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Human Resource Management Review

journal homepage: www.elsevier.com/locate/humres

Strategic human resource management and the decline of employee focus

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ARTICLE INFO

Available online xxxx

Keywords:

HRM profession
Unitarism
HRM role
Responsibility
Ethics

ABSTRACT

The purpose of this paper is to critique the shift from employee focus to strategy focus in the role of HRM. It is our contention that, contrary to assumptions of unitarism, organizational goals and employee goals remain largely in conflict. We conceptualize unitarism at three levels – normative, conceptual, and empirical – in order to explain the disparity between strategic HRM's rhetorical promotion of unity of organizational and employee goals and actual HRM practice of privileging strategic interests over employee interests. We analyze responses to a national survey of the membership of the professional body of the Australian Human Resources Institute (AHRI) to illustrate how HRM professionals prioritize competing strategic and employee foci, finding support for the argument that HRM professionals have made the shift to a strategic mindset. In so doing, HRM professionals have marginalized employee-focused HRM responsibilities and ethics activities. We discuss the implications of the decline in employee focus within HRM and suggest further areas of research development.

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1. Introduction

The strategic human resource management (HRM) business partnership role is an agreed priority within the HRM literature (Fombrun, Tichy, & Devanna, 1984: 20). Ongoing analysis within the field generally focuses on how HRM can add strategic value and contribute to business success. The most salient academic debates have developed around how the HRM function can prove itself, establish credibility, and develop initiatives that elicit employee behavior that then lead to sustainable competitive advantage (Armstrong, 2005; Cascio, 2005; Lawler, 2005). The strategic HRM imperative has indeed elevated HRM's positioning in organizational decision-making processes: a "seat at the table" is now an expectation rather than an aspiration for senior HRM managers.

There are, however, costs and tensions associated with HRM's strategic positioning. Whilst the business partnership role has provided HRM with potentially greater influence, there is an assumption that HRM now sits within the general management group. When adopting the unitarist view of employee and employer goal alignment this situation does not necessarily pose a problem, but the assumption of unitarism may not always hold. Soft versus hard versions of HRM, for example, present quite different views of the purpose of the employment relationship (Greenwood, 2002; Legge, 2005). In the soft interpretation employees are seen as creative, proactive and worthy of development. In contrast, hard approaches, which focus on how HRM systems can drive the strategic objectives of the organization, see human resources (HR) as passive resources that are provided and deployed as needed. Strategic choices similarly impact on HRM's interpretations of the employee–employer relationship. Where the choice is made to operate in a labor-intensive, high-volume, low-cost industry, for example, employees may be seen as a variable input rather than a valuable asset worthy of respect (Legge, 2005). It is very possible, therefore, that the unitarist

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assumption underpinning the contemporary HRM approach may break down and HRM is left in a position where it is straddling (often poorly) existing employee custodial responsibilities alongside new strategic management roles. The purpose of this paper is to explore the impact of HRM's shift from an employee focus to a strategic focus and provide an overview of the implications thereof from an employee perspective.

Although organizations should of course be concerned about employees – employee welfare is not only the province of the HRM function – we nevertheless propose that a lack of concern for employee welfare is particularly problematic for HRM for two reasons. The first relates to the historical development of the HRM function, both within management theory and organizational practice. There has long been an expectation that HRM professionals and the HRM function (and their predecessors, personnel managers and personnel) advocate for employees; indeed, historically HRM included an employee welfare role. Such an expectation, while perhaps diminished through organizational practice and employee cynicism, nevertheless carries over to the present.

The second is the expectation that HRM can and should play a positive role with regard to analyzing and responding to stakeholder expectations about the employment relationship. HRM professionals should be the experts about employment law, of course. But they should also be the experts about employment ethics. Given the importance that employees place on their fair treatment by organizations, it follows that organizations should have a functional area that is charged with the responsibilities of understanding stakeholder expectations about employment and developing responses to those expectations that allow the organization to remain legitimate in the eyes of its stakeholders. This is particularly the case as many countries have negligible (e.g. U.S.) or declining (e.g. U.K., Australia) state-based employment regulatory authorities and regulatory power in the employment relationship. In order for HRM professionals to play this role effectively, however, they must be willing to critically analyze HRM and its seemingly unabashed acceptance of both unitarism and the move towards a strategic role (Kochan, 2007).

We offer a development of the construct of unitarism by considering it at three epistemological levels: normative, conceptual, and empirical. Evidence from a national survey of the membership of the professional body of the Australian Human Resources Institute (AHRI) illustrates this shift and the concurrent diminution of employee focus with HRM in favor of strategic focus. We discuss the implications of the decline in employee focus within HR and suggest further areas of research development.

2. Strategic shift in HRM

A significant trend in HRM theory and practice has been toward making the function more supportive of organizational strategies (Liu, Combs, Ketchen, & Ireland, 2007), transforming human resource management (HRM) into strategic human resource management (SHRM). In this line of analysis, the role of HRM seems to be largely assumed: HRM should promote the interests of the organization whilst discharging the organization's legal (and to a lesser extent, ethical) obligations to employees. This is not surprising, given the role of government regulation in the employment relationship and the increasing desire of HRM professionals to be strategic partners rather than mere members of the “personnel department.” In this regard the strategy of HRM practitioners and academics is entirely rational: increase the legitimacy of HRM by adopting the dominant ethos of organizations, which are efficiency and strategy focused.

However, the position of HRM is complicated by the duality of roles that HRM managers have historically played as employer representatives and advocates for employee interests. Further, HRM as we know it today is quite different in its orientation from previous manifestations of HRM in organizations; we propose that changes in HRM theories and practices have generally been driven by changes in the broader social, legal, and political climate (Ferris, Hochwarter, Buckley, Harrell-Cook, & Frink, 1999) in addition to organizational demands for efficiency. Whilst HRM has long been concerned with how employment practices affect organizational performance (Guest, 1989), we propose that there has been a wholesale and often uncritical adoption of the language and motivation of strategy within HRM to the detriment of ethical reflection about how employment practices affect various stakeholders – most obviously employees. We offer a critique of this shift, focusing on the often-latent but continually present assumption of unitarism – that the organization's and its employees' interests are one in the same – within HRM scholarship and practice. The assumption of unitarism, as we will note, represents a shift in thinking from that offered by industrial relations frameworks that are generally pluralist in nature, recognizing that whilst organizations and their employees may have some set of common interests it is more usually the case that the interests of both parties to the employment relationship are in at least partial conflict. As a result, HRM has become less employee focused and more organization and strategy focused, often to the detriment of employees.

The role of HRM within the organization has changed over time. HRM as we know it today developed from personnel management, and was meant to encompass a broad range of employee concerns and employment policies. Insights from the human relations (Mayo, 1933; Roethlisberger & Dickson, 1939) and human resources (Argyris, 1957; McGregor, 1960; Vroom, 1964) schools of thought have found their way into HRM as a means of trying to make organization-employee relations more just and humane, thus avoiding some of the organization-centric employment practices and perspectives on employees engendered by scientific management (Taylor, 1903) and administrative theory (Fayol, 1949). In the last several decades HRM has changed its focus again and again, most recently from making the organization lean and efficient through business process reengineering (Wilmott, 1994) to seeking to add value to the organization through strategic HRM (Wright & Snell, 1998). Significantly, the form and function of HRM follows wider trends in organizations, strategies, and management philosophies rather than leading them (Ferris et al., 1999; Mendenhall, Jensen, Gregersen, & Black, 2003).

Further, whilst both personnel management and HRM have a common concern about organizational outcomes, what differentiates HRM is its particular focus on “policies designed to produce strategic integration, high quality, high quality, and flexibility among employees” (Guest, 1989: 42). The definition of “strategic” comes from outside the function, and HRM thus seeks to make itself strategic by seeking to accomplish goals thought to be valuable to the organization. In this way HRM runs the risk of becoming tautological; companies

that are financially successful become the exemplars of good HRM practices and those HRM practices are then deemed to be “strategic” because their HRM practices were believed to have contributed to financial success. Of course, the definition of “strategic” comes from the (non-HRM parts of) organization and its managers, rather than from its employees or other organizational stakeholders. As we noted before, HRM thus lags rather than leads with regard to organizational theory.

Because HRM and SHRM, like other fields within management, is largely positivist and managerial in its orientation (Harley & Hardy, 2004) it has changed as the assumptions about employment and management have changed at the organizational and societal levels. At the organizational level, we have already noted the intensification of expectations that HRM practices will directly have a positive effect on organizational performance. At the societal level, there have been changes in the ways that wages and working conditions are determined, key HRM tasks such as selection are carried out, and workers are represented and protected. Many of these societal-level changes have come about as the result of legal and legislative changes, and others have been the result of changing stakeholder expectations regarding ethical employment practices.

Contemporary HRM managers are compromised and face moral dissonance by virtue of dual expectations and roles. As organizations face increased competitive pressures, HRM managers in turn face pressures to emphasize employer goals, often to the detriment of advocating for employee welfare. Further, HRM professionals are necessarily constrained by demands of their senior (line and general) managers and organizational cultures. Wiley (1998) found that regardless of other factors like gender or company size, the ethical behavior of HRM managers (using the term “employment managers”) is most directly influenced by the behavior of senior managers and their immediate organizational supervisors. Foote and Robinson (1999) further found that the extent to which HRM professionals could influence organizational ethics was contingent on the organization's culture and structure. HRM professionals seem increasingly unable to resist the pull of the organization and its demands for loyalty, and thus find themselves facing increasing demands for conformity even when those demands strongly conflict with the rights and interests of employees – and perhaps even the HRM professionals' own ethical instincts.

3. Devolution of employee relations from public institutions to organizations

In many countries oriented toward neo-liberal economics – including Australia and the United States – legislation in the middle part of the 20th century sought to expand rights for workers, including collective-bargaining rights. The high water mark of employee rights in the United States, for example, with regard to collective bargaining and unionization came in the 1950s and 1960s; these employee rights have steadily eroded ever since (Morris, 2005). For a variety of reasons – changes in employer preferences, globalization, and changing political philosophies to name but three – public policy in a number of countries has failed to respond to changes in the employment relationship in ways that would have ultimately benefited employees. Despite any objections to the notion that protection of fair employment practices and vulnerable employees should remain the role of public policy and institutions, it seems apparent that this role is increasing being devolved to organizations and their HRM functions.

Human resource professionals have more discretionary power over employment matters than in the past. In many ways HRM professionals are now expected to act as ethical stewards (Winstanley, Woodall, & Heery, 1996) or the “conscience” of organisations (Wiley, 1998). Some have stressed the role of HRM in raising awareness about ethical issues, promoting ethical behaviour and disseminating ethical practices. According to the Australian Human Resource Institute (AHRI, 2003: 20) “together with line management, it is HRM's responsibility to communicate and ensure that sound ethical practice underpins and is intrinsic to the culture of the organisation.” However, it is an open question as to whether HRM professionals are equipped or personally inclined to adopt such a responsibility, given demands placed on them by their organizations.

4. Strategy as exclusive of employee focus

SHRM can be understood as a response to the perception that HRM is a tangential staff function – focused on tasks such as hiring, compensation, and legal compliance – which can easily be minimized and/or outsourced (Watson, 2004). However, SHRM has a dark side as HRM professionals face pressure to eschew their traditional roles as employee champions in order to become accepted by others within their organizations as business partners. Wilcox and Lowry (2000) argue that reframing HRM as SHRM permits the acceptance (by HRM professionals) of using individuals as economic ends (see also Legge, 1998 on this point). HRM strategies that once would have been seen as radical – like large-scale downsizing and the use of contingent workforces – are now mainstream strategic choices (Cavanaugh & Noe, 1999). Such “strategic” choices can lead to the subordination of fundamental human rights owed to all employees, such as safe workplaces, fair compensation, and freedom of association (Wilcox & Lowry, 2000) in addition to more general ethical duties such as fairness and justice. Indeed, many HRM strategies are not unitarist at all, but rather place the organization's goals as prior to and more important than those of employees.

4.1. Understanding unitarism

Here it is necessary to note the shift toward unitarism within HRM theory and practice and trace through its effects on ethical analyses of HRM. Guest (1989: 43; see also Moore & Gardner, 2004) notes that “HRM values are unitarist to the extent that they assume no underlying and inevitable differences of interests between management and workers.” We would expand this point to take in the interests of organizations generally. A unitarist perspective on HRM thus would bring together strategic imperatives for the organization with the fulfillment of ethical duties owed by an organization to its employees. In short, if unitarism within HRM were empirically true, then no conflicts between organizational and employee goals would exist; further, there would be no need

for ethical analyses of employment practices at all. However, we think that this analysis is entirely too simplistic and fails to account for the real conflicts and differences of interests latent to the employment relationship.

The construct of unitarism can be studied and developed using three different epistemological levels – normative, conceptual, and empirical – following established arguments in business ethics (Beauchamp, Bowie, & Arnold, 2008) and stakeholder theory (Donaldson & Preston, 1995). A normative or prescriptive approach is an attempt to formulate and defend norms based on agreed standards and thus tell us what “should be.” Normative unitarism would suggest that organizations and employees ought to have the same interests as an ethical imperative; left unanswered in this analysis is which party gets to define those interests. A conceptual or theoretical approach considers ideas, constructs and the relationships between them, thereby exploring what “could be.” Conceptual unitarism seeks to develop frameworks that are theorized to connect HRM practices to the goals of employees and organizations (Guest, 1989). An empirical or descriptive approach considers factual description and explanation of what “is” and to some extent assumes a measurable objective reality. Empirical unitarism seeks to assess whether a HRM practice actually aligns the interests and objectives of organizations and their managers (Geare, Edgar, & McAndrew, 2006).

We suggest that normative unitarism, the understanding that organization and employee interests should coincide, may be appealing as an ideal but fails to account for the fact that employees have good reasons for interests that do not completely overlap with those of their organizations. At both the conceptual and empirical levels, unitarism fails to account for the fact that organizations and employees often have goals that both conflict and cohere. Both conceptual and empirical unitarism are problematic in practical terms because they treat all employees as similar in their interests, goals, and utility to the organization. Most problematic about unitarism in all of its forms is its lack of inclusion of power in analyses of employee-organization relationships. Some employees – namely those believed by the organization to “possess” rare and valuable forms of human capital – are able to exercise power in their relationships with employers. For most employees, however, this is not the case. To the extent that an employees’ skills are perceived to be (correctly or not) commodities, they will have little power to seek changes in the employment relationship. Most employees receive “contracts of adhesion” (Van Buren 2001), structured by their employers, which the employees can take or leave but not change.

The literature on SHRM seems to embrace positivism and managerialism to a degree that is inconsistent with honoring ethical duties to employees and HRM’s own history as a field (Kochan, 2007). Indeed, calling HRM “strategic” creates a set of ethical implications (Stoney, 1998). What does it mean, for example, to call a human being or group of human beings “strategic assets?” Related to this point is the increasing tendency to view employees as sources of human capital; such a tendency may cause employees to be valued for their “resourcefulness” than their humanity. Human capital analyses may turn employees into commodities. To the extent that SHRM focuses on reducing core workforces and outsourcing work – say manufacturing to developing countries – further ethical issues arise. Wilcox and Lowry (2000) note that what has been commonly referred to as “hard” HRM – viewing employees instrumentally as a means of achieving the organization’s goals – is now cast as SHRM. However, strategic HRM choices can lead to the diminution of fundamental human rights (Wilcox & Lowry, 2000) and violate ethical duties owed to employees, whether they work for the organization or for a firm that supplies services to the organization such as a contract supplier.

More directly, the assumption of unitarism within contemporary HRM masks a number of important ethical issues. First and foremost, not all employees are considered “strategic.” Some employees, mostly those with rare and valuable skills, are likely to benefit from being considered strategic with regard to helping the organization achieve its goals. The strategic imperative of HRM would lead to different counsel vis-à-vis different employee types for HRM professionals and organizations. For the employees deemed to be strategic, the organization would seek to find ways to make them happy and to motivate their actions toward achieving the organization’s goals. For such employees, it may be possible to achieve congruence between normative and empirical unitarism. However, this group of employees is small relative to the second and larger group of employees deemed by the organization to be easily replaceable sources of commodity labor. The implicit counsel offered to an organization by HRM scholarship regarding these employees is to reduce the organization’s commitment to them through the use of temporary labor, contingency contracts, and HRM practices focused on labor cost reduction. For these employees, lack of empirical unitarism is likely to undercut any pretense of normative unitarism; rather, the organization’s priorities take precedence and employees’ take a back seat.

Second, unitarism within HRM fails to account for issues of power in relationships between organizations and their employees. The stakeholder framework offered by Mitchell, Agle, and Wood (1997) offers three relational attributes that an organizational stakeholder can possess: power (the ability to impose one’s will on another), legitimacy (a social judgment about the normative rightness of a stakeholder’s claims and the methods used to press it), and urgency (the time sensitivity of a stakeholder’s claim). Stakeholders possessing all three attributes are often called “definitive,” and organizations are counseled to take their claims seriously and to seek to satisfy them. Stakeholders with legitimate and urgent claims are called “dependent,” and the organization can seek to recognize their claims or not, depending on the organization’s goals. Following the previous line of analysis, we propose that most employees are in fact dependent rather than definitive stakeholders, and their lack of power makes it harder for them to ensure that they are treated fairly (Van Buren & Greenwood, 2008).

Specific to the present analysis, a lack of employee power means that alliance of interests between employees and organizations is in fact empirically false. Organizations are more effective at achieving their goals if they make it harder for many employees to achieve theirs. This is particularly so when employees lack power to affect the terms of exchange with their employers (Van Buren, 2001). Models of employer-employee relations that are pluralist – recognizing that the parties to the employment relationship have interests that sometimes converge but often diverge – are thus more accurate descriptively than unitarist models thereof. Pluralist models which view conflict between the interests of employers and employees as normal and inevitable should recognize that normative principles are needed to resolve the conflict (see Provis, 1996). Realism about the effects of power differentials in the organization-employee relationship is emblematic of labor and industrial relations scholarship, but not HRM scholarship.

By virtue of the role that employees take on as employees, it can be argued that they are required to subsume their interests to those of their employers. Power imbalances are endemic to the employment relationship, and particularly so when the employees are thought to be sources of commodity labor. On this point HRM scholarship often differs in its analyses and conclusions about the employment relationship relative to industrial relations scholarship, which we propose has a more realistic account of power. The happy story offered by much of HRM scholarship and practices – positive outcomes for employers and employees – is thus unrealistic at best and cynical at worst.

Empirically, the proposition that unitarism in the employment relationship is true can be tested as can any other proposition or hypothesis. If unitarism within HRM is empirically true, then there is no need to engage in normative analysis as the interests of employees and organizations would be one in the same. Ethical analyses are most useful in the organizational context when they are brought to bear on conflicts among interests – especially between the organization's goals and the goals of one or more stakeholder groups. The less empirically true unitarism within HRM is, the greater the need for normative analyses of HRM policies and practices. Finally, unitarism within HRM runs into the same problem that calling employees as a group “stakeholders” does: it treats employees as a group that is homogeneous with regard to its interests and goals (see Greenwood & Anderson, 2009 on the latter point).

As we have previously noted, power affects the ability of an employee to have his or her goals taken into account by the organization for who they work. Indeed, for HRM to be truly strategic, it should explicitly recognize differences among employees and seek to motivate their behavior accordingly. Organizations do not employ groups of employees, but rather employ individuals who are grouped together by the organization. Of course, as we have already noted, the tools and effects of strategic HRM are likely to be experienced very differently by different individuals in the organization. The general point remains that there is no such entity as “employees,” but rather there are individuals who are employed by organizations, are acted upon by the organization through the implementation of HRM practices, and experience outcomes differently from each other.

The terminology used by academics and practitioners matters (Geare et al., 2006). Strategic HRM has embedded in it a particular ideology. Strategic HRM, whether used as language or comprising sets of practices has ethical implications. We thus offer a provisional account of unitarism within HRM, using a series of two-circle Venn diagrams which depict the intersection (or lack thereof) between employee and organizational interests (see Fig. 1) in which the interests of organizations occupy the left circle and the interests of employees the right. As a practical matter, a Venn diagram in which the interests of organizations and employees do not intersect at all would be a null set. No employee would work for an organization if none of his or her interests were met. No organization could employ individuals who did not seek to further – at least in part – the interests of the organization.

However, the optimistic story offered by SHRM – of organization and employee interests intersecting to a high extent – is false. In part this is because the organization “offers” the role of employee, defines what that role is, defines what a successful employee does, controls mechanisms of rewards and promotions, and defines the purposes and goals of the organization – and by extension, of the employee. Further, the imbalance of power between organizations and the vast majority of employees makes this story implausible. As we have noted, many of the practices associated with strategic HRM run counter to the interests of employees. To the extent that strategic HRM means reducing the organization's commitment to and remuneration of employees, an inevitable conflict exists. Further, employees have may have goals that do not further, or indeed may be in conflict with, the interests of the organization.

We propose that a Venn diagram in which there is a variable but limited intersection of the interests of organizations and employees as the most accurate depiction of the relationship (see Fig. 1). Employees who have a degree of choice will choose to be employed by organizations that meet at least some of their needs partially, even if those needs are as obvious as the need to earn an income. However, because organizations define the employment relationship, offer the role of employee to individuals, and define success in organizational terms, the interests of employers will by definition take precedence over those of employees. Further, the extent of overlap of interests between organizations and employees depends on attributes of the employees; the greater an employee's power, the greater the degree of overlap between the organization's and employees interests as the organization seeks to achieve alignment, albeit for their benefit rather than that of the employee.

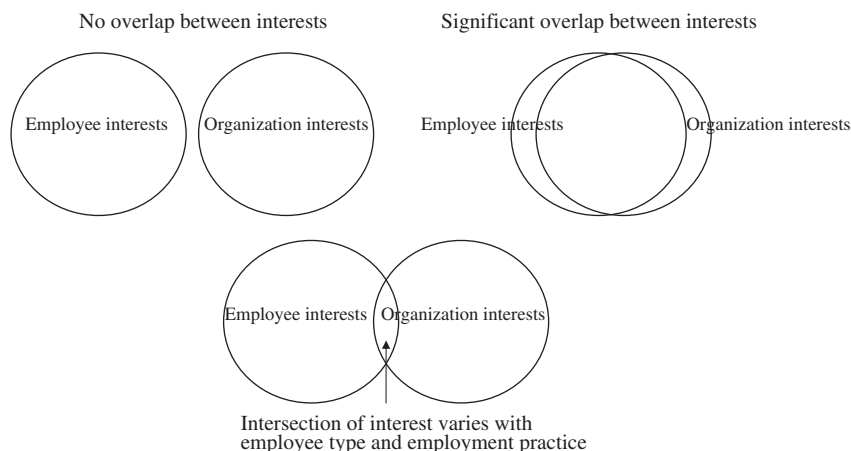


Fig. 1. Models of intersecting employee interests and organizational interests.

We also note that the intersection between organization and employee interests exists for some, but not all, employment practices. Some employment practices might genuinely serve the interests of organizations and employees; in such cases employee welfare would be conceptually and empirically unitarist with organizational goals. However, many employment practices would not fit this pattern, especially those that seek to reduce commitment to employees and their remuneration. Such practices would therefore be strategic from the standpoint of the organization but not unitarist from the standpoint of the employee or of a neutral observer. The language of strategy is often descriptively correct when discussing HRM practices, both in terms of their intent and their effects on employers and employees. However, when there are conflicts between an organization's interests and the interests of some subset of its employees, the languages of strategy and employee welfare will conflict also.

In this section, we have explored the shift in HR towards strategy, noted the devolution of employee relations to the organization and the corresponding decline in employee voice,⁴ and presented the case that SHRM effectively crowds out employee voice for particular employees and in particular circumstances. Given this critique of the shift from an employee to a strategic focus, the question becomes how does the HR professional prioritize competing strategic and employee focused HR responsibilities? In order to explore this question, we now consider the findings from an extensive survey of human resource professionals vis-à-vis the move towards strategy in the human resource function.

5. Method

This research was conducted in conjunction with the Australian Human Resource Institute (AHRI). AHRI (2009) is the national association representing human resource and people management professionals in Australia and currently has in excess of 14,000 members. Other aspects of this research have been reported elsewhere (Sheehan, Holland, & DeCieri, 2006).

5.1. Questionnaire and procedures

The questionnaire was based on the items used in both Dowling and Deery's (1985) and Dowling and Fisher's (1997) studies. A number of academics and practitioners were also consulted to make changes to accommodate developments in the preceding ten years. The survey was clearly divided into two sections. The first section was designed to include all HRM professionals and the second section was designed to investigate HRM's involvement in strategic decision-making processes and included items developed from surveys conducted by Purcell (1995) and Buller and Napier (1993). This section was restricted to respondents who were senior HR managers.

AHRI members were contacted via email and invited to visit a website if they wished to complete the survey. As this was a web-based survey, respondents were not requested to identify themselves and they were also assured that their responses would only form part of cumulative data. The email was sent to 12,437 members with a request to read a letter attachment. 5966 proceeded to open the letter and of that group, 2803 opened the web link to the survey document and began to fill in the questionnaire. A total of 1372 members completed the web based survey and submitted a completed document. The response rate of members who attempted to complete the survey therefore was 22.5% and the rate for members who submitted completed surveys was 11%. There were a number of reasons why members may not have completed the survey. First, the opening statement explained that only members who were currently responsible for HRM/Personnel or Employee Relations matters (working either "in house" or as a consultant) were required to proceed with filling out the survey. This meant that line managers, academics or other functional managers who may be AHRI members would have selected themselves out at this point. Second, the survey did not allow for non-response to specific items so some members may have exited the system prior to completing the survey because they did not wish to complete some of the items.

5.2. Sample characteristics

Despite the diminished response rate, the 1372 members who did respond provide a substantial sample size for statistical analysis. The sample characteristics also represent a fair cross-section of groups within the profession. There was a good spread across age, with 28% of respondents falling into the 30–39 age group and 34% within the 40–47 age range. With respect to gender, 65% of respondents were male and 35% were female. There was also a good spread of respondents across the various industry groups as identified by the Australian Bureau of Statistics (ABS). Key groups identified in the national data, such as manufacturing, health and community services and education, were almost equally well represented in the sample for this study. Although the study sample has fewer numbers of respondents from retail and property services, these groups were still represented in the current sample. Overall the range of respondents represents a reasonable cross section of HRM professionals with respect to age, gender and industry background.

6. Measures

6.1. Primary emphasis of the HRM role

A question about the primary HRM role was based on the items used in both Dowling and Deery's (1985) and Dowling and Fisher's (1997) studies. Respondents were asked to indicate from a range of HRM responsibilities which one best described the primary emphasis of their HRM position where "primary" was defined as meaning 60% or more of their time. Choices included HRM strategic development, recruitment and selection, training and development, industrial relations, employee relations, EEO, OHS, remuneration, performance management, HRIS, wage and salary administration and a broad range of HRM issues.

6.2. HRM areas of importance

Based on Dowling and Fisher's (1997) study respondents were asked to indicate on a Likert scale of 1 (not very important) to 5 (very important) the extent to which various HRM areas were of importance in the last five years and the next five years. In a separate item respondents were asked to tick from a broad list of HR activities which new policies, programs or systems had been developed by their HR function in the last 2 years.

6.3. Primary HRM responsibility areas

Respondents were asked to identify exactly how much responsibility was being taken by HRM professionals for the range of employee relations issues. This question uses the categories identified by the Australian workplace industrial relations survey (AWIRS 95) data (See Morehead et al., 1997, Table 5.2, p. 84). For each of the responsibilities respondents were asked to tick a box to indicate who takes primary responsibility. The categories used were HRM professionals, employee relations professionals, industrial relations professionals and other. In the AWIRS 1995 data set, the analysis distinguished between respondents whose area of responsibility was employee relations and compared their involvement with professionals from other areas of management such as finance, administration and sales. The current research is more specific and distinguishes between the roles taken by HRM, ER and IR professionals.

6.4. Ethics activities

Following Martin and Woldring's (2001) items related to ethics activities and the HRM role, respondents were asked to tick which of activities had taken place in their organization in the last two years. The activities included the following: code of ethics has been issued or revised; structural changes for ethical accountability; training in ethics decision-making; reward system changes to reinforce ethics; ethics officer/committee created. For each of these activities respondents were also asked to indicate 'yes' or 'no' to the question "Was HR involved in a leading/moderate role?"

7. Results

Findings from various items of the survey show that despite employee relations being seen as a primary responsibility for HR, it is not seen as important to the ongoing role of HR. In contrast, the role of HR is highly focused on its strategic import. Further, whilst ethics activities are identified in policy development, they are lagging in programs and systems.

7.1. HR's role vis-à-vis strategy and employees

This section reports results from the survey related to the respondents' perception of the role of HR with respect to both strategy and employees both past and future. Findings for a number of items show that the respondents view the role of HR as having greater strategic focus than employee focus. When asked to describe the primary emphasis of their role (meaning 60% or more of their time), 21% of respondents stated HRM strategic development compared with 2% for IR, 7% for (employee relations) ER and less than 2% for either equal employment opportunity (EEO) or occupational health and safety (OHS). When asked about areas of importance for those operating in the HRM field in the last 5 years, 48% of respondents reported that the strategic integration of HRM policies was very important compared with 17% of respondents who reported that worker participation and teamwork were very important. When asked about areas of importance for those operating in the HRM field for the next 5 years, 62% of respondents reported that the strategic integration of HRM policies would be very important compared with 24% of respondents who reported that worker participation and teamwork would be very important. Both the strategic focus item and the employee focus item show an increase in perceived importance over the next five years compared with the previous five years, but they maintain their relative positions, with the strategic focus item receiving about three times the number of "very important" responses.

7.2. Levels of responsibility of HR for ER

Respondents were also asked to identify exactly how much responsibility is taken by HR professionals for a range of employee relations issues. In contrast with the emphasis of the role of HR in strategy, as discussed earlier, findings show emphasis on the responsibilities of HR on employee relations. As can be seen from Table 1, HR professionals report primary responsibility across all tasks. In particular 51% of HR professionals indicated primary responsibility for negotiating with unions, 55% for setting and negotiating wages, 53% for preparation of industrial tribunal hearings, 83% for EEO/ AA and 63% reported primary responsibility for OHS.

7.3. HR and ethics in the organization

This section reports results from the survey related to the respondents' perception of values/ethics in HR. The findings for these items indicate that whilst HR policies have a relatively high priority, activity via programs and systems lags greatly. When asked about development of important new policies, programs or systems in their HR function in the last 2 years, 48% reported developments in the area of values/ethics. When asked about specific ethics activities, as shown in Table 2, 63% reported the issue

Table 1

Primary responsibility areas.

Activity N = 1372	HR	ER	IR	Other
	%	%	%	%
Inducting new employees	59	4	0	37
Negotiating with unions	51	17	24	8
Setting/negotiating wage levels	55	12	16	17
Processing personnel records	78	4	0	18
Preparing for industrial tribunal hearings	53	16	26	5
Workplace training programs	79	3	1	17
Recruiting and selection	69	3	0	29
EEO/AA	83	6	2	9
OHS	63	5	2	30

or revision of a code of ethics (with 53% saying HR played an important role) yet less than 20% reported general structural changes, audit of ethics, or changes to reward systems (with less than 14% saying HR played an important role).

8. Discussion

In this overview of how the HRM professional prioritizes competing strategic and employee HRM responsibilities, the results indicate that HRM professionals acknowledge a primary strategic emphasis in their role and the importance of strategic integration of HRM policies. This is consistent with the expectation that legitimacy for HRM rests with the function's ability to develop credibility as business partners to the organization's general management. Early writers in the area of HRM, such as Beer, Spector, Lawrence, Quinn Mills, and Walton (1984), Fombrun et al. (1984), and Dyer and Holder (1988), encouraged a complete revision of the HRM function and the enhancement of the strategic importance of HRM within the organization. The function is now expected to assume a prominent position at the senior decision-making level and take a more proactive role in developing the organization's people as a source of competitive advantage (Cascio, 2005; Wright & Snell, 2005). Ongoing commentary on HRM's focus continues to emphasize the need for HR leaders to understand the business that they are in and the importance of HRM alignment with business priorities (Ulrich, Younger, & Brockbank, 2008). These strategic HRM initiatives are a response to intensive international competitive pressures, to increase returns on all tangible and intangible resources, and the realization that people actually provide a potentially inimitable source of competitive advantage (Wright, Dunford, & Snell, 2001). It is not surprising therefore that the typical HRM professional has risen to the challenge and prioritized strategic HRM activities.

The ethical test for the HRM professional, however, is that the business partnership role creates potential role conflict elsewhere. Part of the traditional strength of the HRM function has been the stewardship of the employment relationship. Competitive pressures to increase returns from all tangible and intangible resources since the 1980s have tested the relationship between employers and employees. Organizational re-structuring, wide-scale layoffs, and increased use of flexible work options that often result in weakened employment conditions for peripheral workers have caused employees to re-evaluate their trust in employers. Kochan (2007) asserts that HRM professionals have lost credibility as stewards of the employment relationship because HRM professionals are not offering a perspective that challenges the strategic choices of general managers. Similarly Wright and Snell (2005) provide several case studies in which HRM's business partnership role has been in conflict with employee guardianship responsibilities, especially in situations where business decisions are driven by short termism. In effect the strategic partnership role has seriously challenged HRM's capacity to maintain its traditional role as employee advocates.

Findings from the current study confirm HRM's potentially conflicted role, showing a lack of unitarism at an empirical level. Coupled with the clear acceptance of strategic responsibilities reported by HRM professionals in the study, respondents also reported very high levels of responsibility across a number of key employee management areas, notably negotiating with unions, setting and negotiating wage levels, preparing for industrial tribunal hearings, and EEO and OHS responsibilities. Despite key responsibility for these areas significant to employee interests, when asked about the primary emphasis of their position, HRM professionals reported that their function's strategic development and contributions as holding higher priority, in both the past and the future, than areas that directly impacted on employees such as IR, ER, EEO or OHS. In short, although

Table 2

Ethics activities and the HR role.

Activity N = 1372	Activity undertaken	HR involved in a leading/moderate role
	%	%
Code of ethics has been issued or revised	63.0	53.4
Structural changes for ethical accountability	19.8	13.9
Audit of ethics, social responsibility	19.0	12.9
Training in ethics, decision-making	34.8	30.3
Reward system changes to reinforce ethics	16.2	13.6
Ethics officer/committee created/promoted	12.6	8.5

HRM has retained custodianship of these employee welfare activities, its attention is being diverted elsewhere to strategic management concerns.

The evidence in this study of differences in reported HRM strategic priorities compared to ongoing employee responsibilities, which has been reported elsewhere (Sheehan et al., 2006), is consistent with the views of authors such as Guest (2002) who suggest that employee-focused HRM activities such as EEO policies, family friendly and anti-harassment practices should be consciously built back in as HRM priority areas. The normative unitarist approach would suggest that a renewed focus on employees may be unnecessary on the basis that goal alignment has narrowed the competing needs of employees and employers. Soft HRM approaches certainly recognize the value of people as assets but this does not mean that HRM always adopts an employee focus (Greenwood, 2002; Greenwood & De Cieri, 2007). In times of economic stress, however, when organizations constrict employee conditions and benefits, “hard” interpretations of HRM may be used that meet organizational rather than employee needs (Legge, 2005). Indeed Kochan (2007) suggests that the provocative title “Why we hate HR” (Hammonds, 2005) captures worker sentiment that firms (and HRM professionals) do not prioritize employee well being. The outcome for the HRM professional is a set of strategic tensions and problems that result from trying to manage the tradeoffs between employer and employee interests (Boxall & Purcell, 2008) which is further exacerbated by the false claim of normative unitarism. Thus the role that HRM professionals are expected to play in their organizations – to develop and implement employment practices that support strategic goals – may conflict with the ethical expectations that organizational stakeholders have regarding employment and often with the HRM professionals' own ethical inclinations. The paradox for the HRM professional is that in order to strengthen relationships with employees and with managers who have responsibility for business strategies, it has to champion both management and employee priorities and straddle allegiance to both groups.

9. Implications for future research and HRM practice

This paper has put forward the contention that increasing focus on strategy in HRM has been at the expense of employee focus. We have built this case on the assumption that whilst there is some overlap between organization interest and employee interest, these remain mostly exclusive or at the very least competing. Unitarism as a normative concept may solve the conflict between organization and employee interests by bringing them together as one. However, as has been argued, unitarism as an empirical concept fails to adequately account for the power held by the organization to set the terms of the employment relationship. HRM professionals are inevitably pulled towards the strategic goals of the organization for personal and organizational reasons.

Building on the initial research findings reported in the current study, further research could specifically explore the role tensions experienced by HRM professionals and examine the strategies that they employ to successfully manage the resultant tensions. We have noted some of the role tensions that HRM professionals face, in large part because of the pressures they face to make HRM more strategic. We have also noted that strategic HRM poses ethical issues for organizations. Further empirical research might usefully delve into whether HRM professionals perceive role conflict and if so how they respond to it. In this respect HRM professionals are similar to middle managers generally, who are expected to translate the organization's strategies into action but have little input into those strategies (Osterman, 2009). In a related vein, research might also consider whether non-HRM employees perceive that HRM professionals face ethical conflicts in their jobs and whether HRM professionals are trusted to advocate for employee interests. We propose that HRM professionals, through the imperatives they face to make HRM strategic, face role conflicts. Whether they or others perceive conflict and how they and others behave as a result would be a fruitful area for further research.

Another research area that extends the present research is whether HRM professionals are aware of ethical issues inherent to the employment relationship generally and their organizations' employment practices in particular. We think that attention to these issues would help further understandings of how HRM professionals understand their roles and respond to competing pressures. We also believe that HRM scholarship should better account for the ethical demands that are latent to HRM whilst also considering the challenge that pluralism offers to dominant frameworks of HRM that are strategically focused.

We also propose that further research about whether HRM professionals recognize ethical issues within the employment relationship would also be helpful. HRM is an important locus of ethicality in an organization; employees are the stakeholders closest to the organization and without whom the organization cannot function (Greenwood and De Cieri, 2007). Do HRM professionals perceive ethical conflict, and if so how do they respond? Do they change their own ethical beliefs, or subtly try to minimize the effects of employment practices with which they disagree? Here research might take in two levels of analysis: wider trends in the employment relationship and the employment practices of the HRM professional's particular organization. A related research question is the extent of ethical expertise of HRM professionals: whether they have the training and knowledge needed to meaningfully help their organizations analyze the ethics of employment practices.

We have proposed that unitarism within the employment relationship is empirically inaccurate, and as a result HRM professionals face competing demands for loyalty. Their organizations expect them to structure employment relationships and practices that further the organization's goals. Employees and organizational stakeholders expect them to advocate for employee interests and to ensure that employees receive fair treatment. The wholesale adoption of strategic HRM risks putting the HRM squarely on the side of focusing on organizational rather than employee goals, diminishing the HRM function and the professionals who work within it.

Our analysis also has implications for HRM practitioners. First, we call on HRM managers to take up the responsibility of being the advocates for ethical HRM analysis and practice within their organizations. In some sense this reclaims a prior role that has been latent within HRM practice, but is increasingly necessary. In a related vein, taking ethical analysis seriously requires that HRM

managers question the language of strategy. HRM practitioners may not take a wholly critical stance, but should be willing to identify the ambiguities of their role as both proponents of organizational strategies and employee advocates.

We also propose that HRM managers, to the extent that they are expected by employees and non-employee stakeholders to take on ethical analyses of employment practices, should become more conversant with the language of ethics. Much of HRM education with universities is positivistic in nature. While ethics is starting to get mention within HRM textbooks, for example (Greenwood, 2007), there is a need for greater attention to philosophical frameworks within them. Further, professional organizations such as the Society for Human Resource Management in the United States and AHRI in Australia should increase the amount of attention given in ongoing professional education to ethical issues.

In this paper, we have sought to offer a critique of unitarism in the employment relationship and then to connect this critique to data about how HR managers thought about their organizational roles. The uncritical adoption of strategic language within HRM has been at the expense of ethical reflection by HRM professionals, to the detriment of employees. For HRM to play the role most consistent with the organization's obligations to employees and stakeholder expectations of organization with regard to the employment relationship, it must take on the task of employee advocates and employment ethicists.

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