

SEED GRANT PROJECT FINAL REPORT

**Strategic Human Resource Management (HRM) and
Business Performance of the Regional Coal Mining
Industry in Central Queensland**

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The views and interpretations expressed in this report are those of the author (s), and should not be attributed to the individual participants and organisations associated with the project. I would be pleased to receive any comments from you on this report.

Best Wishes

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Executive Summary

A number of studies suggest that strategic HRM can contribute to firm performance (Guest 1997; Wood 1999; Paauwe 2004). Many organisations are undergoing changes as a consequence of globalisation, new technology application and fundamental changes of work and employment relations. There is increasing demand to transform HRM practices from focusing on a functional role to a strategic role (Beer 1997).

Coal companies operating in the Bowen Basin, Central Queensland are currently experiencing a number of HRM issues as a direct result of the changing world demands for fuel energy, subsequent rapid growth in the mining industry and fierce competition for a limited and capable workforce. This context pushes coal companies to take a strategic position to effectively deploy their human resources and address the significant issue of skill and labour shortages in regional areas.

The aim of this research project is to examine the link between strategic human resource management (HRM) and business performance of the coal industry in Central Queensland. To examine this relationship, we conducted face-to-face interviews and asked participants to complete a survey. The data were provided by 31 managers employed by a number of different companies, including Anglo, BMA, Rio Tinto and Xstrata.

The highlights of the outcomes from this study are:

- The strategic role of HRM was evident in some coal companies, but a majority of the respondents found it difficult to articulate the contribution of strategic HRM functions to achieve business results.
- A number of HRM challenges to the coal industry were identified. These include effective workforce planning and skill training, managing accommodation and shiftwork, managing safety, managing contractors and achieving work-life balance for employees.
- Organisational business strategies have had a larger effect on organisational performance than the adoption of HRM strategies. Use of a quality improvement business strategy is statistically correlated with a set of HRM strategies adopted by the industry. However, a weak linkage between strategic HRM and business performance in the context of the coal industry in Central Queensland does not support the conclusion drawn from prior studies that strategic HRM helps achieve better business outcomes. Reasons for such a weak linkage should be further explored.
- A set of specifically-defined HRM strategies to address ongoing issues of safety, skills attraction and employee retention were focused on occupational health and safety issues, offering employees leadership training and skill development opportunities, and paying above-market rate pay to attract and retain skilled labours.
- Miners are generally very conscious about safety standards and regarded them as the most important factor which contributed to better business performance.

- Along with keeping safety standards, there is a growing interest in offering work-life balance (WLB) programs to safeguard employees' health and wellbeing, and to provide a safe working environment, even though the effectiveness of existing WLB programs was not overtly clear. There is a need to further investigate the effectiveness of WLB programs from employees' perspectives in order to better design these programs to suit the changing lifestyle needs of the workforce in the industry.
- The benefits of using contractors may be complex to determine, as the current study indicated no clear association between the use of contractors and perceived performance. It is necessary to conduct further study to evaluate the actual contributions made by contractors in improving the overall coal business performance.
- Further study on the contractors' performance is significant as there has been a steadily increased use of contractors in the coal industry. Contractors tend to work on a relatively short term (within 3 years). A number of managers indicated a challenge to managing contractors beyond the traditional employment relations framework. It is important to measure the contribution of contractors to company performance for further justifying the use of this peripheral group of the workforce.

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Introduction

The overall purpose of this research is to examine the effects of strategic human resource management (HRM) practices on business performance of the regional coal mining industry in Central Queensland. There are many definitions of strategic HRM in the literature. For the purpose of this study, it is defined as a planned set of human resource management policies and practices that are designed and implemented to enable an organisation to achieve its business objectives (De Cieri et al. 2005a).

The focus of strategic HRM is on achieving organisational business performance, so it is crucial to integrate HRM into organisational business strategies (Wright and McMahan 1992; Gratton et al. 1999; Becker et al. 2001; Boxall and Purcell 2003; Nankervis et al. 2005). Therefore, in this report, the extent of HRM strategies adopted by the coal mining companies will be evaluated. In addition, the link between HRM and business strategies and how such a linkage enables organisations to achieve business results in the context of dynamic changing environment will be examined.

The key issue facing the coal mining industry is the challenge of managing people, as a result of fundamental changes in new work forms and employment relations in the Australian society in recent times. The shortage of skilled labour is one issue, creating a 'bottleneck' effect on further expansion and development of coalmines in the Bowen Basin. Effective management of contract workforce is another issue, as the level of contract labour used by the coal companies has been steadily increasing for the past few years. However, managing this group of peripheral workforce is beyond the traditional framework of managing employment relations (Zheng & Richardson 2006; Zheng et al. 2007). This report will outline these and other HRM challenges in the coal industry.

Research Questions

Our underlying research issue is centred on identifying the types of HRM strategies adopted by the coal companies that could best address the ongoing concern of attraction and retention of skilled labour in the Bowen Basin region so as to improve the performance of the coal industry. Other related research questions included:

- Has HRM played a strategic role in the operations of coal companies?
- How have coal companies addressed the challenges of managing people in the midst of skill and labour shortages?
- What are the predominant business strategies taken by the industry?
- Have the coal companies taken different employment relations management approaches to implement their business strategies?
- How have the HRM strategies and business strategies adopted by the industry contributed to business performance?

Methodology

Both face-to-face interviews and surveys were conducted to collect data. Invitations to participate in the study were sent by email in September 2006 to 34 managers in charge of mine site operations, human resources, training & safety, and environment and community

relations sections of their companies. This invitation contained an explanation for the purpose of the study. Eight managers responded and were interviewed respectively in October and November 2006.

The concept of HRM defined by De Cieri et al. (2005a) was explained especially to those non-HR managers. It refers to all organisational policies, practices and systems that exist to influence employees' behaviour, attitude and job performance. Its main activities include attracting, retaining, and maintaining organisational workforce via rewarding, training, developing and safeguarding.

In November 2006, a survey questionnaire with similar explanatory notes was sent to 156 managers employed by miners in Central Queensland. The survey was returned by 32 participants, including 6 with incorrect addresses and 3 with incomplete answers. Complete information was provided by 23 participants (16% response rate).

Although the response rate may be considered low, data was returned from the majority of mining companies operating in Central Queensland (Australian Coal Association 2006). The companies included in the study are listed in Table 1.

Table 1 – Coal companies participating in this research project

Company	Number of participants
Anglo Coal	5
BMA	8
Ensham	2
Felix	4
Foxleigh	1
Jellinbah	1
Rio Tinto	4
Theiss	1
Xstrata	2
Respondents without company names	3
TOTAL	31

All survey participants held managerial positions in human resource, training and safety, general and mine site operations with a few managing business development, environment, communication and community service areas. It is believed that these managers should have sufficient knowledge about their companies' business and HRM strategies.

Interviews were conducted both at headquarters in Brisbane and at mine sites in the Bowen Basin. Each interviewee was asked to answer ten formal questions (APPENDIX 1) drawn from the structured questionnaire (see APPENDIX 2). The interviews were audio taped and transcribed subsequently to ensure information was not lost. We used content analysis to interpret the key themes from the interviews.

The data collected from the survey were entered into a statistical data analysis package. It was intended to run structural equation models to test the relationship between HRM strategies and business performance. However, the low response rate made such analyses meaningless. Frequencies, cross-tabulation, correlation and factor analysis were used to make sense of the survey data.

Key Findings

1. HRM challenges in the coal industry

The boom in the resource sector worldwide is fuelled by the energy demands of mature and emerging industrialised nations such as India and China. The requirement to increase production to meet this demand is hindered by a number of factors. From a HRM perspective, the general growth of the Australian economy and expansion of the resource sector has led to a labour shortage, particularly among the skilled and professional workforce. The need for effectively managing labour poses a number of challenges to HRM. These challenges include workforce planning and skill training, managing accommodation and shiftwork, managing safety, managing contractors and achieving work-life balance. The outline of these challenges below reflects what were said by the interviewees and those perceptions indicated by the respondents in the survey.

1.1 Workforce planning & skill training

Indubitably, all participants in the survey mentioned the skill shortage in the coal industry followed by the difficulty to recruit and retain staff as the main HR challenge for firms. Most firms struggled to properly plan their skill requirements for increasing production and further expansion in the region. The skills required for the coal industry include not only trade skills, but professional skills for engineers, geologists, environmentalists, accountants, business and community development skills. It requires a proper workforce planning and skill development strategy to meet the industry's short and long term demands. The survey results indicate that none of the coal companies were able to sufficiently project their workforce and skill needs, as also commented by a HR manager:

'...if we were able to plan properly, we would have put together HR planning strategies. In Australia, and pretty well in many parts of the industry, there is no tool that can take the factors such as retirement, people leaving the industry, attrition per se into consideration. So when you want to expand, how many people are required? How many skills are required? How do we project? That is a big, big issue, a big challenge for us...'

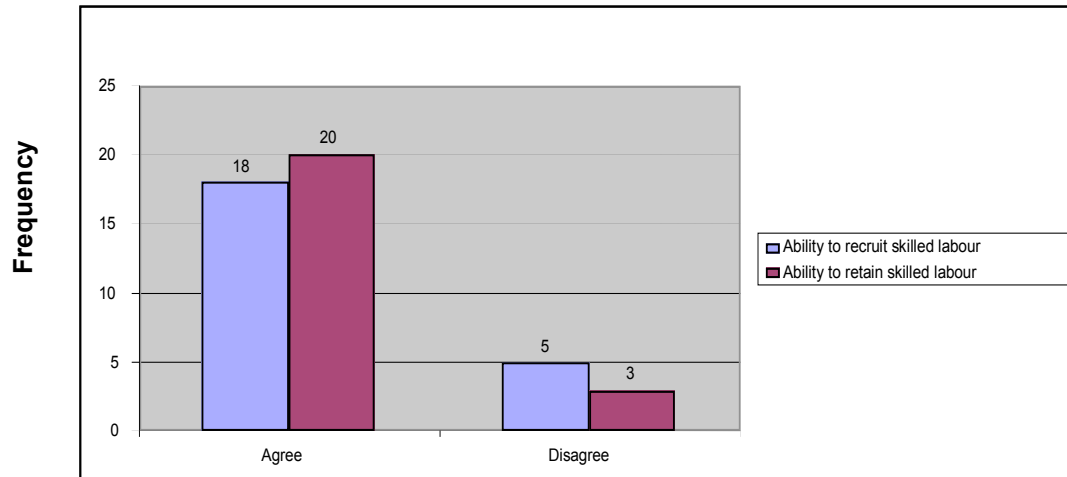
Some mining companies have commenced working with universities and other skills training centres to prepare their workforce. However, skill development and more importantly gaining grounded work experience is time-dependent and results in a lag to accommodate the industry growth. One manager said:

'Really it is our fault because we have not been training people. We have started apprentice programs again for the past few years, but it is a bit too late. When the industry was in doldrums, we were not training enough people at all. In fact, we were limiting our training to existing employees, that is why we have to train them now, because it takes 4 years for them to come through'

At this stage, available technical skills and capabilities are not sufficient to meet requirements in the coal industry. That is the key reason for severe skill shortage in the Bowen Basin region, which also impacts on the other areas of business operation. Being

able to attract and retain skilled labour was agreed by most respondents as an important attribute to enhance their firm performance, as indicated in Figure 1.

Figure 1: Has your ability to recruit & retain skilled labour contributed to your company performance?



1.2 Managing accommodation and shiftwork

The increased production at each mine site coupled with the general expansion of the industry has increased the number of people employed in the sector. In turn this has created a shortage in housing and an increase in people employed on a shiftwork basis.

The 'new' workforce has revitalised many towns in the Basin which had contracted when the industry was in a downturn phase during the 1980s and 1990s. However, the need for housing still outstrips supply in the region. Housing development has not been planned to meet the pressing demands for near-site accommodation from an increasing number of coal workers and their families. Consequently, the prices of rental and residential properties have increased sharply in many communities since 2002.

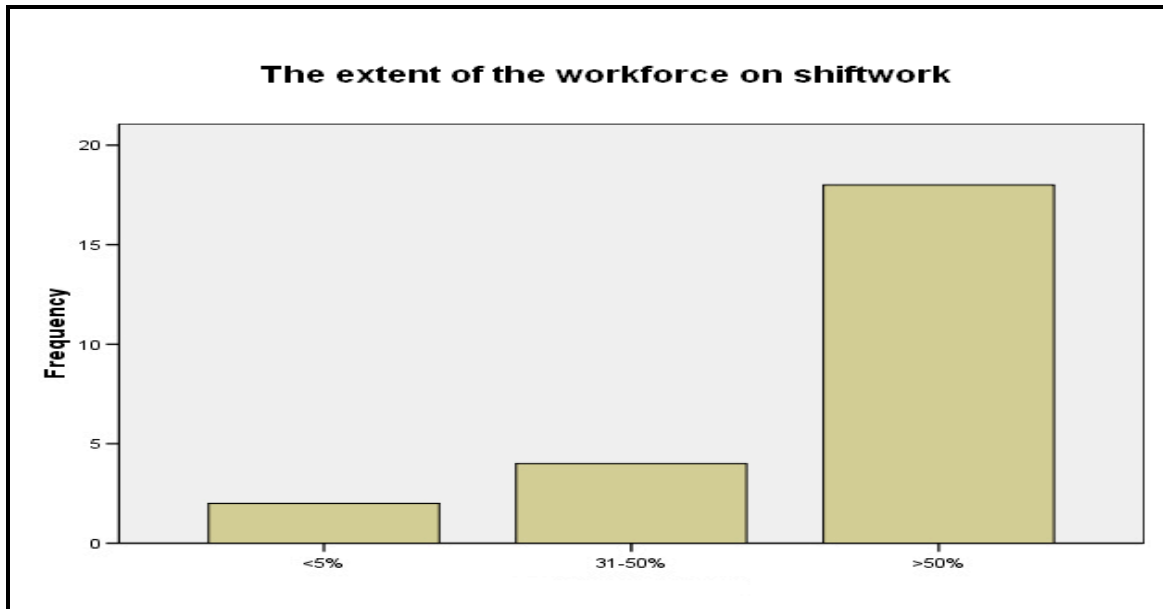
Having sufficient and affordable accommodation poses another challenge for coal companies when they try to attract and retain quality labour. Employers have to incorporate housing benefits or allowance for accommodation in designing the overall compensation package. This issue was possibly not normally encountered by many HR people before. Therefore, some business line managers reacted quite negatively to the inability of HR professionals to quickly come up with better compensation packages to meet the market demand.

The lack of accommodation is one reason for the increased use of a DIDO/FIFO (drive-in drive out/fly-in fly-out) work/life pattern. Yet design of the shiftwork and control of working hours to accommodate workers' DIDO/FIFO life style is another challenge for HR management practitioners.

The lack of suitable and affordable accommodation close to the worksites has resulted in many workers locating in the coastal districts. Di Milia and Bowden (2007) reported the additional safety risks of commuting long distances between mine and residence. Even though the safety issue may not be the full responsibility of HR, the design of work-life

balance programs to address the needs of the workforce, especially those working on shift rosters, is really to do with strategic HRM (De Cieri et al. 2005b). A large proportion of workforce on shiftwork (see Figure 2) has posted a challenge to HR on how to best design working hours so as to better accommodate workforce's needs on balancing work and life.

Figure 2



2.3 Managing safety

Safety is of paramount importance to the industry. Every interviewee, when asked the question of '*What kinds of HR strategies have your firm adopted in the past 3-5 years in supporting the organisation to achieve business results?*' (APPENDIX 1) responded that the management of safety and creation of organisational safety culture was an important HR strategy in assisting organisations to achieve better performance.

Statistical tests between key variables confirm the importance of safety issues. T-tests and chi-square tests were used to identify significant relationships between safety standards and various organisational outcomes (see Table 2). In particular, if a company has had a comparative competency in safety standard, it would have significantly enhanced overall above industry level performance. Fewer workplace injury and accidents also contributed significantly to product quality, cost effectiveness, overall operation capabilities and innovative capabilities of the firm.

Table 2: Safety contributing to performance – Chi-square tests

Items	Pearson Chi-square value	df	Sig (2-sided)
Comparative competency in safety to above industry average performance	41.98	20	.00
Less workplace injury and incidents to safety performance	33.34	16	.01
Less workplace injury and incidents to quality	17.95	8	.02
Less workplace injury and incidents to cost effectiveness	20.37	12	.06
Less workplace injury and incidents to overall operation capabilities	36.91	12	.00
Less workplace injury and incidents to innovative capabilities	19.04	12	.09

Coal mining is strictly regulated by the Coal Mining Safety and Health Act 1999 (Qld) and the Mining and Quarrying Safety and Health Act 1999 (Qld). The industry watchdogs, including SIMTARS (Safety in Mines Testing and Research Station at the Department of Natural Resources and Mines, Queensland) and EPA (Environmental Protection Authority), monitor constantly on injuries and fatalities records of each mine. Severe landslides, workforce injury or even a casualty could lead to a total or partially shutdown of the mine. A mine closure, even for a temporary period, implies a loss of millions of dollars. This helps to explain the strong focus on safety issues in the industry (Figure 3a and 3b).

Figure 3a: Safety issues

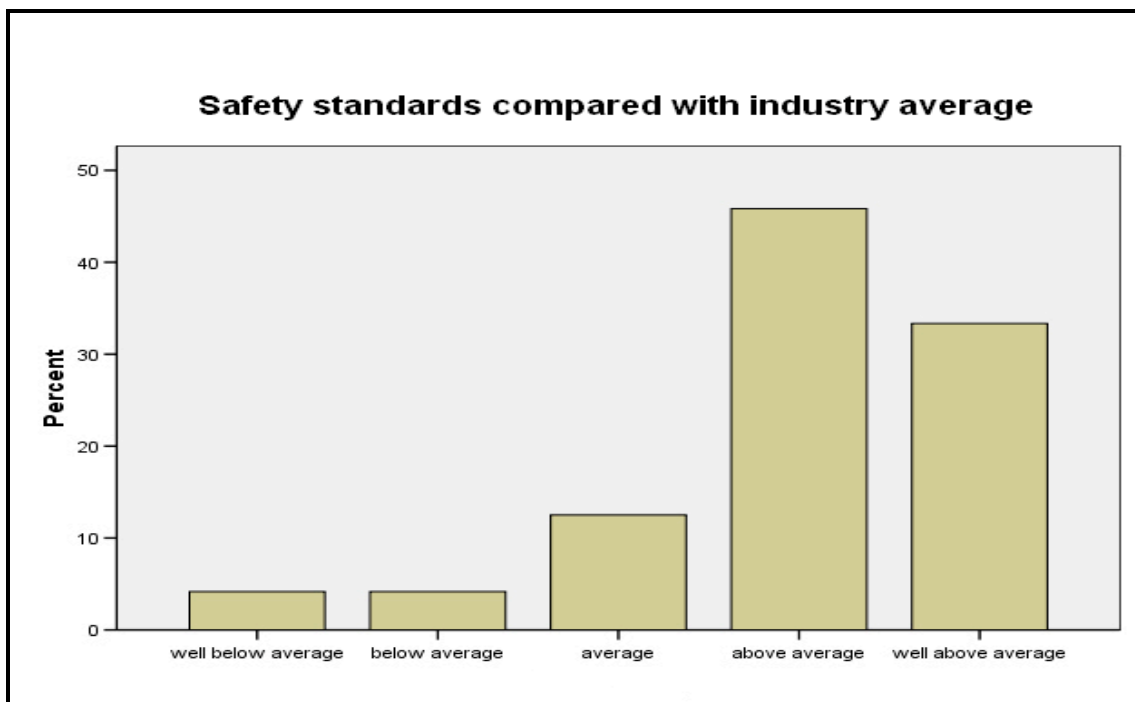
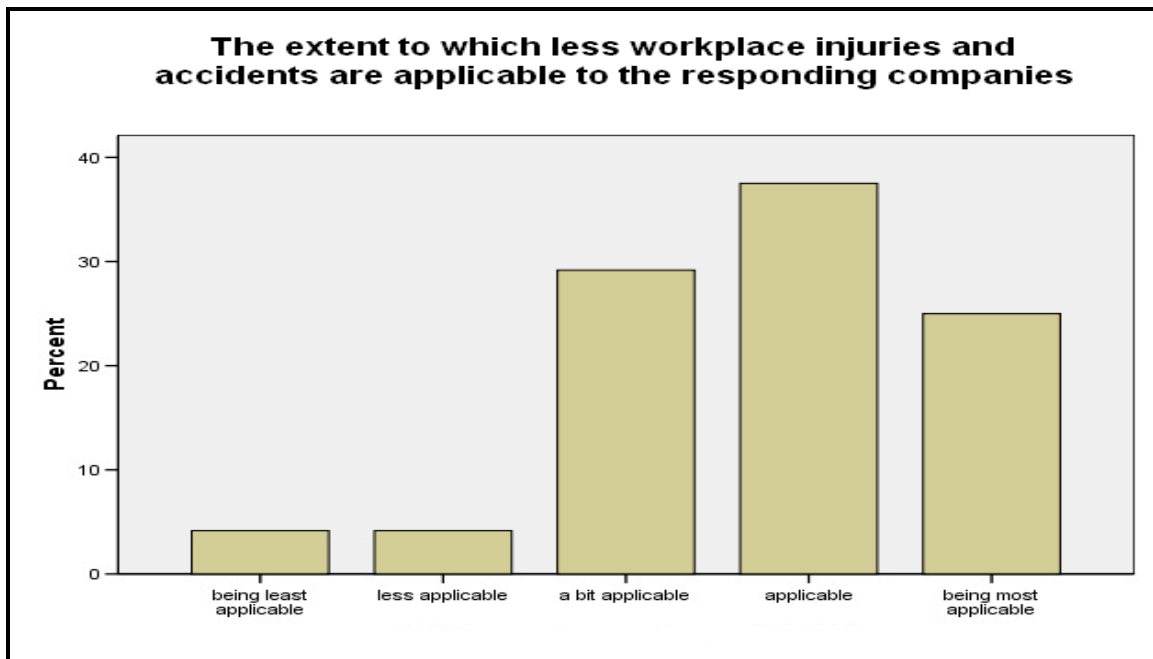


Figure 3b: Safety issues



1.4 Managing contractors

There has been an increasing number of contractors working in the coalmines. All interviewees and participants in the survey indicated that their companies had in one way or another used a contract workforce to supplement the labour shortage and to meet their expansion and growth requirements.

Figure 4: Contract workforce in the coal industry

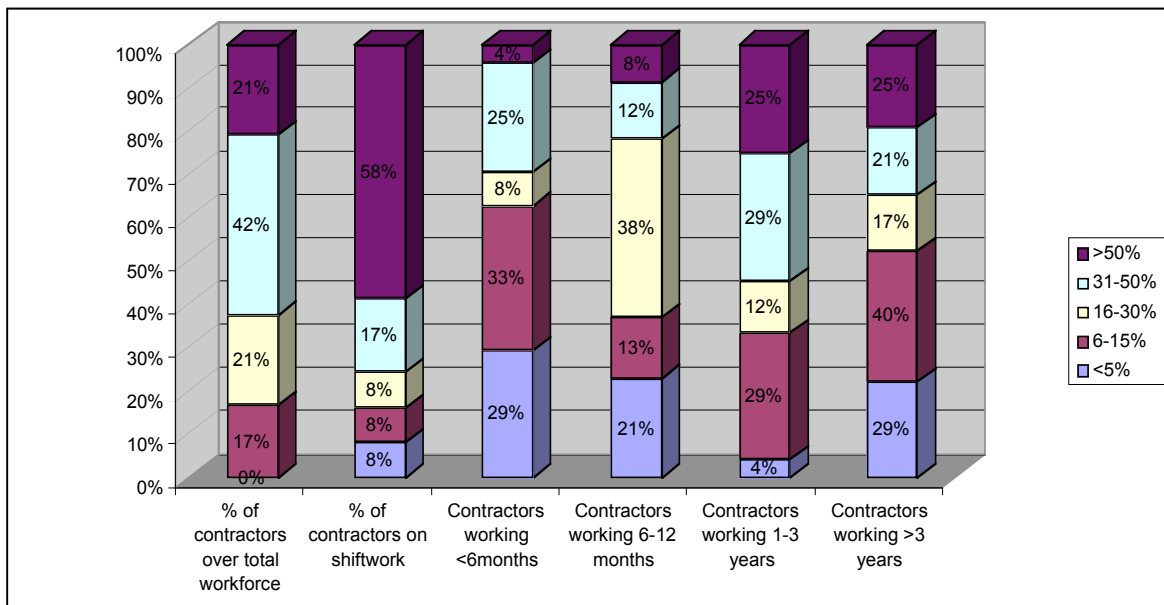


Figure 4 provides some understanding of the extent to which the contract workforce in the participating coal companies has been involved in shiftwork and the length of their contracts. Among 23 respondents, one fifth indicated that contractors were over 50% of their workforce, and 42% of the respondents suggested that 31-50% of their total workforce were contractors. The majority (58%) reported that contractors were engaged in shiftwork, and that they often were contracted for 1-3 years, with a lower proportion of contractors on 6-months work or more than 3 years work.

Given the extent to which the contractors have been involved in coal mining production and expansion in relatively short-term (within 3 years), there are issues about how to manage this mobile group of the workforce. In particular, this has posed another challenge to HRM in terms of managing contractors who were not the part of the traditional employment relations framework (Zheng & Richardson 2006). The concern is expressed quite clearly by an interviewee who said:

'...of course, with the growth and expansion, comes the need to get more contractors on site for specific projects, and management of those contractors (is) outside xxxxx's (the company's name omitted) charters – such as our value and safety and health requirements. When you got so many new people and contractors,, managing them has been very difficult. Probably we have underestimated the difficulty of managing them'.

One of the interests in this research project is to test whether the use of flexible staffing practices would actually help improve performance. Simple cross-tabulations and correlation among key variables relating to perceptions on performance and use of contractors, part-time and casual workers were performed. It was found that none of these flexible staffing practices had statistically significant relationships to the perceptions of respondents about firm performance (Table 3). The correlation matrix (Table 4) confirms that above-average industry performance is not correlated with any flexible staffing arrangement and the use of contractors.

Table 3: The impact of flexible practices and use of contractors on firm performance – Cross-tabulations

Items	Pearson Chi-square value	df	Sig (2-sided)
% of contractors over total workforce	16.251	15	.366
% of contractors working less than 6 months	15.570	20	.743
% of contractors working 6-12 months	22.721	20	.594
% of contractors working 1-3 years	15.978	20	.718
% of contractors working more than 3 years	22.572	20	.603
% of part-time employees	11.894	10	.292
% of casual employees	11.116	10	.349

Table 4: Correlations among key performance and flexible practice variables

Items	1	2	3	4	5	6	7	8
1. Above industry average performance	1							
2. Profits from cutting unnecessary labour	-0.035	1						
3. Profits from outsourcing specialised service	0.044	0.366	1					
4. Flexible staffing via use of part-time and casual employees enhances productivity	-0.216	0.058	0.037	1				
5. Productivity from use of contractors	-0.119	-0.184	-0.225	-0.437*	1			
6. % of part-time employees	-0.023	0.143	-0.098	0.336	-0.057	1		
7. % of casual employees	0.031	-0.103	0.132	0.041	-0.113	0.321	1	
8. % of contractors over total workforce	0.010	0.183	0.099	-0.011	0.190	0.456*	0.175	1
Total cases	23	23	23	23	23	23	23	23

* Correlation is significant at the 0.05 level (2-tailed).

Even though statistically there was no clear association between use of contractors and business performance, key benefits of using contractors expressed by most interviewees and participants in the survey were:

- 1) enhancing flexibility,
- 2) supplementing the existing workforce when required to meet market demands; and
- 3) bringing in the expertise and specific skills which were not currently available in the industry.

The majority of participants reported that the use of contractors would continue in the perceivable future, even though the management of this group of workforce seems to be difficult and measurement of the contribution of contractors and flexible staffing to firm performance is not yet clearly defined.

It appears that the areas where HR people can and should provide strategic support to the coal business in managing growth are: effective management of skill training; compensation packages including accommodation and shiftwork design; health and safety; and monitoring an increasing number of the contractors and non-standard workforce (ie. part-time and casual employees), including measuring their contribution to firm performance.

Pertinent to these challenges, there is an increasing demand for coal firms to address the work-life balance issue, as one human resource management strategy to attract and retain quality employees and to improve health and wellbeing of the workforce.

1.5 *Managing work-life balance (WLB)*

All participants were asked to indicate whether their companies had done anything special to attract and retain quality employees, whether there were any work-life balance programs in place and how these programs would have helped attract and retain employees (APPENDIX 1 – Question 8). Work-life balance programs reported by the participants in this study are summarised in Table 5.

Table 5: A summary of work-life balance programs perceived and recorded from the interviews and the survey

Items recorded	Number counted
• Specifically mentioned work-life balance (WLB) programs available in the company, though without specific indication of what they are	10
• Pay much higher than market rate or offer attractive salary or benefits programs rather than WLB programs to attract and retain employees	12
• Provision of accommodation or above standard quality housing	8
• Provision of housing allowance, rent subsidy or mortgage offset, airfare or accommodation allowance for FIFO/DIDO	6
• Shiftwork pattern design, swap shifts, flexible roster, family-friendly shift roster	5
• No such programs as work-life balance	6
• Use of buses to transport employees living outside the mine site	3
• Provision of flexible leave for sporting events and family needs or healthy lifestyle programs	3
• Provision of standard leaves by law	3
• Access to health specialists and medical professionals	3
• Work-life balance is hard in the industry, as most employees work on shifts. Flexibility arrangement on site is difficult. Change of shift only at supervisor level, ground level employees often work on weekend, this affects family life	3
• Employee assistance scheme	2
• Succession planning; provision of career and personal development opportunity via job rotation or attending conferences	2
• Work from home – for corporate staff or office employees only	2
• Provision of meals for single employees	1
• Use of partnership programs to train partners to work at the mine sites	1
Total respondents	31

The overall content and emphasis on specific items by mining companies are quite different from the mainstream discussion on WLB programs. For example, the use of flexible working hours did not imply that coal workers could choose any hours that they want to work, but that they might be able to pick the preferred shifts in the rostering system. The use of rotation of work and job-sharing was also limited to a couple of companies who largely used this approach to enhance employees' personal development, not necessarily for work-life balance purpose. Flexibility about the place to work and part-time working arrangements was applied mostly to those working as support roles in the office, not miners or contractors on-site.

Indeed, the actual management of work-life balance for coal miners was barely mentioned. Two companies were able to provide official documents on work-life balance policies. However, managers interviewed suggested that this was only on trial at the corporate level, and that it could be rolled out to mine sites in future.

The distinctive WLB programs expressed above tend to address coal workers' specific needs for accommodation, shiftwork arrangement, drive-in-drive-out, fly-in-fly-out (DIDO/FIFO) work-life pattern, medical and health support. Managers interviewed tend to suggest that employee's health and wellbeing can be effectively enhanced by provision of a safe work environment, rather than by other elements.

Whether these work-life balance programs have helped attract and retain the skilled workforce was not overtly clear. On one hand, managers believed that comprehensive set WLB programs helped achieve the goal of attraction and retention in the mist of current severe competition for quality labour in the region. For example, an interviewee from a single mine operation said:

'We have 7-day on and 7-day off. We have a number of people living on site. We bring in health professionals, physiotherapists periodically, so they can spend time on regular basis to improve people, to help them with their physical needs. People also work 4-hour on, 4-hour off in a 12-hour shift, so they have sufficient rest.... We also try to rotate people, but we do not have another mine to go, so we rotate the roles within the company. I think we must have done something right. We have a very low staff turnover rate. We have significantly grown the staff number for the past two years, we only lost two people within two years'.

On the other hand, some managers tended to treat WLB programs as a company showcase; they were unsure about the overall effect on attraction and retention. Indeed, from the survey, as shown in Table 5, 10 respondents wrote down 'work-life balance programs' without specifically explaining them. As a manager commented:

'in essence, we still have this belief that if we do the right things, people will flow to us. However, this is not necessarily so in our situation. We have programs, we have policies, they are all there, but people still leave, regardless'.

Even though the company had a significant reduction in turnover, this might not be entirely due to the provision of WLB programs. The following comment from one interviewee was particularly interesting:

'I told you about what we have done in terms of taking care of our people. But let's get real. Under the current environment, PAY is the key to reduce the high turnover rate. We used to have 60% staff turnover rate, consecutively for a number of years. Last year, we started offering better remuneration, we brought that down to 6% - a huge reduction. Perhaps this is also due to our easy roster system?'

Indeed, the largest count of a number of respondents were evident, suggesting that competitive remuneration, above market pay rate was the best approach to attract and retain staff. Most participants tend to suggest that WLB programs are necessary, but wages are more elastic under the tight labour market conditions to determine whether workers would stay or leave. There is a serious lack of understanding about the effect of WLB programs on genuinely helping coal employees, and how the management of these programs could benefit both employees and employers in the industry.

2. Strategic role of HR

Strategic HRM has often been discussed in the context of enhancing firm competitiveness and improving firm performance. With many changes occurring as a consequence of global competition, technology advancement, workforce casualisation, government deregulation and organisation restructuring, a greater emphasis on HRM to offer value-added services and deliverables in terms of administrative efficiency, flexibility, employee quality, cost effectiveness and overall organisational capacity to facilitate fast change is required (Becker, Huselid and Ulrich 2001). Hence, in the context of the coal industry with a number of HRM challenges as outlined above, it is postulated that HRM might have also been used to play a strategic role to address new challenges, rather than simply the traditionally-defined functional role (Beer 1997).

To evaluate whether HRM is playing a strategic role or not, it is necessary to understand whether the role of HRM really exists, and if it does, the extent of HR managers' involvement in strategic planning of coal companies both at the corporate and mine site level. Again, the following results were generated from views and information given by the participants in the interviews and the survey.

2.1 Is there a HR department?

Three managers out of eight interviews reported that their companies had no HR department or HR manager; one indicated that training & safety managers were responsible for overall HRM. HR matters were largely managed by mine site managers or line managers who had direct contacts with staff.

In the survey, two questions were asked to identify whether companies have a HR department in charge of personnel matters, and if so, to what extent has the HR department been involved in strategic planning both at site and headquarter level (APPENDIX 2, Questions 4-5). Figures 5a and 5b provide some understanding of the extent to which HR managers have been involved in managing personnel-related matters in the coal industry.

Figure 5a: The role of HRM in managing personnel-related matters

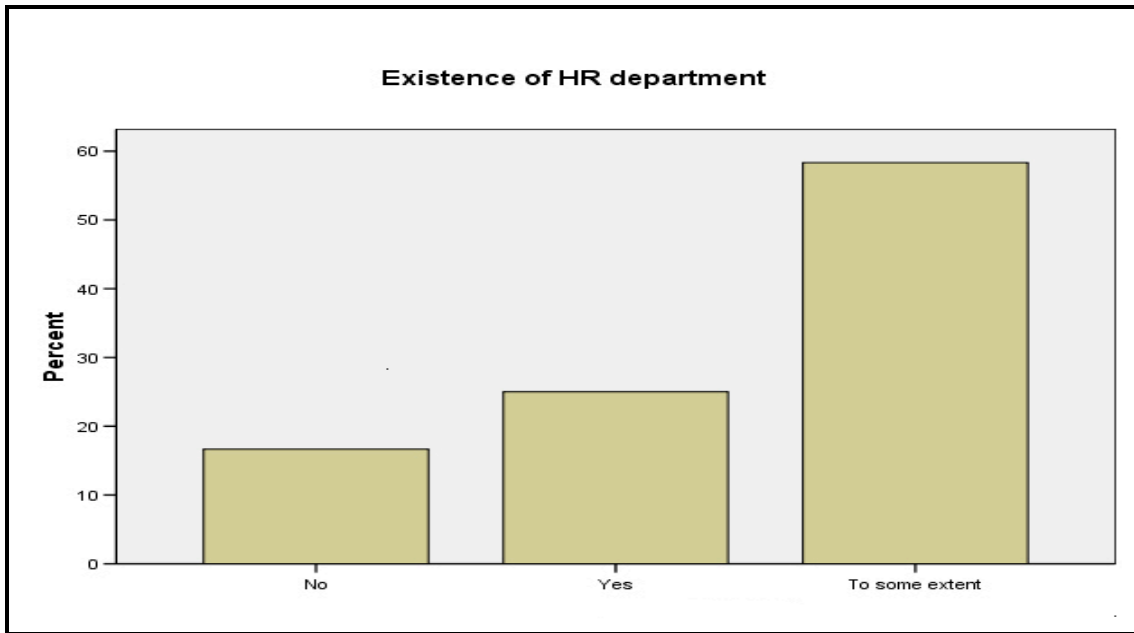
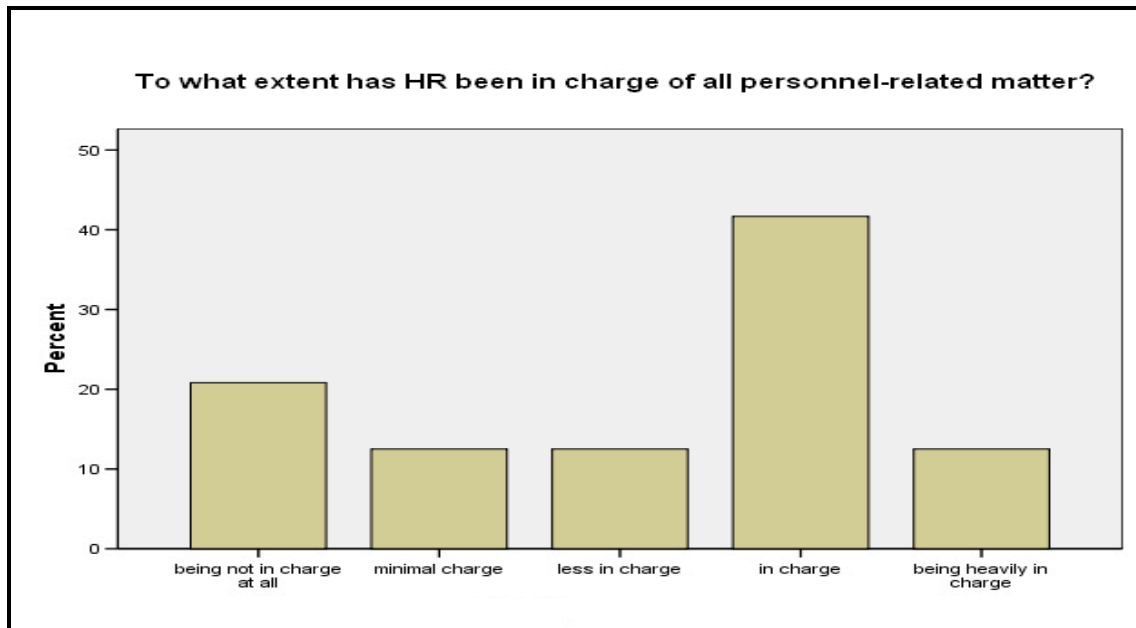


Figure 5b: The role of HRM in managing personnel-related matters



Only a quarter of 23 respondents indicated that they have a HR department in charge of all people-related matters. Almost 60 percent of the respondents were not quite sure and believed that HR was somehow in charge of personnel matters. Even though for those companies that did have HR departments, the department was not fully in charge of all personnel matters. One manager commented:

We do not have HR management, each manager is the HR manager....There is nobody within the company really focusing on HR per se, rather we focus on safety, environment, production, process, not on HR.

A similar comment was made by another manager whose role was not in HR, and whose company did have an HR department. However, this line manager could not identify the effective role played by his HR department. He commented that:

.....They (HR people) are not doing anything. Really major people strategies were determined by company executives not HR people. I do not think that they have done much to us and to the company as a whole.

In contrast, for those limited number of companies who had taken HR seriously, their HR departments were heavily engaged in managing people issues, and were seen strategically important to business operation. For example, a manager claimed that:

HR managers are now very much a part of the team. A decade ago, there was no HR manager on site, but now HR is directly responsible to the mine manager. The demand for effective HR management is quite significant. If the HR role were not there, they (business or line managers) would find it very difficult to operate in the mine site.

It seems that three different perceptions on the role of HRM currently exists in the coal industry. On one hand, HRM was seen playing an important role in helping businesses. On the other hand, HRM was regarded as playing a minimal role in contributing to achieving organisational objectives. The third perception is that HRM is important, but its roles are not actually played by HR managers, but by respective managers who are in charge of personnel-related matters. In the latter perspective the HRM role is embedded in the role of line managers (Storey 1992). Note that the size of the coal companies does not affect the perceptions. Representatives from both small and large mines expressed similar sentiments towards these three perceptions

The result is not very different from recent studies of strategic HRM in other contexts (eg. Vernon 2004; Park, Gardner & Wright 2004; Boudreau & Ramstad 2007). Business and line managers tend to recognise the important role of HRM. However, they often find it difficult to fully articulate the value of HRM functions.

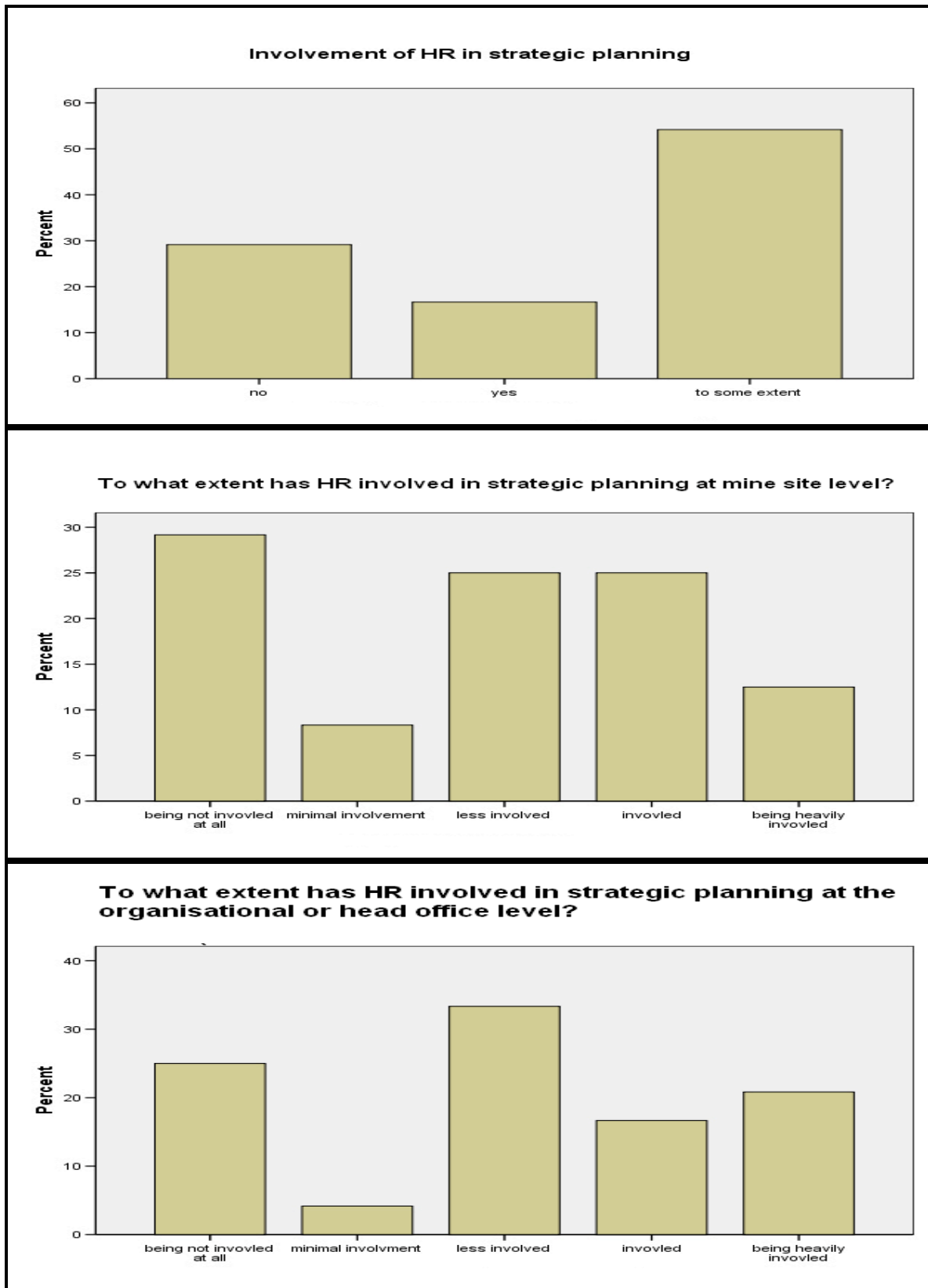
2.2 How much is HRM involved in strategic planning?

The results shown in Figure 6 suggest that few companies reported substantial involvement of HR in strategic planning at site/head office level. For those companies whose HRM functional role was fully recognised, the tendency for HRM to get involved in site and headquarter level of strategic planning has been comparatively much higher. Therefore, it is quite likely that the effectiveness of HRM functions carried out by HRM professionals and practitioners is likely to call for HRM to play a more strategic role in supporting business and organisation as a whole.

The greatest value HRM can add to an organisation is through its role as a strategic partner that can help the organisation develop its strategy via participating in strategic planning process (Lawler et al. 2006). Through the interviews, it was identified that some leading coal companies placed a substantial emphasis on the strategic role of HRM. Their HRM teams tended to take a leading role in developing a more comprehensive set of strategies that directly addressed business needs. Other companies still focused on the traditional HR functions, which did not involve HRM in the strategic planning process, and their piece-

meal approach to HRM practices were largely determined by individual business unit or line managers.

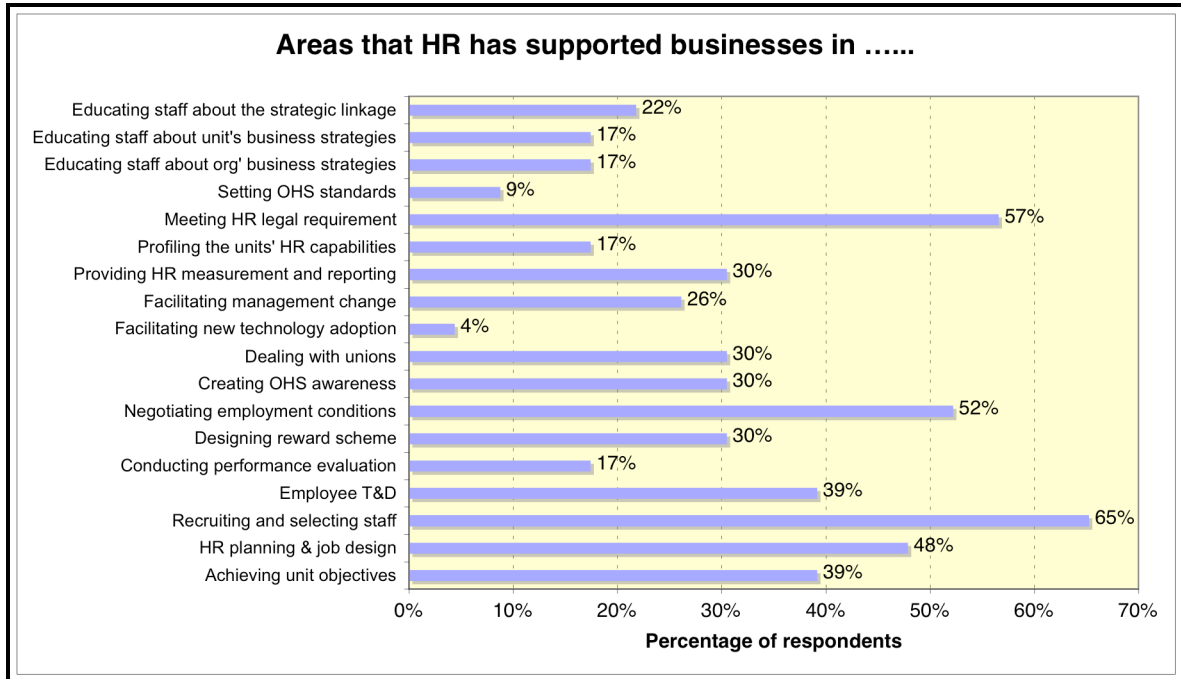
Figure 6: The extent to which HR has involved in strategic planning



2.3 In what areas has HRM strategically supported businesses?

The survey questionnaire (Question 9) asked the respondents to indicate the degree of support received from the HR department to assist in various areas of human resource management. The results are displayed in Figure 7.

Figure 7:



Most respondents agreed that HR supported businesses in the areas of HR planning and job design (48%), recruitment and selection (65%), setting employment conditions (52%) and meeting legal requirements (57%). Respondents also agreed, but not to the same extent, that HR provided some support in helping business units to better understand organisational business strategies, and achieving business unit's objectives.

Due to the stringent requirements for safety in the coal industry, there is often a separate safety department set up instead of HR, in charge of occupational health and safety. Hence, the HR department does not normally lend much support in this area.

In summary, if HRM was not overall taken seriously at the strategic level, and not engaging in formulating and implementing business strategies in the strategic planning process, it is not surprising to find fewer respondents perceiving HRM engaging in compensation design, performance evaluation, facilitating technology application and changes and profiling business units' HR capabilities. These are the areas where HRM can perhaps add strategic value to deal with the current concerns of coal businesses in the region. Then, the 2nd research question would be: how have the coal companies dealt with the challenge of managing people in the midst of skill and labour shortage? The following section is intended to use some statistical analysis to make sense of some HRM strategies reported by the participants in the survey.

3. HRM strategies

Question 8 asked participants to rate the extent to which 24 HRM items (Nankervis et al. 2005) were applicable to their companies. Exploratory factor analysis was then used to summarise underlying integrative HRM strategies used to address the number of challenges faced by the industry. Several themes of HRM strategies discussed below appear to underlie the participants' responses in the survey.

Use of industry specific HRM strategy

This group tended to load high weighting on policies addressing occupational health and safety (OHS) issues, employee training and development and competitive remuneration. For instance, the variables 'create awareness of OHS issues at workplace' and 'consult with employees about OHS issues' have high loadings, as do 'offer career development programs to employees' and 'offer on-going leadership & management training for those who are willing to stay'. In addition, 'offer above-market pay rates to attract quality and skilled labour' has a high loading too. This implies that the coal industry may have adopted specific HRM strategies, which largely focus on improving safety, enhancing employees skills and designing strategic reward schemes to address the current challenges as outlined previously.

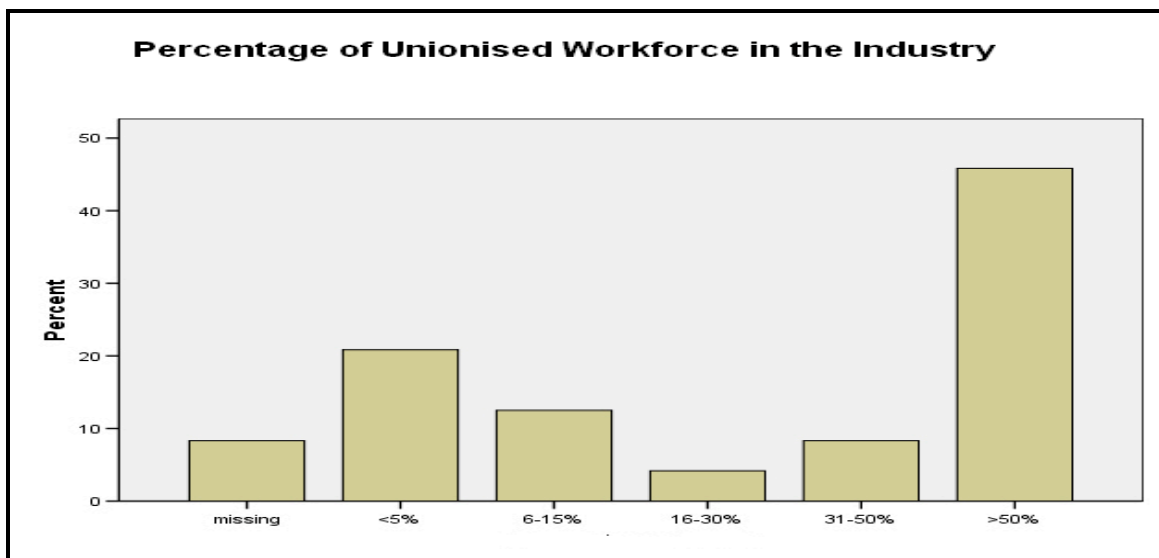
Use of flexible HR policies design and practices

A flexible approach in designing and developing HR strategies and processes appears to be commonly adopted. This reflects outsourcing some areas of HR functions, for instance, 'OHS training' and other 'training and development programs', where the companies may not have sufficient internal expertise. The design and development of specific HR strategies to attract and retain quality and competent employees is another pressing area demanding the flexible and innovative HR management approach. 'Regular review of HR policies and procedures' and 'change HR policies to suit business needs' represent another trend of demanding HR to be flexible in helping organisations to achieve strategic goals in the midst of the boom.

Working with unions

In contrast to the emphasis on flexibility, there is a distinctive group which emphasises collaboration with trade unions in developing and implementing HR strategies. Although the industry's union membership has dropped in the past decades, the influence of the trade unions in mine sites is still strong. Figure 8 shows that almost half of all survey respondents indicated that their companies have over 50% unionised workforce. The majority of interviewed companies also have a unionised workforce. This means, to some degree, still very important to work with unions in designing and implementing HR strategies.

Figure 8



Use of differentiation HR strategy

There appears a difference in managing core and peripheral employees in the industry, similar to what is discussed in Atkinson's (1984) 'flexible firm model', whereby more training and development opportunities were provided by employer to fixed-term employees (core employees) whilst there was less such opportunity for contractors (periphery). However, peripheral employees (contractors) tend to receive short term monetary benefits instead of long term job security and development opportunities.

Use of specially designed selection strategy

This group tend to lump the items such as 'appointment of personnel that is relevant to the industry safety requirement'; 'offer bonus/shares besides salary package to attract and retain quality employees'; and 'use of personality types and tests in selection to see whether candidates were suitable for jobs'. Working in the coal industry is regarded as physically hard and tainted. It requires certain personality to fit the jobs (Ashforth and Kreiner 1999; Ashforth et al. 2007). Hence, a combination of strict selection process with attractive bonus programs would ensure that the person selected is qualified for the job, and has incentive to remain working in the industry.

Use of Short-term focused HR strategy

It seems that the industry currently emphasises the short-term performance with flexible or outsourcing HR strategies to meet production demand and export growth. These items (eg. flexible staffing, outsourcing HR functions such as performance evaluation and recruitment and selection) were negatively associated with a focus on the long-term, group-based performance management. Many companies were quite uncertain how long this resource boom would last. This might be the reason why there is a relatively low emphasis on long term performance management in the industry. In addition, the lack of positive role played by the HR as discussed previously, or the lack of skills in these HR management areas might be associated with the motive to outsource. It might be easier to find external sources who can better facilitate and manage recruitment and performance of

individual employees. In particular, when the industry is facing the increasing demands for production, safety, environment, quality port and rail facilities, building potential capability in managing HR internally tends to be put aside in the short term.

Would these synthesised HRM strategies have helped the coal companies carrying out their business strategies? The following section presents the degree of association between the variables of business strategies, HRM strategies and organisational outcomes.

4. Business strategies, HRM strategies & Performance

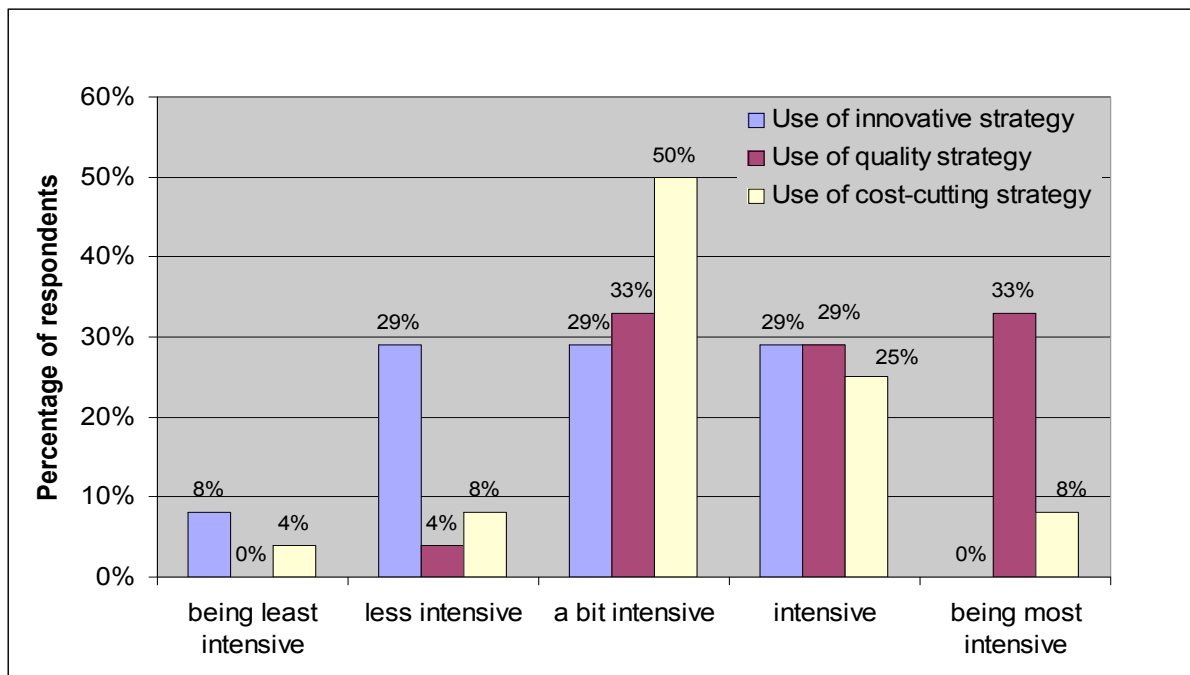
Question 6 asked all respondents to indicate what type of business strategy has been most intensively used in their companies. Figure 9 shows the level of intensity in using three types of business strategies as defined by Porter (1985). It seems that the 'quality improvement strategy' is most intensive, with the comparatively highest mean at 3.92 on the 1-5 scale, followed up by the cost-cutting strategy (mean = 3.25). In contrast, there is less intensive use of innovative strategy, which focuses on research and development, cutting edge technology and long-term emphasis on overall innovative capability development.

The results from the interviews are quite similar. The interviewees tend to suggest that the companies were more likely to use the combined strategies. The focus on business operation could also be different from year to year. The stress on quality improvement and cost-cutting seems predominant across all eight interviews. It was summed up by one of the managers interviewed:

'So the focus of our business strategies is certainly on a bit of innovation, improving quality but definitely watching on the cost too.....'

It is argued that strategic HRM can only assist organisations to achieve their business bottom-line results when the organisational HRM strategies are closely integrated with business strategies (Wright and McMahan 1992; Boxall and Purcell 2003). We used a correlation analysis to examine the degree of integration between HR strategies and business strategies (see Table 6). It is found that the use of cost-cutting strategy has no association with any strategic HR practices currently implemented in the industry. The quality improvement strategy is, however, significantly correlated with the industry specific HR strategies (coefficient = .570, $p < 0.001$), whilst the use of innovative strategy is moderately related to the differentiation HR strategy (coefficient = .488, $p < 0.05$).

Figure 9: Intensity in Using Different Business Strategies



Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Use of innovative strategy	23	1	4	2.83	.98
Use of quality strategy	23	2	5	3.92	.93
Use of cost-cutting strategy	23	1	5	3.26	.92
Valid N (listwise)	22				

Correlation analysis between business strategies and all items of HRM strategies and processes were also performed. It is found that the use of innovative business strategy tends to correlate with the differentiation in managing core and peripheral workforce (coefficient = .53, $p < 0.01$). This suggests that innovative capability might have been significantly developed only among the core workforce, not for contractors and those peripheral employees.

Another finding is that the use of the ‘quality improvement strategy’ was negatively correlated with paying more to contractors. The intensive use of the ‘quality improvement business strategy’ was more likely to associate with

- 1) HR strategies that can help attract and retain quality and competent employees (coefficient = .637, $p < 0.01$);
- 2) creating awareness of OHS issues at workplace (coefficient = .614, $p < 0.01$);
- 3) encouraging employees in participating and managing OHS (coefficient = .575, $p < 0.01$); and
- 4) reviewing and changing regularly HR policies to suit the emerging business strategies (Table 6).

Table 6: Correlations between Business Strategies and HRM Strategies

<i>HR Strategy</i>	<i>Business Strategy</i>	<i>Use of innovative strategy</i>	<i>Use of quality improvement strategy</i>	<i>Use of cost-cutting strategy</i>
Industry specific HRM strategies	–	–	0.570**	–
Differentiation HRM strategies	.488*	–	–	–
Regular review of HR policies & procedures	.425*	–	.424*	–
Change HR policies to suit business needs	–	–	.482*	–
Design and develop HR strategies to attract & retain quality and competent employees	–	–	.637**	–
Offer above-market pay rates to attract quality and skilled labour	–	–	.426*	–
Encourage and provide support for employees' self-education & development	.445*	–	–	–
Create awareness of OHS issues at workplace	–	–	.614**	–
Consult with employees about OHS issues	–	–	.575**	–
Offer better pay for contractors & shift workers	.532**	–	–	–
Contractors receive more pay but less development opportunity	–	–	-.418*	–

N = 23

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

Note: those variables not significantly correlated were omitted.

To evaluate the relationship between strategic HRM, business strategy and firm performance, correlations among the key variables were again performed. Note that in theory, overall firm performance is largely attributable to better organisational outcomes in terms of quality employees, flexibility, administrative efficiency and cost effectiveness (see Huselid 1995; Huselid et al. 1997; Becker et al. 2001). Here, the significant relationships between business strategy, HRM strategy and organisational outcomes are presented in Table 7. An variable of participants' perceptive performance on 'above industry average performance' is also included in the analysis.

Even though use of the 'cost-cutting strategy' was not associated with any HRM strategy, it moderately helps coal firms to achieve above industry average performance (coefficient = .453, $p < 0.05$). The perceptions about performance were, however, negatively related to short-term focused HR strategy (-.462, $p < 0.05$), suggesting that long-term and internally focused HR capability building may contribute to better recruitment and retention of quality employees, and better management of individual employees' performance, as a result, it may lead to better industry performance.

Table 7: Relationships among Business Strategies, HRM Strategies and Comparative Organisational Outcomes

Strategy \ Comparative performance	Use of innovative strategy	Use of quality improving strategy	Use of cost-cutting strategy	Industry specific HR strategy	Flexible HR strategy	Working with unions	Short-term focused HR strategy
Above industry average performance	-	-	.453*	-	-	-	-.462*
in technology	.569**	-	-	-	-	-	-
in competitiveness	-	.482*	.426*	-	-	-	-
in quality	-	-	-	.405*	-	-	-.444*
in meeting customer needs	-	-	.417*	.417*	-	-	-
in ability to export	-	-	-	.443*	-	-	-
in flexibility	-	-	.528**	-	-	-	-
in safety	.460*	-	.475*	-	-	-	-
in administrative efficiency	-	.411*	-	.409*	-	-	-
in cost effectiveness	-	.525**	.427*	.452*	.676**	-	-
in overall operational capabilities	-	.490*	.488*	.663*	.558**	-	-
in overall innovative capability	-	.730**	.638*	.627*	-	-	-
in overall employee retention	-	-	-	-	-	.447*	-
% of the total employees left	-	-	-	-.439*	-	-	-

N = 23

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

Note: those variables not significantly correlated were omitted.

It seems that the use of both quality improvement and cost-cutting business strategies as well as industry specific and flexible HRM strategies considerably helped to reduce cost and enhance administrative efficiency. Short-term focused (ie. outsourcing some HR functions) HR strategy was negatively related to improving quality, while specifically-defined HRM strategies helped improve quality and lower the number of employees leaving the coal industry. Working with unions appears to improve overall employee retention, but may also indicate that firms have reduced staffing flexibility. Would the unionised workforce be more committed and loyal to the companies? The question needs to be further investigated as the current data is not sufficient to test this hypothesis.

Overall, the survey reveals that business strategy tends to associate more with achieving organisational outcomes than HRM strategy. Among several groups of HRM strategies, only industry specific HR strategies and flexible HR strategies implemented by the coal companies have generated some positive organisational outcomes.

Most managers interviewed attributed the better performance of the industry to the current strong market growth in the resource sector, especially the international demands driving up the coal price. Some also regarded the change of employment relations with less union intervention in staffing and job design as an important factor that has contributed to the improvement of productivity. In particular, the flexible staffing practices were mostly mentioned as effective tools, as they freed up the coal companies to employ more contractors when in high demand. Managers tend to suggest that by using contractors, building teamwork and encouraging workforce multi-skilling, coal companies had improved efficiency in operation and maintenance. As commented by one interviewee,

‘actual flexibility has a huge impact on production, because you don’t have to wait around for the right persons to come along, people with skills are there, they can work side by side’.

Conclusions

The report provides the research outcomes from analysing the data provided by eight interviewees and 23 survey responses in the coal industry. It indicates that some degree of strategic human resource management (HRM) has been employed by coal companies. However, a number of significant HRM challenges still remain in the industry. The challenges include workforce planning and skill training, managing accommodation and shiftwork, managing safety, managing contractors and achieving work-life balance.

It appears that the linkage between HRM strategy and organisational outcomes is less obvious than the linkage between business strategy and organisational outcomes as described in the current study. As a result, the impact of HRM strategies on firm performance can not be clearly identified and measured. A weak link between strategic HRM and business performance in the context of the coal industry in Central Queensland does not support the conventional strategic HRM theories and outcomes from some empirical studies, which advocate a strong link between strategic HRM and firm performance (see Wright and McMahan 1992; Gratton et al. 1999; Becker, Huselid and Ulrich 2001; Stavrou and Brewster 2005).

There are, however, four significant outcomes generated from the current research. *Firstly*, it is identified that the coal industry tends to adopt a set of specifically-defined HRM strategies to address the ongoing concerns on safety, skills attraction and retention. These specific HRM strategies focus strongly on addressing OHS issues, offering employees leadership training and skill development opportunities, and attracting and retaining labours with above-market rate pay. These HRM strategies adopted were shown to be more effective in achieving administrative efficiency, cost effectiveness, employee quality and overall operational and innovative capabilities for the coal companies, even though their influence on attraction and retention of labour was not significantly shown.

Secondly, safety standards were identified as the most important factor which contributed to better business performance. It seems that managing safety issues was ranked as more important than managing people in the coalmines. Hence OHS management is perhaps acting as a major filter in the selection of specific industry-related HRM strategies as mentioned before.

Thirdly, with the amount of attention given to safeguard employees’ health and wellbeing, and to provide a safe working environment, the interests on work-life balance (WLB) programs seem arising. However, the understanding of what constitutes the WLB programs, and how effective the WLB programs have been to serve the purpose of attraction and retention of skilled labours and how beneficial they are actually to employees was not overtly clear. It seems in the short-term, mining companies still tend to offer high wages as a substitute to quality WLB programs in order to attract labours. In the long-run, high compensation may not be sustainable, so miners might need to seriously

examine the current WLB offerings and modify the programs to meet the changing lifestyle needs of their workforce.

Lastly, this study demonstrated that there is no clear association between the use of contractors and perceptions about above-average industry performance. It seems that while the use of flexible staffing practices may have made it easier to reorganise workforces and increase the number of people working in the industry, its links to productivity and overall firm performance are more complex. The result is nevertheless in line with the recent productivity report by Department of Mines and Energy (2007), where it was reported that productivity in the coalmines in Queensland in general decreased by 16% from 2005 to 2006 period. It is possible that the real contribution of contractors may lie in keeping the labour force contestable, thus maintaining productivity over the whole workforce. Further study is required to evaluate the actual contribution made by the contractors to coal business performance in order to justify the continuing use of a non-standard workforce.

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APPENDIX 1 – Interview Questions v. Survey Questionnaire

Questions asked	Associated with the Question Number in the Survey Questionnaire
1. What is the key issue currently facing the coal industry?	Question 10 – General comments
2. How has the coal industry’s overall operation changed in the past 3-5 years?	Question 10 – General comments
3. How has HR/employment relations management changed in the past 3-5 years?	Question 2
4. What is the key issue for your company’s overall human resource management practices?	Questions 4 & 5
5. What are the key factors contributing to your firm performance?	Questions 1 & 3
6. What kinds of business strategies have your firm used to achieve the organisational objectives?	Questions 6 & 7
7. What kinds of HR strategies have your firm adopted in the past three 3-5 years in supporting the organisation to achieve business results?	Questions 8 & 9
8. Have you done anything in particular to attract and retain quality employees? Do you have any work-life balance programs in place? How have they helped attract and retain employees?	Question 8 – open-end questions
9. What are the benefits of using contractors over employees? Would you perceive the use of contractors to be continued in the next few years? Why?	Question 10 – General comments
10. What is the union’s current role in the coal industry and in your company?	This question was asked together with general company information such as years of establishment, structure, size, and culture

APPENDIX 2 –

SURVEY QUESTIONNAIRE

Q1. Could you please rate the statements about your organisation’s general performance (measured by profits and productivity) this year (2006) using the following response options?

Statements	Strongly agree	Agree	Mildly agree	Mildly disagree	Disagree	Strongly disagree
1) Overall, my organisation’s performance is above the industry average	[]	[]	[]	[]	[]	[]
2) Increasing exports has contributed to improved performance of my organisation	[]	[]	[]	[]	[]	[]
3) Senior management’s ability to obtain finance for further development and expansion has contributed to better performance	[]	[]	[]	[]	[]	[]
4) Our profits are largely generated from exports	[]	[]	[]	[]	[]	[]
5) Our profits are largely generated from cutting-down some unnecessary labour	[]	[]	[]	[]	[]	[]
6) Our profits are largely generated from outsourcing some specialised services	[]	[]	[]	[]	[]	[]
7) Our profits are largely generated from the use of new technology	[]	[]	[]	[]	[]	[]
8) Our profits are largely generated from the quality of our employees	[]	[]	[]	[]	[]	[]
9) Profits are largely generated from the strong commitment of our employees to high performance	[]	[]	[]	[]	[]	[]
10) Flexible staffing, via use of part-timer and casual employees helped enhance our overall productivity	[]	[]	[]	[]	[]	[]
11) Productivity has been enhanced by the use of new technology	[]	[]	[]	[]	[]	[]
12) Productivity has been increased by more capital inputs	[]	[]	[]	[]	[]	[]
13) Productivity has been increased by use of contractors and shiftwork arrangement	[]	[]	[]	[]	[]	[]
14) The CEO’s appointment has been the driving force for improved performance	[]	[]	[]	[]	[]	[]
15) Ability to recruit skilled employees has contributed to better performance	[]	[]	[]	[]	[]	[]
16) Ability to retain skilled labour has contributed to better performance	[]	[]	[]	[]	[]	[]
17) Administrative staff efficiency has contributed to better performance	[]	[]	[]	[]	[]	[]
18) Managerial ability to organise resources effectively and efficiently has helped enhance our overall productivity, profits and performance	[]	[]	[]	[]	[]	[]
19) Government support, ie. training programs, tax incentive, has helped enhance our overall productivity, profits and performance	[]	[]	[]	[]	[]	[]
20) Government support in terms of infrastructure (road, rail & telecommunications) has helped enhance our overall productivity, profits and performance	[]	[]	[]	[]	[]	[]

Q2. Please indicate the approximate percentage of staffing in each category among the total workforce (employees and contractors) in your organisation.

Employee category	Percentage %	<5%	6-15%	16-30%	31-50%	>50%
<i>Permanent employees</i> incl. full time, part-time and casual, please indicate % of each employee category						
Full-time employees		[]	[]	[]	[]	[]
Part-time employees		[]	[]	[]	[]	[]
Casual employees		[]	[]	[]	[]	[]
% of employees on shiftwork		[]	[]	[]	[]	[]
% of unionised workforce		[]	[]	[]	[]	[]
% of the total employees left your company last year		[]	[]	[]	[]	[]
% of managerial staff left last year		[]	[]	[]	[]	[]
% of professional and technical staff left last year		[]	[]	[]	[]	[]

Does your organisation use contractors? YES NO

If your answer is 'yes', please indicate	<5%	6-15%	16-30%	31-50%	>50%
Proportion of contractors over the total number of workforce (not just employees) in your organisation	[]	[]	[]	[]	[]
% of contractors on shiftwork	[]	[]	[]	[]	[]

Contractors may be working on short-term projects or on long term assignments, please indicate % of each of the following category:

Contractor category	Percentage %	<5%	6-15%	16-30%	31-50%	>50%
Contractors working less than 6 months		[]	[]	[]	[]	[]
Contractors working between 6-12 months		[]	[]	[]	[]	[]
Contractors working between 1-3 years		[]	[]	[]	[]	[]
Contractors working over 3 years		[]	[]	[]	[]	[]

Q3. Relative to your competitors, where does your organisation stand in terms of...

	well below average	below average	average	above average	well above average
A. ...technology?	[]	[]	[]	[]	[]
B. ...competitiveness?	[]	[]	[]	[]	[]
C. ...quality?	[]	[]	[]	[]	[]
D. ...meeting customer needs?	[]	[]	[]	[]	[]
E. ...ability to export?	[]	[]	[]	[]	[]
F. ... flexibility?	[]	[]	[]	[]	[]
G. ...safety?	[]	[]	[]	[]	[]
H. ...administrative efficiency?	[]	[]	[]	[]	[]
I. ... cost effectiveness?	[]	[]	[]	[]	[]
J. ... overall operational capabilities?	[]	[]	[]	[]	[]
K. ...overall innovative capabilities?	[]	[]	[]	[]	[]
L. ...overall employee turnover rate?	[]	[]	[]	[]	[]

Q4. Do you have an HR department in charge of all personnel-related matters?

- YES NO To Some Extent

To what extent, on the scale of 1-5, has the HR department been in charge of all personnel-related matters? (1 being not in charge at all, 5 being heavily in charge).

1	2	3	4	5
[]	[]	[]	[]	[]

Q5. Does the HR department or any HR manager/officer get involved in strategic planning?

- YES NO To Some Extent

To what extent, on the scale of 1-5, does the HR department get involved in strategic planning process at the site level? (1 being not involved at all, 5 being heavily involved).

1	2	3	4	5
[]	[]	[]	[]	[]

To what extent, on the scale of 1-5, does the HR department get involved in strategic planning process at the organisational (headquarter) level? (1 being not involved at all, 5 being heavily involved).

1	2	3	4	5
[]	[]	[]	[]	[]

Q6. What kind of business strategy has been adopted by your organisation? Please tick one or more that are applicable to your organisation and rate the level of intensity you have focused on the selected strategy(ies) (1 being least intensive, 5 being most intensive):

- Innovation strategy (eg. emphasis on research & development)

1	2	3	4	5
[]	[]	[]	[]	[]

- Quality improvement strategy (eg. quality of products and services)

1	2	3	4	5
[]	[]	[]	[]	[]

- Cost reduction strategy (eg. low pricing)

1	2	3	4	5
[]	[]	[]	[]	[]

- Other, please specify _____

Q7. Could you please indicate, on the scale of 1-5 (1 being the least applicable and 5 being most applicable), the degree of applicability of the following statements to your organisation?

Statements	Scale	1	2	3	4	5
1) Encourage and support industry-based R&D projects and activities		[]	[]	[]	[]	[]
2) Continue looking for ways to improve product quality		[]	[]	[]	[]	[]
3) Search for ways to improve efficiency in our supply-chain management		[]	[]	[]	[]	[]
4) Search for ways to improve efficiency in our distribution channels		[]	[]	[]	[]	[]
5) Are recognised by the industry as an innovative company		[]	[]	[]	[]	[]
6) Are recognised by the market as the best supplier of coals with reasonable pricing		[]	[]	[]	[]	[]
7) Adopt cutting-edge technology in production and distribution		[]	[]	[]	[]	[]
8) Have below average industry level of workplace injury and incidents		[]	[]	[]	[]	[]
9) Focus on on-going employees' training and development		[]	[]	[]	[]	[]
10) Emphasise on result-oriented, short-term performance management		[]	[]	[]	[]	[]
11) Encourage employee participation in decisions that are related to product development, new technology adoption, work environment and job itself		[]	[]	[]	[]	[]
12) Continue looking for ways to improve employee quality		[]	[]	[]	[]	[]
13) Adopt the new management approach in quality control		[]	[]	[]	[]	[]
14) Adopt new staffing approach in deploying limited resources or right-sizing the workforce		[]	[]	[]	[]	[]
15) A competitive/comparative advantage is gained through low pricing		[]	[]	[]	[]	[]
16) A competitive/comparative advantage is gained through innovation		[]	[]	[]	[]	[]
17) A competitive/comparative advantage is gained through the appropriate use of contractors		[]	[]	[]	[]	[]

Q8. On the scale of 1-5, 1 being less practised and 5 being mostly practised, could you please indicate the appropriate scale for your organisation in responding to the following statements in regard to the Human Resource (HR) strategies and processes?

Statement	Scale	1	2	3	4	5
1) Frequently review HR policies and procedures		[]	[]	[]	[]	[]
2) Change HR policies according to business needs		[]	[]	[]	[]	[]
3) Use contractors, shiftwork, part-time and casual staff in support of achieving given organisational business strategy		[]	[]	[]	[]	[]
4) Design and develop HR strategies to attract and retain quality and competent employees		[]	[]	[]	[]	[]
5) Use personality tests/types indicators to recruit and select suitable employees		[]	[]	[]	[]	[]
6) Offer above-market pay rates to attract quality and skilled labour		[]	[]	[]	[]	[]
7) Offer bonus/share etc. besides salary package, to attract and retain quality employees		[]	[]	[]	[]	[]
8) Offer on-going leadership and management training to retain managerial teams		[]	[]	[]	[]	[]
9) Offer career development programs to employees who are willing to stay		[]	[]	[]	[]	[]
10) Use external sources to recruit and select suitable employees		[]	[]	[]	[]	[]
11) Use external sources to conduct performance evaluation		[]	[]	[]	[]	[]
12) Use external sources to run education and development programs		[]	[]	[]	[]	[]
13) Adopt a long-term, group-based performance appraisal		[]	[]	[]	[]	[]
14) Encourage and provide support (ie. either in \$ or time) for employees taking self-education and developmental programs		[]	[]	[]	[]	[]
15) Create awareness of OH&S issues at workplace		[]	[]	[]	[]	[]
16) Use external sources to conduct OH&S training		[]	[]	[]	[]	[]
17) Consult with employees about OH&S issues		[]	[]	[]	[]	[]
18) Appoint appropriate personnel to be in charge of OH&S matters		[]	[]	[]	[]	[]
19) Encourage collaboration with trade unions		[]	[]	[]	[]	[]
20) Work with unions in developing and implementing HR strategies		[]	[]	[]	[]	[]
21) Provide more training and development opportunities for fixed-term employees		[]	[]	[]	[]	[]
22) Offer better than average reward scheme for contracted & shift employees		[]	[]	[]	[]	[]
23) Contractors receive more pay but less development opportunity		[]	[]	[]	[]	[]
24) Use flexible work design to attract & retain staff		[]	[]	[]	[]	[]

Please specify other forms of HR strategies (that are not stated in the above, but have been effectively supporting your organisation in achieving bottom-line business objectives):__

In particular, have you done anything different or extra to attract and retain quality employees? If yes, specifically what have you done? (eg. work-life balance programs, affordable housing, lifestyle, shift pattern?)

Q9. Please point out the degree of support the HR department, either on site or from headquarter, provides to the business units of your organisation in the following activities.

Statement	Scale	Least support 1 2 3 4 5 Strongly support				
		1	2	3	4	5
1) Assist in achieving business units' specific objectives		[]	[]	[]	[]	[]
2) Help business units in their HR planning and job design		[]	[]	[]	[]	[]
3) Conduct recruitment and selection of new staff for each business unit		[]	[]	[]	[]	[]
4) Conduct employee training and development programs		[]	[]	[]	[]	[]
5) Conduct performance evaluation of individual employees from different business units		[]	[]	[]	[]	[]
6) Design and deliver business units' reward scheme		[]	[]	[]	[]	[]
7) Negotiate awards, enterprise-based agreements (EBAs) & workplace agreements		[]	[]	[]	[]	[]
8) Enhance awareness of occupational health and safety		[]	[]	[]	[]	[]
9) Deal with industrial organisation, ie. Trade unions, employee groups		[]	[]	[]	[]	[]
10) Facilitate new technology adoption		[]	[]	[]	[]	[]
11) Facilitate management change		[]	[]	[]	[]	[]
12) Provide HR measurement reporting/feedback		[]	[]	[]	[]	[]
13) Profile HR capability for each business unit		[]	[]	[]	[]	[]
14) Meet the legal requirement of HR compliance		[]	[]	[]	[]	[]
15) Set OH&S standards & policies		[]	[]	[]	[]	[]
16) Educate staff about the organisation's business strategy		[]	[]	[]	[]	[]
17) Educate staff about the business unit's strategy		[]	[]	[]	[]	[]
18) Educate staff about the link between organisation and business unit strategy		[]	[]	[]	[]	[]

Q10. The following are a set of questions related to your organisation’s size, years of establishment, ownership, products range, production nature, structure and culture.

a) How long have you operated in the Central Queensland? _____

Please indicate the geographic location of your operation: _____

Please tell us the total number of employees in your company: _____

b) What best describes your firm? (please tick as many as appropriate)

- profit centre or division of a large firm
- independently Australian owned and operated
- wholly owned subsidiary of an Australian firm
- wholly owned subsidiary of a non-Australian firm
- partly owned subsidiary of an Australian firm
- member of joint venture with an Australian firm
- member of joint venture with a non-Australian firm

c) If possible, please indicate your parent company’s name here:

d) What best describes your firm? (please tick as many as applicable)

- a very structured organisation
- a hierarchically structure with layers of reporting mechanism
- a flat organisational structure that supports free flow of information
- a top-down communication approach is often used
- a bottom-up communication approach is often used
- a two-way communication approach is encouraged
- difficulty in information exchange is largely due to our dynamic form of organisational structure
- the dynamic forms of organisational structures assist in better exchange of information and knowledge

If none of the above statement is applicable, please use the extra space here describes your organisational structure:

e) Please briefly describe your organisational culture. ‘Organisation culture’ refers to a system of shared meaning held by members within your organisation, who can distinguish your organisation from others.

The following statements are some characteristics that may capture the essence of your organisation culture. Please indicate, on the scale of 1-5, the degree of which the statement may best reflect your organisation culture (1 being least match your organisation culture, and 5 being best reflect your organisation culture).

Statement	Scale	1	2	3	4	5
1) Employees are expected to be innovative and take risks.		[]	[]	[]	[]	[]
2) Employees are expected to exhibit precision, analysis and attention to detail.		[]	[]	[]	[]	[]
3) Management put emphasis on results rather than on the processes and techniques used to achieve outcomes.		[]	[]	[]	[]	[]
4) Management, when making decisions, involves people within the organisation and considers the effects of those decisions on people.		[]	[]	[]	[]	[]
5) Work activities are organised around teams, rather than individuals. Teamwork is encouraged.		[]	[]	[]	[]	[]
6) People within organisation are aggressive and competitive, rather than easygoing and cooperative.		[]	[]	[]	[]	[]
7) Organisational activities emphasise maintaining the status quo in contrast to growth		[]	[]	[]	[]	[]

f) Please tell us your role in your organisation:

- General manager/CEO
- HR director/manager
- Business unit manager/Mine site manager
- Others, please specify: _____

g) General comments on HR practices and changes in the coal industry:

- What is the key issue for the coal industry and for its overall HR practices?
- How has HR/employment relations changed in the past 3-5 years?
- How has the coal industry's overall operation changed in the past 3-5 years?
- What are the benefits of using contractors over employees?
- Will the use of contractors continue in the next few years?

Thank you!

Please contact the Central Queensland University's Office of Research (phone: 4923 2607) should there be any concerns about the nature and/or conduct of this research project. Human Research Ethics Approval Reference Number for this project is H06/08-151.

Appendix 3 – Publication associated with this research project

- (1) Zheng, C., Di Milia, L., Rolfe, J., and Bretherton, P. (2005), "Strategic Management of Employment Relations in the Coal Industry: A Research Agenda", Proceeding of the 5th PERA Conference, Yeppoon, Queensland, Australia, pp. 326-339.
- (2) Zheng, C. and Richardson, K. (2006), "A Different Employment Relations in CQ's Coalmines: Legal Implications for Contractual Arrangement", the 19th ANZAM on "*Pragmatism, Philosophy and Priority*", 6-9 December, Yeppoon, Australia.
- (3) Zheng, C., Rolfe, J. and Di Milia, L. (2006), "Keep Balance under Change: A Tough Job for Coal Face? International Conference of Contemporary Business, 21-22 September, Blue Mountains, Australia.
- (4) Zheng, C. (2006), "Emerging Strategic People Management of Coalmines in Central Queensland", Faculty of Business and Informatics Working Paper Series 1 (1), pp. 3-22,
- (5) Zheng, C., Rolfe, J. and Di Milia, L. (2007), "Changing Working Conditions of Central Queensland's Coalmines: Implications to Work-Life Balance", Proceedings of the 14th International Employment Relations Association Conference: Family-friendly Employment Policies and Practices, An East-West Perspective on Work-life Balance, 21 June 2006, Hong Kong (in press).
- (6) Zheng, C., Rolfe, J., Di Milia, L., and Bretherton, P. (2007) "Strategic People Management of Coal Companies in Central Queensland", *Management Research News*. Emerald, 30(4): 302-313.