Perceptions of strategic and operational involvement in HRM as predictors of HRM performance

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Abstract:

There has been little empirical evidence regarding the involvement of public sector human resource (HR) departments in operational and strategic activities. To address this gap in the literature, this present study examines the strategic and operational involvement of public sector HRM departments in the Australian context. Survey data were collected from 112 senior executive officers of 51 commercialised and non-commercialised public service agencies in New South Wales and Queensland. The results indicate that senior line and HR executives in the public sector had different perceptions of the involvement and performance of the HR department. The results suggest that the size of the organisation is a significant predictor of HR department effectiveness. Strategic involvement of the HR department was also a significant predictor of HR department performance. Despite a strong negative correlation with HR performance, the devolution of operational HR activities to line management was not a predictor of the performance of the HR department Theoretical and practical implications are then discussed.

There is a growing body of literature that focuses on the adoption of new management practices in the public service. Some have termed this development 'new public management' (Kearney and Hays, 1998) and it allows bureaucrats to manage public sector entities within the competitive market environment. During the last two decades, the public sector has implemented a number of changes to its managerial structures, systems and processes, including restructuring, performance auditing, program management and budgeting, and privatisation of state-owned entities (Osborne and Gaebler, 1992). The emphasis is on achieving efficiency, effectiveness and economy in the activities performed by public sector organizations, and on an ability to compete with private sector entities which operate in similar markets.

Empirical evidence from the United Kingdom (Farnham and Horton, 1996) and New Zealand (Powell and Spicer, 1994) has demonstrated that the commercialisation of public sector entities has a number of HRM implications. These newly structured, state-owned entities have adopted new HR strategies (such as development of commercial skills and competencies, downsizing and decentralised enterprise bargaining) to respond to the need of becoming more focussed on performance and accountability in the commercialised environment, with a move from personnel management to HRM (Farnham and Horton, 1996). The fundamental philosophy in this field of study treats HR as a critical resource in the strategic management process; thus organizations should manage their HR effectively to provide a source of competitive advantage (Barney and Wright, 1998).

Although there is a growing body of literature that focuses on public sector HRM function, most of these studies do not examine the status of HR departments in strategic management. These scholars argue that the adoption of new public management has achieved the shift from personnel management to a more strategic approach to HRM. These studies were conducted in the United Kingdom and the USA, with little empirical evidence available from the Australian public sector

context. Research into the Australian context is important as it allows comparison with other countries in relation to the changing roles and contribution of the HRM function in the process of public sector reform. Therefore, the present study aims to contribute to this body of literature by examining the involvement of public sector HR departments in operational and strategic activities in the process of strategic management.

COMMERCIALISATION AND PUBLIC SECTOR HR DEPARTMENTS

Most studies on HRM evaluation focused on the functional aspects of people management (Biles and Schuler, 1986). Instead, the emphasis of these studies is on the effectiveness of HR activities and processes. Few studies have been published in the public sector HRM literature on the role and effectiveness of the HRM function (with the exception of King & Bishop, 1991; Sampson, 1993). The majority of research has been conducted in the North American context and these studies have shown that HR departments have an influence on public sector entities undergoing change (e.g., Sampson, 1993). Few empirical studies in the Australian and New Zealand public sector HRM literature have focused on the role and effectiveness of the HR department.

Previous research has indicated that care should be taken in evaluating the effectiveness of the HR department (e.g., Tsui, 1987). For instance, Straus (1991) proposed that public sector personnel departments should be evaluated to assess multiple stakeholders' perceptions of the effectiveness of personnel activities. Straus (1991) concludes that stakeholder groups have different perceptions of personnel department effectiveness. He finds that management employees rated the department most effective. Another study by King and Bishop (1991) also examined the effectiveness of the HRM department. They survey a random sample of 550 personnel managers in the Chicago area. The results suggest that line managers and personnel managers do not have the same level of effectiveness rating when it comes to the evaluation of personnel activities. This finding is similar to the research conducted by Tsui (1987).

As noted in Sampson (1993) multiple constituents have different perceptions towards the effectiveness of the HRM function. Line managers and ceos have a preference for personnel departments that deliver maintenance service, instead of strategic management activities. This is because of the political nature of the HRM function as senior HR executives have to demonstrate their value adding contribution to the strategic decision making process. This evaluation model is also consistent with the literature which considers the HRM function as a service function (Schneider, 1994). Therefore, we expect stakeholders will have different perceptions of HRM effectiveness.

Hypothesis 1: There is a difference in the level of perceptions regarding operational and strategic involvement of the HRM function and its performance between senior public sector HR and line executives.

Commercialisation and the adoption of HRM

Research has shown that the adoption of HRM seems to be affected by the extent of commercialisation to (Powell and Spicer, 1994; Robertson, 1994; Teo, 2000; Wood and Jones, 1993). Robertson's study concludes that the people management function in public service agencies tend to reflect the characteristics of personnel management. Empirical research in commercialised and corporatised state-owned entities conclude that the people management function tend to support research in private sector (e.g., Hall and Torrington, 1998; Powell and Spicer, 1994) that is, it demonstrates a strategic approach to HRM. For instance, in a recent study into the changes to the roles of HRM functions in Queensland commercialised state-owned entities suggest there is an improvement in the adoption of HRM as these entities become commercialised. As such, we expect there is a difference in the adoption of HRM between commercialised and non-commercialised entities.

Hypothesis 2: There is a difference in the adoption of HRM between commercialised and non-commercialised public sector entities in Australia.

Devolution of Operational HR Activities

Despite this move towards strategic involvement, the people management departments in non-commercialised public sector entities continued to have an administrative and functional focus in their roles (Klingner, 1993; Oswick and Grant, 1996), characterized by a centralised, bureaucratic structure, processes and systems (Klingner, 1993; Storey, 1989). According to a recent Australian survey, the perceived effectiveness of the public sector people management function was less than the private sector (Kane, 1995). Practitioners supported line managers in the day-to-day aspects of people management. Along with their functional support role, practitioners have a legitimate service role in working together and involving their stakeholders and clients in the design and delivery of people management products and services (Schuler and Jackson, 1989).

Traditionally, the roles of HRM can be described as reactive and focused on operational matters, and they are typically found in the public sector's personnel management functions (Klingner, 1993; Mesch et al., 1995). Unlike strategic HRM, public personnel management do not consider the influences that impinge upon HRM strategies, policies and practices. Compared with the pre-commercialisation period, practitioners in commercialised entities have to relate their activities in a more holistic manner to the business activities in a commercialised and decentralised environment.

As public sector entities embark on the commercialisation process, responsibility for people management is gradually decentralized and devolved to line management (Hall and Torrington, 1998; Powell and Spicer, 1994; Thompson et al., 1998). The devolution process allows practitioners a transfer of day-to-day operational personnel management activities to line managers and it allows practitioners to adopt a strategic focus to people management (Mesch et al., 1995). Thus, there is an expectation that stakeholders' perception of HR performance is associated with less involvement of the HR department in operational HR activities.

Hypothesis 3: There is a relationship between the level of involvement of operational HR activities and perceptions of HR performance.

Strategic involvement of HR department

Different frameworks and models have been suggested to offer guidelines for HR practitioners to have an involvement in strategic planning (Schuler, 1992; Schuler and Jackson, 1989; Wood and Jones, 1993; Ulrich, 1997). They range from assisting management in the process of getting ideas for the organization's mission, providing facts regarding HRM in environmental analysis and choices regarding strategic alternatives, to the development of HR operational plans. Strategic analysis tools can be used effectively to develop a series of HR activities and establish broad objectives that break down into final planning for specialist personnel activities (such as remuneration or recruitment). Strategic involvement means the people management functions must have ready access to key information, must be able to define the future position required by the organization and then take stock of current human capability. Therefore, the effectiveness of the HR department will depend on the extent to which stakeholders are satisfied with the strategic contribution of the department in the strategic decision-making process. In the same way, performance of the HR department can be demonstrated by the level of active involvement by the HRM function in strategic decision-making (Walker, 1994). The extent of strategic involvement by the HR department can be assessed by examining the contributions of the HRM function to the process of achieving strategic integration (Golden and Ramanujam, 1985).

Hypothesis 4: There is a relationship between the level of strategic involvement by HR departments and stakeholders' perceptions of HR performance.

In sum, the present study examines the status of public sector HRM departments in the strategic management process. Specifically, the present study aims to examine the status of the HR department by focusing on the involvement of HR department in operational and strategic HR activities and the perceptions of the department's performance by adopting a multiple constituency approach.

METHOD

Data and Sample
Sample selection. The data were collected by questionnaire from the top management teams of public sector agencies and commercialised entities in the Australian states of New South Wales and Queensland. Our research design reflects the multiple constituency approach, where the multiple stakeholder groups included those individuals who had an influence on the HRM function (Becker and Gerhart, 1996; Tsui, 1987). Another reason for selecting these informants was to ensure that the data provided cross-sectional views of the phenomenon of strategic HRM. The list of participants was compiled from the annual reports published by public service agencies and corporatised entities, and by referring to the State Government's Information Directory websites.

Personal contact was established with each organisation to solicit participation. A covering letter of explanation about this university-funded research project together with a questionnaire was mailed to members of the top management teams in the sample population. Follow-up occurred approximately four weeks after sending the questionnaire by faxing or mailing another personalized copy of the questionnaire. Of the 250 senior HR and top management executives in the target sample, 150 returned usable questionnaires, a response rate of 60 percent. The number of respondents from each organization ranged from 1 to 7, with an average of 2.2. Fifty-one organizations participated in the survey and these organizations had an average of 3,660 full-time employees, ranging from 45 to 55,000 employees. There were 35 commercialised entities and 16 public service entities.

In order to minimise common method variance by relying on the responses of HR participants in evaluating their own department, the individual-level data were aggregated and averaged to facilitate analysis at the organisational level. Since there were multiple respondents for each variable, we calculated the inter-rater agreement (R_{wg}) index according to the methods prescribed by James, Demaree, and Wolf (1984). There was high R_{wg} between the two stakeholder groups (ranging from 0.92 to 0.98 and 0.89 to 0.99 for HR managers and line managers respectively).

Demographics.

The sample comprised senior executives and HR managers from the top management team of public sector agencies. After excluding incomplete responses, the final sample of 112 was categorized into two stakeholder groups: 73 senior executives (including ceos) and 39 HR managers. The majority of managers were male (84 males or 75 percent, 28 females or 25 percent) and tertiary educated (96.4 percent) with a background in management (32.1 percent), followed by engineering (29 percent). The level of education is not unusual, as these respondents are part of the 'Senior Executive Service' cohort in the public sector. The average age was 46.3 years (range 24-62 years) and average length of service was 10.0 years.

Questionnaire.

Demographic data regarding current position and length of employment in the organization were collected to ensure informants were knowledgeable about the extent of strategic HRM in their organizations. Those informants who had little or no involvement in the strategic HRM process over

the research period were excluded from the analysis. This precautionary step was crucial given the extensive staff movement caused by the downsizing of Australian public sector organizations (Littler et al., 1997).

Devolution of operational HR activities. We measured HR's involvement in 13 HR operational activities by adopting items used by Hall and Torrington (1998). We asked the respondents to indicate on a 6-point Likert scale: '1' = HR department makes decisions alone'; '2' = HR department makes decisions in conjunction with line; '3' = HR department provides advice and information/consultancy; '4' = HR department implements decisions made by others; '5' = HR department has no involvement on a day-to-day basis; or '6' = not applicable to this organisation. A composite scale, 'Devolution of operational HR activities', was then created. A high score would indicate HR's heavy devolution of operational HR activities.

Strategic HR involvement. Strategic involvement of the HR department is operationalised by the extent to which the HR department is involved in the development of HR strategies. We adopted the seven-item scale used by Hall and Torrington (1998) to incorporate HR's strategic involvement in seven sub-HR functional areas. The respondents were asked to indicate on a 5-point Likert scale: '1' = HR department develops human resource strategy alone; '2' = HR department develops human resource strategy with the line; '3' = HR department provides information to inform strategic decisions; '4' = HR department implements strategic decisions; or '5' = HRM department has no involvement at a strategic level. A composite scale, 'Strategic HR Involvement' was created by aggregating these items. In this instance, a high score would indicate HR's weak involvement at the strategic level.

HR performance. We following Wright and his colleagues, by adopting a subjective measurement of HR performance, by focusing on the subjective aspects through which HR contributes to the bottom line (Wright et al., 1998). The dependent variable used in the current study is a five-item scale taken from Bowen et al. (1999) and Wright et al. (1998). Respondents were asked to indicate on a 7-point Likert scale the performance if their HR department across a number of indicators such as 'The department has influence in budget allocations' and 'Our HR systems and processes are effective in attracting and retaining competent employees'. A composite scale, 'HR Performance', is then calculated.

Control variables. The effect of size was controlled by including in the analysis the natural logarithm of organizational size (Kimberly, 1976). Research has shown that the adoption of strategic HRM was affected by the extent of commercialisation (Powell and Spicer, 1994; Robertson, 1994). Thus, this effect was controlled by treating 'organizational type' as the second control variable.

FINDINGS

All analyses were obtained using the *Statistical Package for the Social Sciences*, version 10. Cronbach alphas were calculated to determine the internal reliability of the scales and the consistency of the results. The scales were reliable as indicated by the moderate to high Cronbach alphas, ranging from 0.70 to 0.91 (Nunnally, 1967). There are two levels of analysis. In the first instance, an individual level of analysis will be undertaken to examine the effect of multiple stakeholders on the evaluation of HRM department. Specifically, it will be used to test the first hypothesis. The second level of analysis is conducted at the organisational-level. This analysis is conducted to test the remaining three hypotheses.

The To examine the effect of functional responsibilities on the evaluation of HRM department (Hypothesis 1), Independent Samples T-test was used to examine the differences in perceptions between line and HRM executives. There were statistically significant differences between the perceptions of these two groups of line managers: operational HR involvement ($F = 7.297$, $p < .01$),

strategic HR involvement (F =8.456, p<.01), and HR performance (F =9.524, p<.01). Surprisingly, line executives' perceptions of HR's involvement in operational and strategic HR activities were both higher than that of HR executives. Contrary to research, HR executives' were more critical of their performance than line executives (F =9.524, p<.01).

Due to the above findings, the aggregated and averaged data for organisational-level of analysis should be interpreted with care. However, inter-rater agreement indices calculated previously suggest that there was a high degree of reliability and consistency between line and HR respondents. In general, the organisational-level 'devolution of operational HR activities' index indicated that there was a moderate level of devolution of operational HR activities as HR department makes decisions in conjunction with line managers (mean=2.93; SD=.46). Similarly, 'strategic involvement' index showed that HR has a moderate level of input into strategic HR activities (mean=2.50, SD=.51). However, stakeholders' perception of HR performance was at the mid-point level (mean=3.98, SD=1.02).

Devolution of operational HR activities is negatively and significantly correlated with the perceptions of HR performance (r=-.422, p<.01). This finding suggests that as more HR activities were devolved to line managers, stakeholders' perception of HR performance decreases. On the other hand, devolution of operational HR activities is positively correlated with strategic involvement of HR department (r=.617, p<.01). It implies that with an increasing number of operational HR activities being devolved to line managers, HR department is able to get involve in strategic activities. However, there was a negative correlation between strategic involvement and perceptions of HR performance (r=-.418, p<.01). This finding suggests that as HR department involves in more strategic activities, the perceptions of HR performance decrease.

We used Independent Samples T-Tests to analyse the differences in perceptions between different types of public sector entities (that is, Hypothesis 2). The analysis indicated there were no statistically significant differences in the adoption of HRM between commercialised and non-commercialised public sector entities.

To test hypotheses 3 and 4, we conducted a hierarchical regression analysis to examine the variables predicting HR performance (as reported in Table 1). This analysis was conducted at the organisational-level. As such, we aggregated and averaged individual-level data to form organisational-level data. The control variables of size and organisational type were entered as a first step, followed by the three independent variables. Results showed that organisational size and type did not contribute significantly in accounting for the variance in 'HR Performance' (R^2 = .080 n.s.). The independent variables were then entered in the second step. The model was significant in predicting HR performance (overall R^2 change = 0.246, F (4,46) = 5.563, p<0.001). Specifically, organisational size was found to be positively related to HR performance (β=-.342, p=.017) while HR's involvement in strategic activities had a negative relationship with HR performance (β= -0.367, p=.026). The devolution of operational HR activities was not an independent significant predictor of HR performance.

Table 1 Results of Hierarchical Regression Analysis for HR Performance

Variables	B	β	T-value
Step 1			
Organisational type	-.193	-.089	-.579
Number of employees (natural log)	-.150	-.234	-1.526
Step 2			
Organisational type	.004	.002	.015
Number of employees (natural log)	-.219	-.342	-2.467*
Involvement in strategic activities	-.734	-.367	-2.304*
Devolution of operational HR activities	-.419	-.190	-1.201
R^2	= .080		
F-statistic (2,48)	= 2.098		
ΔR^2	= 8.383		
F-statistic (4,46)	= 5.563**		

Note:
N = 51 commercialised and non-commercialised public sector entities
*p<0.05, p<0.001

DISCUSSION

The present study seeks to contribute to the public sector HRM literature by examining the involvement of public sector HR departments in operational and strategic activities in the process of strategic management. The aim was to identify the extent to which HRM has been adopted in commercialised and non-commercialised Australian public sector entities by examining the variables that predict the performance of HR departments. There were several major findings. First, there was support for previous research that different stakeholders have different perceptions of HRM. HR executives tend to have a more critical evaluation of the evaluation of their own performance. The first hypothesis was supported. Second, our study did not find any support for differences in the adoption of HRM between commercialised and non-commercialised entities. The second hypothesis was not supported. Findings from the hierarchical regression analysis showed no support for Hypothesis 3 as the devolution of operational HR activities did not predict HR performance. On the other hand, organisational size and involvement in strategic HR activities do predict HR performance. However, HR performance has a negative relationships with size and strategic involvement. Hypothesis 4 was supported.

Theoretical and practical implications.

The present research has a number of theoretical and practical implications for the field of public sector HRM. Much discussion has taken place concerning the changing nature of people management within the Australian public sector (Davis, 1998; Wood and Jones, 1993). A micro perspective is important in assisting practitioners to enhance HRM status in corporatised public sector entities. In particular, skill acquisition is an important facet of HR effectiveness. As in Europe (Hiltrop, Despres, & Sparrow, 1995), the UK (Gennard & Kelly, 1997), New Zealand (Powell & Spicer, 1994), and the USA (Straus, 1991; Ulrich, 1997), there is an ongoing change to the role and status of the HRM function. As public sector entities enter the arena of commercial competitiveness, the HRM functions have an important role to play, especially in relation to the adoption of a strategic approach to people management. The new 'HRM' function is considered to be further evidence of the 'new managerialism' adopted by public sector entities (Hall, 1998). This is consistent with a general trend in the development of HRM in Australia (Fisher & Dowling, 1999). Evidence from the present study suggests that the HRM functions of these public sector entities are displaying some strategic characteristics, through an increased degree of devolution of operational HR activities.

This study contributes to the research on strategic HRM, especially in terms of research design and

the implications of the findings. For instance, previous research such as those conducted by Fisher and Dowling (1999) did not focus on the status of public sector HRM, which has been the attention in the present study. The present study supports previous research with regards to attempts made by public sector HR department's move away from operational HR activities towards strategic activities. Findings in this study support the multiple constituency approach to HRM (Galang & Ferris, 1997; Straus, 1991; Tsui, 1987). This approach to HRM provides a better way of understanding the contributions of the HR department in organisational settings. In particular, it is a useful way of understanding the partnership between HR and line managers in strategic HRM. The present study provides information relating to line managers' willingness to accept responsibility for HRM.

In general, the present study provides further evidence relating to the adoption of HRM in the public sector. For instance, Perry (1993) and Mesch et al. (1995) stressed the importance of decentralisation and devolution of HRM as a major feature of public sector HRM. The literature suggests that the decentralisation and devolution of operational HR activities allows the HR department to focus on strategic advice (e.g., Kraus Marshall and Whelan, 1996; Mesch et al., 1995), the present study finds support to this hypothesis. Success in the decentralisation and devolution of HR is influenced by the positive relationship between line managers and individuals in the HRM function (Cunningham and Hyman, 1999; Gennard and Kelly, 1997). With the increasing level of responsibility for people management given to line managers, they had to rely on the professional expertise and value-adding role of the HR function. However, if HR places too much emphasis on transforming into a strategic role and neglects the day-to-day advice role, line managers may be dissatisfied with the service and support from HR (mcgovern et al., 1997).

Although the devolution of operation HR activities was statistically correlated to the HR's strategic involvement, it was not a significant predictor of HR performance. Although the department developed HR strategy in conjunction with line managers, in some organisations, HR's involvement was still operationally focused. Furthermore, strategic involvement was negatively correlated with HR performance. This finding implies that as HR increases its involvement in strategic activities, stakeholders' perceptions of its performance actually decrease. This finding suggests that there is a degree of reluctance among line managers in accepting HR's strategic roles. Empirical evidence from previous studies has shown that decentralisation may create several challenges for people management. Line managers were not exposed to the philosophies and workings of HRM (mcgovern et al., 1997). Line managers might put up barriers to accept the changing role of the HR department, especially in the process of formulating and implementing organisational strategies. Public sector HR practitioners have a difficult time to convince line managers of their expertise in strategic management.

Further, the level of HR department effectiveness might be affected by line managers' willingness to accept responsibilities for the day-to-day operational HR activities and the perceived unwillingness of the HR department to devolve operational HR activities. The devolution of operational HR activities signifies a decline in the status and influence of the people management function as the HR department no longer performs what it knows best. In terms of the power/resource dependence theory (Galang and Ferris, 1997), devolution of operational activities is associated with decline in the power base of the function. The HR department is no longer perceived to have the information, position and expert power to influence operational HR decisions. This problem has been compounded by the fact that HR department's strategic involvement is still in the early stage and thus its contribution to strategic decision-making is still not being valued by senior managers.

There could be an alternative way of explaining this finding. It could be the result of HR's unwillingness to adopt a strategic role as HR practitioners might not be comfortable with the change (Wright et al., 1998). As such, there might be a tendency for them to move back to their traditional arena of personnel management where their professionalism is established. HR practitioners should then be trained in terms of new skills and mindsets in order to meet the challenges of the changing public sector (Klingner and Lynn, 1997). Strategic choices must be made in relation to the issues faced by practitioners in order to add momentum to, or to legitimise, HR's role. This implication is

consistent with the legitimation approach to HRM (Galang, Elsik, and Russ, 1999).

The present study has demonstrated that subjective indicators of HR performance (such as the department's ability to affect business decisions, influence in budget allocations, HR's effectiveness in attracting and retaining competent employees, HR's effectiveness in developing commercial skills among our employees, and HR's ability to meet stakeholder expectations in roles and responsibilities) can be used to evaluate the effectiveness of the department in the public sector context. The significant relationships with these components highlight the importance of HR's strategic involvement as a means of increasing the status and influence of the HR department.

Implications for future research.

Although a number of steps have been taken to minimise common method variance, the findings should be interpreted with care. In the first instance, the present study represents the perceptions of a small group of senior management executives in the public sector. Second, future research should expand the number of respondents from each organisation. Similarly, the respondents should also include those line executives who have direct people management responsibilities.

The present research did not focus on the impact of influences from external stakeholders, such as trade union enterprise bargaining strategies on the adoption of HRM (Ng and Maki, 1994) or even the influence of rank and file employees (Kochan, 1998) and customers (Ulrich, 1992). Future research into strategic HRM could adopt a multi-disciplinary approach, such as the social network approach, to examine the extent of relational ties among stakeholders. Several commentators and researchers (Schuler, 1992; Ulrich, 1997; Walker, 1994) have pointed out that HRM should adopt a central role in organizations by forming partnerships with line managers. Social network analysis may then be used to analyse the centrality of the people management function in the strategic management process.

In conclusion, this study contributes toward the literature on the performance of HR departments in the public sector. Factors that are crucial in influencing the performance of HR departments were identified. Effectiveness of the HR department is particularly affected by HR's devolution of operational HR activities to line managers. However, HR departments in New South Wales and Queensland public sector have yet to demonstrate a strategic nature. This finding is similar to other studies which recommends that the HRM function must be transformed to be more effective.

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Appendix A Measures and Scales

Strategic Involvement of HR Dept (Hall and Torrington, 1998), Cronbach alpha =0.70

1. Human Resource Planning	4. Pay and Benefits	7. Health & Safety
2. Recruitment & Selection	5. Management Development	
3. Training	6. Enterprise Bargaining	

Decentralisation Operational HR Activities (Hall and Torrington, 1998), Cronbach alpha =0.74

1. Recruitment & Selection   6. Training   11. Discipline and Grievance
2. Job Evaluation   7. Career Planning   12. Payment/payroll Administration
3. Redundancy & Dismissal   8. Communications   13. Fringe Benefits
4. Appraisals   9. Enterprise Bargaining
5. Quality Initiatives   10. Health and Safety

HR Performance Effectiveness (Bowen et al., 1999; Wright et al., 1998), Cronbach alpha = 0.82

1. The department is able to affect the outcomes of major business decisions (e.g. New product development).
2. The department has influence in budget allocations.
3. Our HR systems and processes are effective in attracting and retaining competent employees.
4. Our HR systems and processes are effective in developing commercial skills among our employees.
5. Extent to which my HR department meets my expectations in its roles and responsibilities.

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ABOUT ANZAM
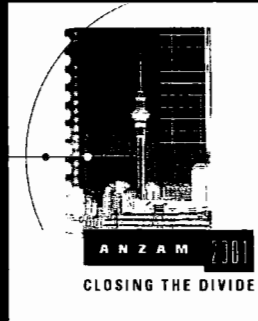## (AUSTRALIAN AND NEW ZEALAND ACADEMY OF MANAGEMENT)

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(a) furthering the development of management education and associated disciplines in universities and colleges in Australia and New Zealand

(b) encouraging scholarship and research

(c) holding conferences and publishing material as a means for disseminating ideas and information and promoting their discussion

(d) promoting closer relations between management educators, researchers and practising managers or others who may be interested in the advancement of these objects.

Over the years, ANZAM has been involved in various initiatives for the purpose of heightening the status of management research and education in Australia. In 1997, ANZAM co-funded the ARC (Australian Research Council) Report on *Management Research in Australia*. ANZAM was given an ARC Special Research Initiatives grant of $150,000 in launching a pilot program in management research networking and collaboration in 1998-2001. ANZAM has also helped to raise the recognition of management as an important research discipline in Australia through establishing closer links with the ARC. These efforts culminated in the appointment of Professor Geoff Soutar, one of our ANZAM Executive, to the ARC Social, Behavioural and Economic Sciences Expert Advisory Committee. ANZAM has also grown locally and internationally - ANZAM is a member of the International Federation of Scholarly Associations of Management (IFSAM) and a joint ANZAM/IFSAM Conference will be held at the Gold Coast on 10-13 July 2002. Strategic alliances have also been established with the US Academy of Management, the Asia Academy of Management and the British Academy of Management.

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