This is the published version:


Available from Deakin Research Online:

http://hdl.handle.net/10536/DRO/DU:30032745

Reproduced with the kind permission of the copyright owner

Copyright : 2008, International Academy of Business and Economics
MORE MONEY OR MORE BALANCE? HR CHALLENGES OF ATTRACTING SKILLED LABOUR IN THE COAL INDUSTRY

Connie Zheng, RMIT University, Melbourne, Australia

ABSTRACT

With recent boom of the resource industry and tighten labour market conditions, attraction and retention of quality and skilled labour has become the key human resource management (HRM) challenge to many mining companies operating in Australia. In this paper, it is intended to examine whether the provision of work-life balance (WLB) programs could have helped coal companies -mostly located in the central Queensland of Australia - improve their abilities to attract and retain the scare human resources under the tight labour market. A case study approach was adopted to explore a range of WLB policies and programs used by the coal companies. The findings suggest that various WLB strategies were adopted to address the coal workforce specific needs. However, the compensation strategy was used more predominantly as an organisational attraction and retention strategy, despite a growing interest in offering WLB programs as a contingency to safeguard employees’ health and wellbeing and attract female labour into the industry.

Keywords: HRM; work-life balance (WLB); attraction & retention, coal industry, Australia

1. INTRODUCTION

Recruitment and retention of quality and skilled labour has been the key human resource management (HRM) challenge for many coal mining companies operating in the central Queensland of Australia, where skilled labour shortage is a regional issue (Miles et al., 2004; Rolfe, 2005). The tight labour market in the region increases the needs for employers to improve working conditions and employment practices in order to maintain skilled labour and sustain the industry’s long-term growth. A number of recent reviews of HR and employment practices in the Australian mining industry (eg. Waring, 2005; Zheng et al., 2007) tend to also suggest that employers in the industry have adopted workplace changes, and created flexibility to meet specific needs of the industry’s workforce.

The mainstream WLB literature and a handful of empirical studies (see for example, Osterman, 1995; Cappelli, 2000; Perry-Smith & Blum, 2000; Saltzstein et al., 2001; Nord et al., 2002; Hammer et al., 2003; Clifton & Shepard, 2004; Grandey et al., 2005) seem reaching an unanimous conclusion: some types and/or comprehensive WLB programs offered by organizations lead to positive outcomes on enhancing employee well-being and job satisfaction. Subsequently these outcomes create a positive outlook for organizations to attract and retain quality employees who in turn help them achieve better performance in terms of organizational efficiency, productivity, as well as overall market performance.

The WLB programs commonly mentioned in the literature tend to fall into the following five general categories: 1) flexible working hours; 2) health and wellness programs (eg. gym membership, free regular health check-up provided by employers); 3) sufficient leaves as required to meet family/life needs; 4) childcare benefits or subsidies and 5) organisational understanding and general support (eg. regular communication, information about work and family balance, career counselling, work & family stress management program etc.) (see Bardoeil et al., 1999; Perry-Smith & Blum, 2000; Saltzstein et al., 2001; Clifton & Shepard, 2004; Kopelman et al., 2006). The list is certainly not exhaustive, with some using over 100 items to
categorise what help employees achieve WLB (Bardoel et al., 1999) and other categorising 21 HR policies and practices into four main WLB programs (Kopelman et al., 2006).

In the Australian context, De Cieri et al. (2005) argue that WLB has gradually emerged as ‘a strategic issue and a key element of an organization’s employee attraction and retention strategies’ (p. 91). The authors further state that there is a need for Australian organizations in the current business environment ‘to adopt HRM strategies and policies that accommodate the work/life needs of a diverse workforce’ (De Cieri et al., 2005: 92). Consistent with this line of argument, it is envisaged that the emergent challenge for the coal mining companies in Australia is to develop the capability to attract, motivate and retain a highly skilled, flexible and adaptive workforce. Therefore, it is likely that the coal-mining firms would have developed an approach to HRM/WLB strategies that could cater the different and specific needs of the industry’s labour force in order to increase their competitive advantage. Nevertheless, the workforce characteristics in the coalmines are quite different from those in the mainstream Australian labour market. Therefore, WLB strategies adopted by coal companies may also be different from the common types of WLB policies and programs identified in the literature. In the context of these issues, the following three research questions are the main concern of the current study:

   a) Are there comprehensive WLB programs available in coalmines? If so, what are they?
   b) Are they part of the overall organizational HRM strategies?
   c) How effectively have they addressed the recruitment and retention issues?

2. RESEARCH METHODS

To answer the above questions, eight individuals representing eight coal companies among a total of 12 big and small coal companies operating in the central Queensland region (ACA, 2006) were interviewed. These individuals held managerial positions in which they were able to provide in-depth knowledge of their companies’ management strategies. All interviews were conducted in the period of October and November 2006. The length of each interview ranged from 30-45 minutes. Each participant was asked to answer ten formal questions. The questions relate to the change of work practices and employment relations, HRM strategies, work-life balance programs, key factors contributing to attraction and retentions and evaluation of the effectiveness of HRM/WLB approaches taken by the coal industry. All interviews were taped and transcribed subsequently.

3. RESULTS

Instead of covering the answers to each interview question individually, here I summarize the major findings in order to answer the three research questions raised previously.

3.1 WLB policies and programs

During the interview, the interviewees were asked to provide any official WLB document or brochure, after they answered the question ‘Do you have any work-life balance program in place? If so, what are they?’ Only two companies were able to provide such document. It seems that many WLB programs were inherent in the organizational HRM strategies (see De Cieri et al., 2005).
A range of WLB programs seem fit in the five categories as derived from the earlier literature review. However, the overall contents and emphasis on specific items are quite different from the mainstream discussion on WLB programs. For example, flexible working hours does not imply that coal workers can choose any hours that they want to work. They may be able to pick the preferred shifts in the rostering system. The use of rotation of work and job-sharing is also limited to a couple of companies who largely used this approach to enhance employees’ personal development, not necessarily for work-life balance purpose. Flexi-place to work and part-time working arrangements are applied mostly to those working as support roles, predominantly female in the office, not miners or contractors on-site; the latter tend to mostly work on a full-time or shiftwork basis.

Relatively less has been mentioned about childcare benefits as a part of WLB programs, this is quite different from the empirical studies discussed earlier. Instead, support to community partnership programs is regarded as important in assisting the workforce and their families to be engaged in the regional and local community. This is often provided in conjunction with company sponsorship of the Youth Centre, job postings and school information to spouses and their children.

Leave options are also less specifically mentioned, in reference to various types of leave (eg. parental, bereavement, sick and carer leave). This is probably because the workforce in the industry is dominated by men, and main social and caring roles still fall predominantly on women (Grandey et al., 2005). However, leave for special occasions is a unique provision, though ambiguous. This could range from allowing leave for attending kids’ spelling contest, to seeing doctors or health professional, to taking full-pay leave for attending seasonal football match.

It is widely acknowledged that the majority of miners work less than half year annually and often work on the pattern of 7-day on 7-day off or 5-day on 4-day off (Beach et al., 2003). The allowance (ie. in the form using company car, subsidies of fuel or airfare) of using DIDO/FIFO (drive-in-drive-out and fly-in-fly-out) pattern of work-life is also common.

The concern for health and safety is reflected in an extensive mention of medical support services provided to workers as an important part of WLB programs. Most companies provide regular health check-up, not only to workers but also to their family members to ensure that they are all fit for work and fit for life. In some cases, health consultants and physiotherapists are regularly brought in to the sites. Informal mentoring arrangement between supervisor and subordinates to discuss work-life issues is also evident in a number of cases (Matthews & Jenkins, 2006).

Building an organizational culture and supporting environment that focuses on leadership development, safety awareness and workforce wellbeing is also important in implementing WLB programs. The concentration on leadership development follows the current wave of emphasising management control over employment conditions, instead of unions (Waring, 2005). The purpose of this concentration and how the company acts upon the concept is expressed quite nicely by one interviewee:

‘For anyone in the supervisor or leadership position, we have spent fairly amount of effort, trying to educate them and train them on what it means to be a good leader, so probably that has been one of the biggest cultural changes. Our focus is to really try and help our employees to focus on good leadership skill so we can maintain good relationship, and build trust between employees and management’.
The industry seems gradually moving away from the unions’ control, even though the majority of interviewed companies still have unionized workforce, but the percentage of the unionized workforce is decreasing. In responding to a sub-question on ‘how do you then manage the communication between management and employees?’, this manager answers:

“We have open door policy for all managers, employees can come to talk to managers whenever they have issues and concerns. We also have regular lunch hour meetings, whereby our company CEO would come and eat with employees, and talk to them, so problems they face can be addressed directly and timely, rather than leaving them to be further brewed into unnecessary stress and grief.”

In summary, the distinctive WLB programs provided tend to address coal workers’ specific needs for accommodation, shiftwork arrangement, DIDO/FIFO work-life pattern, medical and health support and community partnership which are beneficial to families and kids. Managers interviewed tend to suggest that employee’s health and wellbeing can be enhanced by provision of safety work environment and by encouragement of more direct communication between leaders/managers and employees.

3.2 Linking WLB to attraction and retention

The answers to the interview question ‘how have these work-life balance programs helped attract and retain your workforce?’ are diverse. On one hand, managers believe that a comprehensive set of HR/WLB strategies help achieve the goal of attraction and retention in the midst of current severe competition for quality labour in the region. On the other hand, some managers interviewed tend to treat WLB programs as a company showcase; they were unsure about the overall effect on attraction and retention. As a manager comments,

‘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 has a significant reduction in turnover, this may not be entirely due to the provision of WLB programs as commented by one interviewee in the following:

‘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 over 60% staff turnover rate 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, all interviewees suggest competitive remuneration is the best strategy they used to attract and retain staff. Only two interviewees expressed more explicitly that there is a need to incorporate compensation packages with a range of other HR/WLB strategies in order to enhance their companies’ ability to attract more contractors and retain quality employees. So it tends 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.
4. DISCUSSIONS & CONCLUSIONS

Examining the diverse responses from the eight coal mining companies, with the reference to their adoption of HR/WLB strategies, it is found that employee retention is a complex issue in the context of coalmines, and solving the problem of attraction and retention by merely addressing the issue of work-life balance is not sufficient, as factors influencing retention may cover the combined effect of remuneration, career development opportunities, general employment conditions, employees’ satisfaction with work and work culture (Beach et al. 2003). Indeed, competitive remuneration is overwhelmingly regarded as the best retention strategy in the coalmines; therefore it seems that money still spins the wheel around more effectively than other HR measures, even though the provision of WLB programs is also considered important.

The ranges of WLB programs in the coalmines are found to be distinctively different from the WLB policies and practices of the mainstream industries. Most notably, coal companies would largely concentrate on developing WLB strategies in the areas of accommodation subsidies, shiftwork design, safety requirement, medical support and community partnership programs to meet industry specific operation and workforce needs. Therefore, HR professionals, when design work-life and family friendly policies and practices in different industry, ie. coal industry, need to take the specific contexts, such as internal structure and external environment into consideration, which is in line with the recent debate on strategic HRM (Schuler and Jackson, 2000).

Finally, it is found that the provision of WLB policies and programs is constrained by organizational size. Two companies that have official WLB documents in place are large companies. The larger companies tend to have a more systematic WLB programs, whilst smaller companies rely on flexibility and their provision tend to be case-based, depending on different situation and individual employee. We have seen that the effects of both formalized and informalized policies and practices actually achieve similar results on retention. Therefore, the contextualisation of HRM/WLB strategies is very important (Schuler and Jackson, 2000), as it is certainly in the case of the Australian coal industry.

REFERENCES:


