necessary to make this transition a successful one. To add value to their organisations, practitioners have to reposition their organisational roles, and move toward becoming business partners with line managers. This business partnership role is also consistent with developments in Europe, the United Kingdom and the USA. This relationship requires the fulfilment of three closely related roles, namely strategic, consultancy and service roles.

The accomplishment of these roles require the identification of new skills and competencies or the repackaging of existing skills and competencies (categorised into strategic, organisational and personal skills). The time has come for practitioners to step out of their comfort zone and adopt strategic skills and competencies, using these as a source of competitive advantage. The challenge for HRM practitioners, is then, to gain the respect of line managers in the on-going strategic management of business operations in a changing and volatile environment. Perhaps, in the new millennium, HRM practitioners may even step out of the people management function into the management of operating units of Australian businesses

(Wittingslow, 1997).

Acknowledgements: The author wishes to thank Lisa Bradley, Donald Campbell, Jan Nixon, Adrian Wilkinson and the anonymous reviewers for their helpful comments and suggestions on an earlier version of this paper.

REFERENCES

- Adams, K. (1990). Externalisation vs specialisation: What is happening to personnel? *Human Resource Management Journal*, 1(4), 40-54.
- Adler, N.J. and Bartholomew, S. (1992). Globalization and human resource management. *Research in Global Strategic Management*, 3, 179-201.
- Anon. (1997). Traditional HR function must change. *Industrial Relations Trends*, 624, 2.
- Armstrong, P. (1995). Accountancy and HRM, in J. Storey (Ed.), *Human resource management: a critical text*. London: Routledge, 142-166.
- Bamber, G.B. and Sappey, R.B. (1995). Changing approaches to Industrial relations and human resource management in Australia. Paper presented at the 10th World Congress of the International Industrial Relations Association, Washington, USA.
- Bigelow, J.D. (1994). International skills for managers: integrating international and managerial skill learning. *Asia Pacific Journal of Human Resources*, 32(1), 1-12.
- Blancero, D., Boroski, J. and Dyer, L. (1996). Key competences for a transformed human resource organization: results of a field study. *Human Resource Management*, 35(3), 383-403.
- Boxall, P. (1993). The significance of human resource management: a reconsideration of the evidence. *International Journal of Human Resource Management*, 4(3), 645-664.
- Boxall, P. (1995). The strategic HRM debate and the resource-based view of the firm. *Human Resource Management Journal*, 6(3), 59-75.
- Caner, C., Nicholson, J. and Barlow, M. (1995). The Australian manager of the twenty-first century, in *Industry Task Force on Leadership and Management Skills, Enterprising Nation: Renewing Australia's Managers to Meet The Challenges of the Asia-Pacific Century — A Report*. Canberra: Australian Government Publishing Service, 1223-1288.
- CCH Australia (1993). National survey of human resources management practices. *Australian Personnel Management*, September 1993, North Ryde, NSW: CCH Australia, 1461-1487.
- Connor, J. and Ulrich, D. (1996). Human resource roles: creating value, not rhetoric. *Human Resource Planning*, 19(3), 38-49.
- Cunningham, J.B. and Debrah, Y.A. (1995). Skills for managing human resources in a complex environment: the perceptions of human resource managers in Singapore. *International Journal of Human Resource Management*, 6(1), 79-101.
- Davidson, P. (1996). Function struggles with potential of strategic HRM. *HR Monthly* July, 6-7.
- Deery, S. and Purcell, J. (1989). Strategic choices in industrial relations management in large organizations. *Journal of Industrial Relations*, 31(4), 459-477.
- Dowling, P.J. and Deery S.J. (1985). The Australian personnel and industrial relations practitioner: A 1984 Profile. *Human Resource Management Australia*, 23(4), 49-57.
- Dowling, P.J. and Fisher, C. (1997). The Australian HR professional: A 1995 profile. *Asia Pacific Journal of Human Resources*, 35(1), 1-20.
- Dunphy D. and Stace, D. (1992). *Under new management: Australian organizations in transition*, Roseville, NSW: McGraw-Hill.
- Eisenstat, R.A. (1996). What corporate human resources brings to the picnic: four models for functional management. *Organizational Dynamics*, Autumn, 7-23.
- Fitz-enz, J. (1986). How to market the HR department. *Personnel*, March, 16-24.
- Frenkel, S. and Shaw, M. (1991). Employee relations and organizational growth and decline: a case study. *Journal of Industrial Relations*, 196-219.
- Gennard, J. and Kelly, J. (1997). The unimportance of labels: the diffusion of the personnel/HRM function. *Industrial Relations Journal*, 28(1), 27-42.

- Glanz, E.F. and Dailey, L.K. (1992). Benchmarking. *Human Resource Management*, 31(1/2), 9-20.
- Guest, D. (1992). Human Resource Management in the United Kingdom, in B. Towels (Ed.), *The handbook of human resource management*. Oxford, Blackwell, 3-26.
- Hearn, G., Smith, B., Southey, G. and Close, A. (1994). Generic professional competencies: a review and analysis of the literature and implications for higher education. *Australian Centre in Strategic Management Working Paper Series No. 34*, Queensland University of Technology, Brisbane, Australia.
- Hiltrop, J-M., Despres, C. and Sparrow, P. (1995). The changing role of HR managers in Europe. *European Management Journal*, 13(1), 91-98.
- Huselid, M.A., Jackson, S.E. and Schuler, R.S. (1997). Technical and strategic human resource management effectiveness as determinants of firm performance. *Academy of Management Journal*, 40(1), 171-288.
- Industry Task Force on Leadership and Management Skills (1995). *Enterprising nation: renewing Australia's managers to meet the challenges of the Asia-Pacific century — A report*. Canberra: Australian Government Publishing Service.
- Institute of Personnel Management New Zealand (1994). *Human resources priorities for competitive advantage 1994-2000: The IPM Survey Report*, Wellington, N.Z.: Institute of Personnel Management New Zealand.
- Jackson, S.E. and Schuler, R.S. (1995). Understanding human resource management in the context of organizations and their environments. *Annual Review of Psychology*, 46, 237-264.
- Kane, R.L. (1993). Long range, integrated HRM: what stands in the way? *International Journal of Employment Studies*, 1(2), 212-235.
- Kane, R.L. (1994). Training and staff development in Australian organisations: quick fix or long term investment. *International Journal of Employment Studies*, 2(1), 158-176.
- Kane, R.L. (1995). Strategic HRM: still in the minority? Conference paper presented at the Australian and New Zealand Academy of Management Annual Conference, December, Townsville.
- Kane, R.L. (1996). HRM: changing concepts in a changing environment. *International Journal of Employment Studies*, 4(2), 115-177.
- Kane, R.L., Abraham, M. and Crawford, J.D. (1994). Training and staff development integrated or isolated? *Asia Pacific Journal of Human Resources*, 32(2), 112-132.
- Kane, R. and Palmer, I. (1995). Strategic HRM or managing the employment relationship. *International Journal of Manpower*, 16(5/6), 6-21.
- Kelly, J. and Gennard, J. (1996). The role of personnel directors on the board of directors. *Personnel Review*, 25(1), 7-24.
- Kitay, J. and Lansbury, R.L. (1997). *Changing employment relations in Australia*. South Melbourne: Oxford University Press.
- Kramar, R. (1992). Strategic human resource management: are the promises fulfilled? *Asia Pacific Journal of Human Resources*, 30(1), 1-15.
- Littler, C.R., Dunford, R., Bramble, T. and Hede, A. (1997). The dynamics of downsizing in Australia and New Zealand. *Asia Pacific Journal of Human Resources*, 35(1), 65-79.
- Morehead, A., Steele, M., Alexander, M., Stephen, K and Duffin, L. (1997). *Changes at work: the 1995 Australian workplace industrial relations survey*. Melbourne, Longman.
- Papalexandris, N. (1996). Downsizing and outplacement the role of human resource management. *International Journal of Human Resource Management*, 7(3), 605-617.
- Quinn, J.B., Anderson, P. and Finkelstein, S. (1996). Leveraging intellect. *Academy of Management Executive*, X(3), 7-27.
- Robertson, I. (1994). The impact of strategic management principles on public sector human resource management. *Unpublished Master of Public Administration dissertation*. St Lucia: Department of Government, University of Queensland.
- Sarros, J.C., Tanewski, G.A. and Santora, J.C. (1995). Leadership activities of Australian executives. *Journal of Australian and New Zealand Academy of Management*, 1(2), 3343.
- Schneider, B. (1994). HRM — a service perspective: towards a customer-focused HRM. *International Journal of Service Industry Management*, 5(1), 64-76.

- Schuler, R.S. (1990). Repositioning the human resource function: transformation or demise? *Academy of Management Executive*, 4(3), 49-60.
- Schuler, R.S. (1992). Strategic human resources management linking the people with the strategic needs of the business. *Organisational Dynamics*, 21(1), 18-32.
- Schuler, R.S. and Jackson, S.E. (1987). Customerization: the ticket to better HR business. *Personnel*, June, 36-44.
- Smart, J. and Pontifex, M. (1994). Human resource management and the Australian Human Resources Institute: the profession and its professional body, in A.R. Nankervis and R.L. Compton (eds), *Readings in Strategic Human Resource Management*. Melbourne: Nelson, 185-205.
- Stace, D.A. (1987). The value-added organisation: trends in human resource management. *Human Resource Management in Australia*, 25(3), 52-64.
- Tanner, N. (1997). Building partnerships. *HR Monthly*, May, 197-20.
- Teo, S.T.T. and Southey, G.N. (1997a). Does strategic HRM exist in corporatised Queensland public sector organisations? in T. Bramble, B. Harley, R. Hall, & G. Whitehouse (Eds.), *Current Research in Industrial Relations*. Conference Proceedings of the 11th Association of Industrial Relations Academics of Australia and New Zealand Annual Conference, 30 Jan - 1 Feb, Brisbane, Australia, 330-339.
- Teo, S.T.T. and Southey, G.N. (1997b). Dreaming of strategic HRM? evidence from corporatised public sector organizations. Paper presented at the Australian and New Zealand Academy of Management 1997 Conference, 4-6 December 1997, Melbourne.
- Torrington, D. and Hall, L. (1996). Chasing the rainbow: how seeking status through strategy misses the point for the personnel function. *Employee Relations*, 18(6), 79-96.
- Tsui, A.S. (1994). Reputational effectiveness: toward a mutual responsiveness framework, in B.M. Staw and L.L. Cummings (Eds.). *Research in Organizational Behavior*, 16, 257-307.
- Tsui, A.S. and Gomez-Mejia, L.R. (1988). Evaluating human resource effectiveness, In L. Dyer (Ed.), *Human Resource Management — Evolving Roles & Responsibilities*. Washington, D.C.: The Bureau of National Affairs, 187-225.
- Ulrich, D. (1991). Competing from the inside out. *Executive Excellence*, June, 9-10.
- Ulrich, D. (1992). Strategic and human resource planning linking customers and employees. *Human Resource Planning*, 15(2), 47-62.
- Ulrich, D. (1996). *Human resource champions: the next agenda for adding value and delivering results*. Boston, MA, Harvard Business Press.
- Ulrich, D., Broadbank, W., Yeung, A.K. and Lake, D.G. (1995). Human resource competencies: an empirical assessment. *Human Resource Management*, 34(4), 473-495.
- Ulrich, D. and Yeung, A. (1989). A shared mindset. *Personnel Administrator*, 34 (March), 38-45.
- Wallace, J. and Hunt, J. (1996). An analysis of managerial competencies across hierarchical levels and industry sectors: a contemporary Australian perspective. *Journal of the Australian and New Zealand Academy of Management*, 2(1), 36-47.
- Wittingslow, G. (1997). The future for HR professionals: line manager or policy-maker? *Asia Pacific Journal of Human Resources*, 35(3), 104-109.