

**Paper presented at the Annual Meeting of
Labor and Employment Relations Association (LERA)
San Francisco: January 4, 2009**

**Meeting Today's Healthcare Challenges
through Innovations in Employment Relations
and Information Technology (Symposium)**

*Human Resources Management Aspects
of Hospital Ward Managers' Jobs*

by

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Abstract

What is the line manager's role in terms of Human Resources Management (HRM)? A new contribution calls for the re-conceptualisation of HRM as signals that management send to employees rather than systems, practices, or bundles. That contribution argues that HR professionals operate at a conceptual level and also in terms of a more specific practices level. We examine a large hospital and suggest that the The Hospital executives disseminate mixed signals. In the decentralised HR environment, it is the growing role of the ward (line) manager as an HR practitioner to interpret, diffuse and convey such signals to the front-line employees. This role leads to a commitment of the staff to the ward and the ward manager. The ward-based employee relationship may include much clearer and stronger signals than are apparent in the relationship employees have with The Hospital more broadly, bearing in mind that the latter seems to convey 'mixed signals'.

Introduction

A new contribution calls for a re-conceptualisation of HR not as practices or bundles, but of signals that management send to employees (Haggerty and Wright 2009). We suggest that in complex modern organisations, it is incumbent upon the professional HR employees to operate at a conceptual level and also at a more concrete practices level. These HR professionals will require deep analytical capabilities and intuitive capacities in addition to functional knowledge to perform this role effectively. Where the HR professionals perform these duties effectively and consistent signals are sent to employees, a 'strong situation' is said to occur (Bowen and Ostroff 2004). The strong situation allows more uniform interpretations by staff members of signals and consequently, more positive performance outcomes.

This paper is based on a case study of an Australian hospital where a range of internal and external pressures have contributed to a high level of mixed signals being relayed to the front-line personnel. These ward level staff receive signals from a variety of sources. Corporate documents, upper and middle managers (including HR) and other staff are just a few of the sources of signals. We argue that the ward manager role is critical in interpreting, diffusing and disseminating signals to the ward staff at 'The Hospital'. This critical, decentralised HR role allows a situation with limited 'noise' and therefore, while a strong situation might not occur within the organisation, it can occur at the ward level.

The Field of HRM

The field of HR has decades of history and development. Until the mid 1990s the primary research focus was on HR practices (Huselid 1995). At this time, however, there began a shift towards viewing and understanding how HR systems worked, rather than the sole focus being on particular practices. Scholars have linked bundles of HR practices to organisational level outcomes such as turnover, productivity and financial performance (Cappelli and Singh 1992, Porter 1985; Bamber et al. 2009). Typically, the role of the HR function is not adequately explored or is neglected altogether (Haggerty and Wright 2009).

There is a wealth of literature that offers a vast array of typologies, frameworks and models for understanding HR. Overall, perhaps the best summary of the extant body of work is that HR is a complex area, where some functions are similar by name only and the context of each organisation (product/service, economic environment, institutional and regulatory frameworks, etc) leads to an understanding that HR can be extremely heterogeneous.

Haggerty and Wright (2009) suggest a re-conceptualisation of HR that simplifies matters significantly. Rather than viewing it through complex or amorphous understandings of practices, or systems, or bundles in combination with hard/soft dichotomies, we can view HR as signals sent from management to employees in groups or individually. In the modern organisation, people employed as HR professionals will require both the functional knowledge of their responsibilities, but also deep analytical and intuitive capacities to ensure staff members are receiving the appropriate signals. Where the HR professionals perform these duties effectively and consistent signals are sent to employees, a strong situation is said to occur.

Bowen and Ostroff (2004: 204) suggest that a strong situation is one where the variation of possible responses to any number of stimuli are reduced. Organisational climate is a key mediator allowing "employees to understand the desired and appropriate responses and form a

collective sense of what is expected". Bowen and Ostroff look at both the individual and the organisation to understand the complex relationship. The Employees' experiences and interpretation of those experiences form their psychological climate (Schneider 1990; Schneider 2000); the shared perception of what is important in relation to the policies, procedures, practices and rewards of an organization make up the organisational climate (Bowen and Ostroff 2004). HRM policies and practices are vital in influencing climate perceptions, which are linked (related, if not clearly causal) to organisational performance indicators (Bowen and Ostroff, 2004). When disseminated to those people for whom the policies and practices have no relevance, the process of articulation is diluted. Efforts to make all policies and practices available to all employees means that much of the communication will come in the form of 'white noise' and will be ignored by employees (Haggerty and Wright 2009).

Bowen and Ostroff (2004) and consequently, Haggerty and Wright (2009) base their argument on the work of Mischel (1973; 2004) who in turn, utilises Lewin's (1939) concept of situational strength. According to this earlier work, individual conscientiousness measures vary as situational factors change. Weak organisational situations will allow greater levels of inconsistency of employee actions through individualised interpretation and responses to signals. For a situation to be strong, "employees must hear the message as it was intended, and must accept it prior to choosing an appropriate response" (Haggerty and Wright 2009). Hence, according to the argument, strong situations will lead to a more uniform interpretation of signals and consequently, more positive performance outcomes.

What managers *should* be able to have is a greater control over the signals that they send to employees. In short, it appears that Haggerty and Wright are suggesting a 'top-down' driven culture of *clear signals* leading to a *strong situation* when compared to a culture that is influenced by all actors. We would suggest that Haggerty and Wright are certainly making a contribution to the ongoing development of the HR performance – outcomes link, however, their-conceptualisation is perhaps more a 're-labelling'. Nevertheless, their work does provide the space for an interesting debate. Our empirical evidence will also contribute to that debate. It also highlights the need for a greater understanding of the 'black box' area of investigation (Purcell and Kinnie 2007).

The suggestion of HR as signals provides an excellent framework for understanding the experience of ward staff at The Hospital. Haggerty and Wright contend that strong situations will lead to the desired organisational outcomes such as growth, profit and market value. We encourage the exploration of alternative conceptualisations of the HR function and offer data that will, in part, go some way to support Haggerty and Wright's thesis. We present a case study in which the executive level of management sends mixed signals to employees. As a result, strong situations do not arise and the role of HR in generating competitive advantage is undermined. We argue that the role of ward manager is critical in interpreting, diffusing and disseminating signals from upper management to front-line staff. Ward managers are not HR professionals, nor are they generally chosen on HR skills. Consequently, quite often the ward manager will lack the combination of analytical, intuitive and functional skills required to interpret complex messages for the front-line worker under their direction. There has been a shift from The Hospital to the ward as a focus of strong relationships and indeed, The Hospital presents signs of a weak situation, but focussing on the ward we have an alternative view. The role of ward managers as *de facto*, non-professional HR practitioners, in carrying out their line management functions, allows them to develop strong situations within their wards.

Research Methods

The interview data collection for this research project took place in two main stages. First, ten interviews were undertaken with a range of upper management personnel in The Hospital. These people included the General Manager, four directors including HR, Medical Services, Support Services, and Nursing Services. In addition, a range of other middle managers were interviewed including the Assistant Director of Nursing. Generally, these interviews were conducted by one or more experienced interviewers in the offices of the respondents. Interviews through this stage of the research were broad-ranging in scope and lasted typically one hour.

The second, more focused stage of interviews was conducted on a ward level with operational staff members. Throughout this stage of the research the questions were focussed on the subjective views of staff members towards various factors including: the role of HR in The Hospital, the manner in which The Hospital's approach to HR influences an employee's commitment (exploring notions of multiple commitments), intent to leave, experiences of discretionary effort, and the role of ward managers. Through this second stage of data collection, twenty-two staff members were interviewed. In the first instance we drew a sample of four wards in The Hospital – two medical wards and two surgical wards. In each ward we interviewed the ward manager, two nurses, an orderly and an administrative staff member. Following this, we interviewed the ward managers from an additional two wards. These interviews each lasted between 30 minutes and one hour. All interviews were transcribed and analysed using NVivo. In addition, a range of secondary sources, including The Hospital's websites and internal organisational documents, were accessed for supporting information.

The Hospital

The Hospital is medium-sized, has almost 500 beds with approximately 2000 staff members and a substantial, but fluctuating body of volunteers. In the last decade it has faced a range of market pressures which have, at times, required opposing or contradictory managerial strategies, the result of which has been a growing environment of mixed signals. Pressures include: retaining a faith-based organisation (while also adopting more of a corporate approach), the nation-wide change of funding arrangements (Bloom et al. 2003); expansion plans for The Hospital, international nurse shortages (Townsend and Allan 2005), and current low unemployment leading to domestic labour shortages for all categories of employees (O'Brien et al. 2008). Hence, at a time when the HR department was becoming more integral to The Hospital's strategic planning and shifting to models more akin to high performance HR, there were also significant pressures on budgets leading to pressures preventing the implementation of high performance HR models.

Throughout this time, the HR Department has worked to shift from the traditional Personnel Management style of HR common to hospitals in Australia's centralised Industrial Relations (IR) system. On the basis that there is a spectrum of HR possibilities from PM to High Performance Human Resources Management (HPPHRM) (Marchington and Wilkinson 2008), The Hospital's HR system is at the early stages of shifting along the spectrum. It is well recognised within the HR team that they are doing some things very well (for example, work-life balance) and other things not so well (for example, performance management). However, when considered on the list of nine 'best practice' HPPHRM components (Marchington and Wilkinson 2008), the market pressures mentioned earlier lead to significant tensions with the development of HPPHRM.

There are many junctures within the complex hierarchy and communication chain in The Hospital where the 'mixed signals' can be mediated or diffused. The purpose of this paper is to discuss an intermediary of significant import, interpreting and relaying the mixed signals from the upper management to the front-line workers. Our focus is on an important part of the HPHR black box – the line managers – who in hospital wards may be called ward managers.

The Hospital's change in its HR approach has come at the same time as a significant alteration of funding arrangements. The Hospital receives its vast majority of revenue from Private Health Funds, while, as is the case with other private hospitals, the remainder of revenue comes from patient 'out-of-pocket' arrangements and revenue from government or statutory bodies (Bloom et al. 2003). The reliance on negotiating contracts every couple of years with the private health funds has placed enormous pressure on The Hospital's budget. According to the General Manager:

“... the dynamics of the private hospital world has changed significantly from probably around about 1999 where we started to have contracts with private health insurance funds ... Each time that we've gone into that negotiation with private health insurance companies we really haven't got any major gains ... So if hospitals, say their rates are going up or their costs are going up by five per cent, (the health funds) give them four per cent. As a result of that our margins have gone down ...”

Coinciding with the change of funding, The Hospital also faced a change in its corporate structure. Having operated for close to 100 years as a church-based organisation, the mission culture has faced enormous growth and has been transformed in the last decade to incorporate more of a corporate model. The shift was an attempt to maintain success in an increasingly competitive environment. Throughout this time, the HR department has attempted to shift from a diffuse, decentralised system of policies and practices to a uniform, organisational-wide approach to the HR function. The Hospital formally maintains its faith-based approach to patient care while developing an increasing level of financially-driven business acumen. As we will see later in this paper, this shift has meant changes for ward staff in two areas. First, a focus growth of The Hospital, and secondly, a greater awareness of budgetary restraints leading to the perception, real or otherwise, that finances are more important than the patients or the staff. We suggest that this perception is a central factor in the interpretation of mixed signals. The commitment of employees has shifted from The Hospital as an employer, towards the ward and ward manager.

Throughout The Hospital's development from a church-based organisation to adopt more of a corporate approach, the executive began to pay greater heed to the role of the HR department in developing strategic goals and planning. Progressively, the HR department has had some success in focussing executive attention on the strategic HR plans. However, the HR manager recognises that the cultural change and development of having HR as a central function has been ad-hoc and slow. Nevertheless, progress is being made including having the HR manager included in the Executive Team.

Furthermore, in such a competitive business environment and competitive labour market for high skilled staff, the 'ratcheting up' of HR policies and practices is often seen as little more than keeping up with the market. According to the HR manager:

“... we know just to keep up with the industry, we have to have a broad ranging approach on a number of different fronts. If we don't have a wellbeing program, if we don't have

support for certain educational activities, if we don't have um, good car parking facilities, or child care facilities, we are just not in the game, because that is what the baseline expectation is, and it makes it a real challenge then in terms of how we differentiate ourselves, because everyone is trying everything..."

As indicated earlier, there are many factors that have, over the last decade, contributed to the current experiences of ward personnel in The Hospital. The altered funding arrangements have meant that The Hospital sought areas to reduce expenses – front-line ward staff including nurses has been one of those areas. The Hospital has been expanding substantially in the last decade and is currently undergoing an expansion worth more than \$140 million. This expansion has placed financial pressures on The Hospital's management that have reverberated throughout the organisation. According to the Director of Medical Services, the expansion means that:

"...we've got a \$750 000 interest bill every month and we've got to make money, The Hospital has got to make money in a not-for-profit environment..."

The General Manager concedes that, along with the previously mentioned health funding arrangements, the reductions in government contributions and the pressures from building costs:

"We can either decrease our margin or we actually reduce the amount of labour we use in delivering our service so it's sort of a fine balance between the right amount of labour, the quality of the staff and then the quality of the service and then the actual volume of labour that you have working on a daily basis. "

Combined reduction in labour and capital expenditure costs have resulted in significant pressures on budgets and reduction in patient/nurse ratios. As such, there are very clear, competing mixed signals coming from upper management. Two important mixed signals are the primacy of patient care on one side, and the competing pressure given just as great an import – the financial imperative to reduce costs, on the other. We are not suggesting that the strategic decision and indeed operational imperative to 'grow' The Hospital is problematic or a poor decision. Rather, we are recognising that when such decisions are made, the dynamics within the organisation change and the signals sent to employees become far more complicated and potentially incompatible to ward level personnel. The following section of this paper examines the response from ward managers and employees to the mixed signals received in The Hospital.

Human Resources Management

One of the central components of this black box is the role of middle managers who face an increased level of decentralised, or devolved responsibility (Guest 1987). Employee experiences of HR will be significantly influenced by their middle manager, hence, researchers point to the importance of studying the employee/line manager relationship (Hyde et al. 2006).

The problematic nature of management arises in this industry as in many others when skilled clinicians are promoted to ward manager roles away from the bedside – the precise area where they are experts (Laurent 1992, cited in Willmot 1998). Storey (1992) suggests that the people-management decisions that are made within organisations must not be treated as 'incidental operational matters' or be left to the HR department. Rather, line managers must understand their role as the 'signaller' between the strategic direction of the organisation and the

management of front-line staff members. As such, they have a ‘responsibility’ to act accordingly in the way they manage people (Thornhill and Saunders 1998). As HRM is seen as a component of all managerial jobs, it is reasonable to assume that the line manager position is one that sees the actual delivery of HRM to the greatest number of workers. Employee’s perceptions of HR practices are those that are applied by line managers (Purcell and Hutchison 2007). Hence, it can be reasonably assumed that line managers are critical intermediaries in shaping overall performances (Currie and Procter 2005). We suggest that the line manager is a critical area where the signals from management must be interpreted, diffused and disseminated amongst the front-line ward personnel. Furthermore, ward managers in hospitals are in a position to create their own clear signals and strong situations and reap the benefits.

Factors mentioned in the previous section weigh heavily in the data collected from ward level staff. Our data suggest that the combined thrust of growth of The Hospital and pressures on costs have induced two developments: first, a shift of employee commitment from the hospital to the ward; and second, as a consequence of this ward-level commitment, a growth in importance of the HRM role of ward managers – a function that they are often ill-prepared for performing. Ward managers recognise that they play an important role in the decentralised HR function of The Hospital, for example:

“...from the HR point of view I am probably a go between from the staff at ward level who are going to HR if they have any particular queries to do with pay roll, leave entitlements, further studies, access to grants, that sort of thing. From an HR point of view I would liaise often for them with HR and get information for them...”

In addition, some ward managers find a chasm between HR and the ward reality:

“I found with the HR that we have here, I just found that they are sort of a world away from the wards.”

Ward managers recognise the complexity of the competing pressures that they must manage and the way their actions as front-line HR managers send signals to the workforce. They also find their ‘role’ in the HR function frustrating at times. The following from a ward manager illustrates those frustrations:

“You just end up being the sandwich in the middle sometimes. Keeping to budget I am in between, keeping the relationship to my boss on a good keel because I am sticking to my budget, but then I get the flack from the nurses, and then there are times when I think well stuff the budget, we need this amount of people, saying to the nurses we need this many people, I don’t know ...”

The staff make the point that the ward is not The Hospital and The Hospital is not the ward. There are important, distinct differences between the two domains. There is a common theme amongst employees suggesting that, despite sometimes being attracted to work at The Hospital because of its reputation in both clinical and personnel management realms, their commitment is no longer to The Hospital, rather to the ward and ward manager. As one ward receptionist who has been employed at The Hospital for more than 15 years says:

“Personally, I don’t do anything for The Hospital. I am happy to do extra hours, you don’t put in for overtime, you don’t put any of that, it is just normal and you are happy to do it, because the ward functions better, and that is the nurse manager, so all the staff put in that little bit extra, but then she gives a little bit extra to the staff, that maybe other wards don’t get.”

An orderly who has worked in The Hospital for more than ten years states:

“I feel (The Hospital) is going backwards, just based on what it was like when I first came here, and it may be for a number of reasons, financial constraints, costs and all the rest of it.”

The role of the ward manager is central as a communication link between management and staff. If the ward manager does not agree with the managerial approach, then a selective distribution of managerial messages is likely. Commonly, ward managers state that they will pass on the messages and information that *they* think employees must know, while providing access for employees to find the information the employees might want. This ‘filtered’ direct communication provides full access to information, but also means the ward manager is in a very strong position to determine which signals reach employees and how they are delivered. Given this approach and the individual decision-making in judging ‘important’ information, it is not surprising that such organisations tend to convey an array of mixed signals, which can be contradictory and confusing for employees.

But despite the overwhelming majority of employees claiming that they did not share a commitment to the organisation, they also did not suggest that they were ready and willing to leave their employment. On the contrary, employees voiced an overwhelming commitment to their employment through their relationship with their ward manager. Indeed, the ward manager appears to be a conduit that provides employees with a high level of proximal commitment in place of organisational commitment.

As one registered nurse says:

“...it is more the ward manager in the area that you are working. In fact I am sure that has got the biggest influence on whether people here stay or don’t stay.”

When asked specifically about why employees decide to stay employed at The Hospital, a ward manager suggests that:

“I think it comes down to individual wards, and the relationships that they make on the wards, and how well they get on with their manager.”

A study by Chen, Tsui and Farh (2002) drew attention to the loyalty to supervisors as an important predictor for employee outcomes in Chinese workplaces. This reinforces Becker’s (1992) suggestion that people have a commitment to what is closest – i.e. their supervisor before their commitment to the organisation – which is certainly clear in our study. Redman and Snape (2005) suggest that “there may ... be a general tendency for the more cognitively proximal focus (i.e. supervisor or team) to exert greater influence over employee behaviour”.

The combination of The Hospital's growth and the increased importance of the ward manager role means the commitment of employees is to their ward colleagues and ward manager rather than The Hospital. Consequently, the import of line manager skill development and consistent signals are compounded in the attempts of the HR role to generate competitive advantage. The following comments indicate the way that the proximal commitment of employees is intensified at the ward level, rather than the organisational level. Comments from registered nurses include:

"I feel like you are treated as a number rather than a person most of the time ... I would have to say the exception is my manager, she makes me feel like I'm important to the running of the ward ..."

"I suppose I feel sometimes we are distanced from that level (The Hospital management)."

As one orderly suggests:

"Sometimes if it has been a real hectic week, I have known (my ward manager) to just say to me on a Friday ... 'you are good for finishing at 12 today', and I will say 'no I don't think so', and she will say, 'yes you will be, make sure you sign off at 3pm'. That is her recognition of hard work, so if for instance, she says one day can you stay back until 3.30pm to 3.40pm to help with beds or helping patients, I don't feel dirty about it so to speak ... you go the extra mile for her, and that is why I think she is a good nurse manager."

To some extent, this is another in a line of rhetoric versus reality case studies. For front-line staff in The Hospital, the rhetoric and mixed signals of managers influence, but are far from the reality of their day-to-day work on the ward. At The Hospital, there has been a sustained lack of investment in developing the HR and other management skills of ward managers. At a time when the role and expectations of ward managers has grown significantly, the development of competencies for this level of employee has been neglected. Nevertheless, the six ward managers we spoke to have clearly grown into their roles, making mistakes and learning along the way. They have developed the skill of managing upward and downward in the hierarchy and are able to make clear signals to their ward staff about what is important on their ward. Furthermore, the ward staff know that they and their ward managers are facing pressures from the mixed signals. The ward managers have developed strong situations within their wards and the 'shopfloor collective' support each other through the pressures imposed by upper and middle management. These factors indicate that there is significant opportunity for The Hospital management to concentrate on the ward manager level as a means of sharpening the focus of the HR signals sent to staff and improving the opportunity and role that the HR function can play in generating competitive advantage.

Our case study data indicates that, using the signals approach to understanding the HR black box of line manager and employee relationships, the presence of mixed signals certainly limits the possibilities that could occur if a strong situation was present organisation-wide. Our findings support in part Haggerty and Wright's thesis of strong situations, which demonstrate the presence of mixed signals within the organisation and the associated weak situation for the role of the HR department as signallers, and the development of a strong situation emerging between the

ward managers and the ward staff. However, we also acknowledge that we are offering only one case study and generalisation is impossible. More empirical research is required in organisations where signals are clear and the situation would be considered strong.

The role of the ward manager in The Hospital is crucial in the conceptualisation of HR as signals. These experienced clinicians are often placed into a role that requires people-management skills, as well as a significantly increased administrative function. All too often, they are not provided with adequate training and support to fulfil their new duties so progression is often through trial and error. Unfortunately for The Hospital, this can lead to poor HR outcomes (for example, staff dissatisfaction and high staff turnover). Furthermore, this critical role requires the interpretation, diffusion and dissemination of signals from the upper levels of management to the ward level staff.

We have found that the ward managers in this workplace are certainly receiving problematic mixed signals. Patient care is central to their clinical professional ethic, HR functions are central to their people management role; and managing budgetary issues is central to their commitment to The Hospital's financial position. All three areas are central to their job, all three areas are essential to the high-performance model of management. All three areas have competing pressures and constraints. Perhaps this is an organisation, or indeed an industry sector, where the complexities of funding arrangements, labour markets and competitive product markets might prevent strong situations from developing. Alternatively, with the complexities outlined, this is perhaps the ideal environment to invest in ensuring a culture of clear signals and to develop a strong situation, allowing the organisation the opportunity to reap the rewards of competitive advantage that some of the HR literature has for so long promised.

Conclusions

There are several current debates in the area of HRM. One area of debate includes the conceptualisation of HR as policies, practices, or bundles, among others. This paper has contributed to these debates through supporting the notion that HR can be re-conceptualised as 'signals' sent from management to workers individually or in groups. Haggarty and Wright (2009) suggest that where management develops 'strong situations' the signals can be sent without a large amount of interference or noise.

Supporting previous research that recognises the importance of the line manager in the HR function, we have found that The Hospital equivalent – the ward manager – has a significant and critical role in The Hospital's delivery of HR signals. Interestingly, whilst the mixed signals delivered by upper management lead to a 'weak situation' in the organisation overall, we suggest the critical role of ward managers allows the ward to become a 'strong situation'. The direct managerial role of the ward manager means that these individuals are in a position to deliver clear signals to the staff on the ward. The performance outcome of this strong situation is a commitment to remain employed within the ward, rather than The Hospital in general. This commitment means that The Hospital could benefit significantly through clearly defining and investing in the HR skills of the ward manager.

Acknowledgements

We thank The Hospital and several of the unions represented there for their cooperation with the team led by the General Manager, the Executive and the HRM Department.

We also acknowledge the generous assistance given by Ian Glendon, Nina Jaffe, Ashlea Kellner and Lyn Vinton.

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