Exploring Human Resource Management Practices:
An empirical study of the Performing Arts companies in Australia

A thesis submitted in fulfilment of the requirements for the degree of
Doctor of Philosophy
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DECLARATION

I, Stanley Opara, declare that the PhD thesis entitled Human Resource Management: An empirical study of the performing arts companies in Australia is my own account of my research and contains as its main content work which has not previously been submitted for any other academic award of degree at any tertiary institution. The content of the thesis is the result of work which has been carried out since the commencement of the approved research program; and, any editorial work, paid or unpaid, carried out by a third party is acknowledged. RMIT University has permission to keep, to lend or to copy this thesis in whole or in part, on conditions that any such use of the material of the thesis be duly acknowledged.

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ABSTRACT

The purpose of this doctoral thesis is to explore human resource management systems and practices in the performing arts companies in Australia. This is in the context of the assumption that effective utilisation of HRM in an organisation can be a source of competitive advantage, provided that the policies and practices for managing people are integrated with the organisation’s strategic goals and objectives. Despite the growth of studies on strategic HRM in a range of industries and the economic contribution of the arts to the Australian economy, there has been no study available exploring how performing arts companies manage their human resources. This study aims to fill that gap.

This is a qualitative study comprised of two phases: the first phase was a set of semi-structured interviews with eight key industry stakeholders, designed to capture their perspectives in regard to the practice of HRM in the performing arts. Phase 2 investigated the HRM practices of three case organisations: a micro dance company, a medium-sized theatre company, and a large musical theatre company through key informant interviews and company documentation.

The study suggests that there are considerable barriers to the effective adoption and implementation of HRM in the performing arts. In particular, the research identified four major features that impact on HRM practices in the arts sector. These are: firstly, the precarious nature of employment, due to the short-term and project focused work. Secondly, the reliance on often limited government funding, supplemented by philanthropy, sponsorship and Box office takings, leading to short-term and long-term financial insecurity and limited capacity for long term planning. Thirdly, limited resources and high levels of casualisation which leads to low income, poor working conditions, lack of training and few opportunities for career development. Fourthly, despite these difficult conditions, the sector appears to attract a highly motivated and committed workforce including not just performers but also managers and administrators and the sector appears to rely on their passion, commitment and shared endeavour.
In relation to the practice of HRM, the findings suggest a personnel, administrative, cost focused and compliance-based approach, with little evidence of vertical or horizontal integration of HRM policies and no evidence of strategic HR practice. This was prevalent even in the large arts company suggesting that the sector context described above outweighs the usual advantage of organisational size and increased resources. Moreover, strategic HRM theory might be of less relevance in a sector where the nature of the work and the workforce leads to careers being seen in the context of the industry not the organisation. The performing arts workforce moves in and out of arts companies sometimes as employees sometimes as independent contractors. This has implications for HRM practice in individual companies and HRM theory in that building commitment to the company through HR is more challenging as managing costs is paramount in this sector.

This study also makes a theoretical contribution in that it challenges Lepak and Snell (1999) who argue that companies apply different HR strategies to different sections of the workforce by investing in employees who have strategic value and taking a cost focused approach to those employees that do not have strategic value. This study found that the very employees that provide the most strategic value to performing arts organisations i.e. the performers themselves are often in the most precarious position receiving little if any investment. The study also extends the work of Bowen and Ostroff (2004) by demonstrating how confused and inconsistent management messages can undermine HRM practices even in micro organisations.
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<tr>
<td>ABS</td>
<td>Australian Bureau of Statistics</td>
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<tr>
<td>ACTU</td>
<td>Australian Council of Trade Union</td>
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<td>AIRC</td>
<td>Australian Industrial Relations Commission</td>
</tr>
<tr>
<td>ATAEA</td>
<td>Australian Theatrical and Amusement Employers Association</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
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<td>DCMS</td>
<td>Department for Culture, Media, and Sport</td>
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<td>EBA</td>
<td>Enterprise Bargaining Agreements</td>
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<td>GNP</td>
<td>Gross National Product</td>
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<td>HRM</td>
<td>Human Resources Management</td>
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<tr>
<td>IFA</td>
<td>International Federation of Actors</td>
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<td>IFJA</td>
<td>International Federation of Journalist of Australia</td>
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<td>IP</td>
<td>Intellectual Property</td>
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<td>LPA</td>
<td>Live Performance Australia</td>
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<td>MEAA</td>
<td>Media Entertainment and Arts Alliance</td>
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<td>OHS</td>
<td>Occupational Health and safety</td>
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<tr>
<td>SME</td>
<td>Small- and medium-sized enterprise/business</td>
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CHAPTER ONE: INTRODUCTION

1.1 Introduction

The aim and focus of this thesis is to explore human resource management (HRM) practices in Performing arts companies in Australia. To understand HRM practices in the performing arts companies, it is important to understand the industry. This is in the context of the assumption that effective utilisation of human resources in an organisation can be a source of competitive advantage, provided that the policies and practices for managing people are integrated with the organisation’s strategic goals and objectives (Guest 2011). The last thirty years or more have seen considerable expansion in theory and research about human resource management and performance (Guest 2011; Guthrie et al. 2009; Huselid 1995; Teo, Le Clerc & Galang 2011). Strategic human resource management (SHRM) is considered to be an important means to achieve an organisation’s competitive advantage, and many studies suggest that good HRM practices and systems have a positive impact on organisational overall performance and productivity (Alfes et al. 2013; Allen, Ericksen & Collins 2013; Boxall, Ang & Bartram 2011; Boxall & Macky 2009; Guest 2011). In particular, human resource management practices are seen to contribute to organisational performance by improving employee engagement and satisfaction, and shaping customer and stakeholder satisfaction (Gorenak & Pilko 2009).

Although early studies in strategic HRM began in the manufacturing industry in the USA (Arthur 1994; McDuffie 1995), more recently there has been a proliferation of empirical studies in a range of industries and countries (Alfes et al. 2013; Allen, Ericksen & Collins 2013; Aryee et al. 2011; Boxall, Ang & Bartram 2011; Stanton et al. 2010). In addition, there has been an increasing focus on understanding the key elements of strategic HRM, for example, opening the ‘black box’ and exploring the relationships between different HR practices that can contribute to high performance work systems (Boxall et al. 2011; Aryee et al. 2011).

The focus of this study is on HRM practices in performing arts companies in Australia, which is often captured under the heading of creative industries. Creative industries is a wide-ranging definition, which can include almost any endeavour that
links creativity and wealth creation (Cunningham & Higgs 2010; Throsby 2008b). The creative industries have grown rapidly over the past two decades in Australia and internationally. There are a number of studies that have focused their attention on the contribution of creative industries to the economy, especially in terms of employment, regional development and urban dynamics (Cunningham & Higgs 2010; Florida 2003; Kirchner, Markowski & Ford 2007; Throsby & Zednik 2010). Other studies have focused on the economic and financial aspects of the industry (Kirchner, Markowski & Ford 2007; McCarthy 2001), public accountability versus artistic development (Rentschler & Potter 1996), consumer behaviour and repurchase intentions (Hume & Mort 2008; Hume, Mort & Winzar 2007; Slack, Rowley & Coles 2008), and audience development (Bernstein 2006; Scollen 2008).

Other issues researched include the use of relationship marketing in retaining audiences (Conway & Whitelock 2007; Rentschler 2002), the service experience (Hume & Mort 2008; Hume et al. 2006), marketing orientation and planning (March & Thompson 1996; Sorjonen 2008), public relations (McDonald & Harrison 2002), and the use of online communities in extending audience relationships (O’Sullivan 2007). Some studies have focused their attention on innovation activities in the industry (Galenson 2006; Handke 2006; Miles & Green 2008; Stoneman 2007; Wilkinson 2007), while other studies have explored the role of creative industries in contributing to innovation in the wider economy, especially in regard to inputs from the creative industries that may be used in innovation processes in other industries (Bakhshi, McVittie & Simmie 2008).

The challenges of managing creative employees are often alluded to in these studies, and there are studies that explore elements of the experience of work and employment in the creative industries (Banks & Hesmondhalgh 2009; Dex et al. 2000; Hesmondhalgh & Baker 2010; Hodgson & Briand 2013; Hotho & Champion 2011). However, there is little research actually focusing on the practice of HRM in organisations in the creative industries in general, or in the performing arts in particular. Instead, researchers explore the challenges of managing creative workers (Townley & Beech 2010), particularly in small businesses or as independent contractors, both of which predominate in the creative industries (Hotho & Champion 2011).
Notwithstanding the considerable promise of SHRM as a strategy for improving organisational performance, there is a surprising lack of empirical studies exploring HRM systems and practices, and the factors that influence or hinder their adoption, in the creative industries. This is particularly the case in the performing arts sector. The present study attempts to fill that gap by exploring human resource management practices in performing arts companies in Australia.

1.2 Background and context of the study

1.2.1 The creative industries

The term creative industries was first introduced by the Australian government in 1994, in the national cultural policy development strategy termed ‘Creative Nation’, which emphasised the importance of creative work and its contribution to the Australian economy (Department of Communications and the Arts 1994; Throsby 2006). This was a period of transition towards greater economic accountability in the arts and cultural industries in Australia (Weihong & Keane 2008). The report identified the growth of new technologies, in particular, as pivotal in the development of the knowledge economy and to further enhance Australia’s competitiveness in the international arena (Cunningham 2005).

The creative industries as a policy discourse has witnessed global popularity (Prince 2010; Wang 2004). It can be argued that creative industries have changed the debate about the perception and value of arts and culture in general. The term creative industries has broadened to encompass a range of creative activities and sectors, including; advertising, architecture, the art and antiques market, crafts, design, fashion, film and video, music, the performing arts, publishing, software and computer services, television and radio (Department of Culture Media and Sport 2001, p. 6; Towse 2010).

Many of these activities are often described as ‘cultural industries’ or endeavours, and are considered important within society for a number of reasons. Firstly, they are considered as the primary means of producing symbolic goods and texts that represent cultural values (Garnham 1987; Hesmondhalgh 2002, p. 3). Secondly, in this way,
they constitute a ‘public sphere’ (Habermas 1989), and enable the transmission of dominant ideological values. Thirdly, as Hesmondhalgh (2002, p. 6) argues, cultural industries can be “agents of economic, social and cultural change”. Finally, cultural and creative industries can: foster social inclusion (Reeves 2002); regenerate economically deprived cities and regions (Florida 2002); and potentially help tackle mental and physical health issues through such social inclusion (Health Education Authority 2000).

However, although the cultural aspects of the creative industries are important, debate often focuses on their economic benefits. For example, given that many organisations are often small- to medium-sized enterprises focusing on local markets, it is acknowledged that the creative industries are significant contributors to regional and national economies, thereby driving the economic growth of the nation (Cunningham & Higgs 2010; Throsby 2010a). Such is the importance of these activities that governments often look to creative industries to drive future economic growth (Throsby 2010a).

1.2.2 Defining the creative industries

Defining creative industries is still a matter of considerable disagreement in academic and policy-making circles (Cunningham & Higgs 2010; Throsby 2008b). The term creative industry often refers to those industries that are: focused on linking creativity with commercial markets; using creativity as their source of value; generating ideas into new intellectual property (IP); and then using and commercialising that IP in innovative ways. Various reports have used a range of definitions of creative industries. For example, one influential definition of creative industries, adopted by the UK Government Department for Culture, Media and Sport (DCMS), describes the creative industries as “those activities which have their origin in individual creativity, skill and talent and which have the potential for wealth and job creation through the generation and exploitation of intellectual property” (Department of Culture Media and Sport 2001, p. 4).

On the other hand, Caves (2000) takes a much more traditional approach to the creative industries, defining them as: “industries that supply goods and services that
we broadly associate with cultural, artistic, or simply entertainment value. They include book and magazine publishing, the visual arts (painting and sculpture), the performing arts (theatre, opera, concerts, dance), sound recordings, cinema and TV films, even fashion and toys and games” (Caves 2000, p. 1). Throsby (2001) provides a functional definition of the creative industries: activities that involve some form of creativity in their production; that are concerned with the generation and communication of symbolic meaning; and from which any output at least potentially embodies some form of intellectual property. Throsby (2008a) argues that defining the creative industries remains an issue for debate, as no clear agreement exists as to which sectors should be included or excluded.

Indeed, the inconsistency in definition of the creative industries is recognised among commentators, suggesting that the complex nature of the creative industries makes ‘scientific’ definition difficult (Department of Culture Media and Sport 2001, p. 6). Pratt (1997) also observes that, regardless of the definition adopted, each brings with it conflicting views of what constitutes the arts and creative industries. There are also conflicting views between commentators and those working in the industry, suggesting that the establishment of a generic definition for the industry will not satisfy the different objectives that researchers, policymakers and practitioners wish to pursue (O'Connor 1998; Throsby 2008b).

An important aspect of the definition of the creative industries is the emphasis on commercial potential, and the strategic importance of the role of creative industries in a nation’s export industry and international branding (Cunningham 2005). Rutten et al. (2004) defines creative industries as those sectors in which goods and services are produced that are the results of creative labour, suggesting that creative industries play an important role in the development and maintenance of lifestyle and cultural identities. Furthermore, creative industries can be linked to innovation and commercialisation (Higgs, Cunningham & Pagan 2007).

Despite definitional disagreements as to exactly what constitutes the creative industries, they are regularly positioned as ‘national champions’ in their own right (McKinlay and Smith 2009), and as a key metaphor for successful mainstream organisations in general (Smith and McKinlay, 2009b). Creative workers are also
recognised as key drivers of regional economic development (Florida, 2002). For Throsby (2008), the creative arts industries are an essential component in any respectable economic policy maker’s development strategy; while Thompson et al. (2009a) assert that there is a growing creative intensity in the economy, with a growing creative distinctiveness in the nature of work, career and management.

1.2.3 The rise of the creative economy

The emergence of the creative industries and the growing importance of cultural industries occurred at the same time as globalisation and emergence of the knowledge economy (Flew 2002; Florida 2002). Castells (2000) links the rise of creative industries to the dynamics of the ‘new economy’, the form of which is informational, global and networked. Cunningham (2006) and Hartley (2005) argue that the discourse of the creative industries is a step away from the old strictures of arts subsidies, toward meeting the new demands of a globalised world where creativity and innovation are the basis of the new economy (Glow & Johanson 2006). Thus, the underpinning of the creative industries is their dedication to production and commercialisation of creative goods; while the general consensus is that the creative industries are a driver of the twenty-first century economy, which relies heavily on creativity and knowledge to deliver growth and prosperity (Jones, Lorenzen & Sapsed 2015; UNCTAD 2008). It is this rise that has led to a number of scholars exploring these industries and their economic potential and contribution at the national and regional levels of governments around the world (Cunningham 2006; Florida 2002; Landry 2003; Markusen & Schrock 2006; Scott 2004; Throsby 2008b).

Certainly, creative industries have become one of the key features of government economic policy around the world (Clifton, Dolphin & Reeve 2009; Florida 2002; Ross 2009). As a result, and in line with the work published by Florida (2003), policy makers worldwide have turned to these industries as key drivers of economic and employment growth, urban regeneration and community engagement in their respective countries (Oakley 2004; Ross 2009). The United Nations Conference on Trade and Development (UNCTAD 2008) also recognised the creative industries as a new dynamic sector in world trade. It argued that, while creative industries are often micro businesses or small- to medium-sized enterprises that focus on local markets,
they have also developed into powerful economic clusters, helping to drive national economic growth (UNCTAD 2008).

Florida (2003) and Throsby (2008) both argue that the creative industry concept is an essential component in any national economic policy development, as creative ideas are considered to be key assets in national and international economic success. This also fits with the ‘culturisation’ thesis (Oakley, Sperry & Pratt 2008), that the rise of these industries reflects a new economic importance for culture, ‘ideas’ (Howkins 2001), creativity and innovation (Bakhshi, McVittie & Simmie 2008; Lazzeretti 2012; O'Connor 2010). According to this view, the economic success of the creative industries derives from the ‘individual creativity, skill and talent’ of their workers (Department of Culture Media and Sport 2001).

1.2.4 Critique of the creative industries discourse

There has been widespread critique of the definition of creative industries as a policy discourse. Some scholars perceive this new economy as a neoliberal discourse referring to the revival of doctrines of the free market (Cunningham 2007; Gibson & Klocker 2005; Hesmondhalgh & Baker 2008; Miller 2009); while others see it as generating divergent views of creativity and inducing different effects depending on local contexts (Flew & Cunningham 2010). However, the most common critique relates to the validity of ‘creativity’ as a policy concept capable of bringing together the diverse set of industries and practices associated with the creative industries, and to the inherent difficulties involved in differentiating these industries from others on the basis of their application of creativity (Flew 2012). Other critics, such as Garnham (2005), argue that government definitions of creative industries are politically developed to promote the cultural sectors as economically important, while strategically aligned to the policy domains associated with the knowledge economy.

Garnham (2005) further argues that the inclusion of the software sector in the creative industries artificially inflated their economic significance in order to align the arts to a more high-powered, ‘information society’ policy discourse. Cunningham (2009) criticises arbitrary exclusivity in the listing of creative activities, noting for example, that the heritage sector is often omitted, despite its economic, creative and cultural
characteristics being at least, if not more, robust than some of the other sectors included. Bilton and Leary (2002) argue that the definitions cannot explain what is distinctive about the creative industries, since:

*Every industry would surely lay claim to some measure of individual creativity, skill and talent; equally, it is difficult to think of a product which does not exploit some intellectual component in the form of patents, design, elements of other intangible symbolic properties which make that product unique* (Bilton & Leary 2002, p. 50)

Other critics argue that, despite the focus on the economic importance of the creative industries, the economic policy claims on creative discourse as a catalyst for socio-economic development remain contested (Eikhof & Warhurst 2013). Critics have also argued that job growth in the creative industries has not been as strong as expected (Warhurst 2010), and that the respective policies have been devised without substantive research on work and employment in the industry’s sectors (Oakley 2004). It has been further criticised that the creative industries’ policies have exaggerated the extent of creativity’s contribution to the economy (Warhurst 2010) and oversold the feasibility of economic transformation through creativity (Oakley 2006).

Despite these criticisms, policy attention in the creative industries remains unchanged, and in some cases is even more consolidated, such as in Australia, the USA and UK (European Commission 2012; UNCTAD 2008). An important aspect of the creative industries’ continuing appeal, Florida (2004, p. 79) argues, is that the economic growth policy makers have promised will provide ‘new avenues of advancement’ and ‘full opportunity and unfettered social mobility for all’.

### 1.2.5 Employment in the creative industry:

Notwithstanding the lack of agreement as to what constitutes the creative industries, they have become one of the largest groups of employers in many economies, generating significant revenue and representing one of the fastest-growing sectors of economic activity (Bauer, Viola & Strauss 2011; Caves 2000; Flew & Cunningham
2010; Throsby 2010b); and they are seen as a key economic driver of, and contributor to, growth (Bobirca, Cristureanu & Miclaus 2009; Florida 2002; Seares 2011; Smith & McKinlay 2009).

Given the importance and growth of creative industries, as noted above, various governments now seek ways to exploit the underpinnings of the new creative economy to maintain competitive advantage (Cunningham 2009; Florida 2003; Hesmondhalgh 2007; Throsby 2010a). For example, the economic output of creative industries in most advanced countries has contributed to the overall performance of their national economies (Throsby & Zednik 2010). In the UK, for instance, it was noted that the creative industries contributed up to 5.6% of the gross value added in 2008, providing about two million jobs in the creative sector and in creative roles of other sectors (Department of Culture Media and Sport 2011). In 2007, the contribution of the creative arts industries to the USA economy was over 22%, with the value added to GDP being $889.1 billion (Siwek 2009). As noted by Towse (2010), this has resulted in a shift in cultural policy, to a broader view of cultural goods and services.

Despite the surge in attention paid to the creative industry sectors and the people who work within them, there is little detailed research, particularly within Australia, on the work practices, orientations, attitudes, career trajectories, skills and training needs of creative workers (Cunningham 2006; Throsby 2010b). On this basis, Smith and McKinlay (2009a) conclude that there is little insight into how creative workers gain access to or develop resources in dynamic and complex contexts.

Throsby (2008a), a cultural economist, proposes a concentric model that is based on the idea that cultural industries’ services and goods have cultural and economic values, and that different degrees of cultural content exist relative to their commercial value. Figure 1.1 shows the four industry groups that make up the cultural industries, as illustrated in diagrammatic form.
Figure 1.1 Throsby’s concentric model

Source: Throsby (2008a, p. 150)

Throsby’s (2008a) concentric model divides all the activities of the cultural industries into four concentric circles, which can be used to classify the industries that produce cultural goods: the core creative arts; other creative industries; wider cultural industries; and related industries. Figure 1.1 also shows the main industries they contain. Throsby (2008a) argues that the core creative arts are most important, in which the performing arts are located, that all the creative ideas originate in the core creative arts in the form of sound, text and image; and that these ideas and influences diffuse outwards through a series of layers or ‘concentric circles’, with the proportion of cultural to commercial content decreasing as one moves further outwards from the center. The present thesis focuses on the core creative arts located on the top left-hand quadrant of the concentric model, with particular emphasis on the performing arts, as HRM practice in this component has not been extensively researched.

The creative industries are made up of different types of employees working in the various sectors. While Throsby’s model captures these employees in the cultural industries, the Australian Bureau of Statistics (ABS), in contrast, refers to the same
employees as working in the creative industries. Table 1.1 below provides an overview of employment statistics in the creative industry in Australia in 2011. According to the 2011 ABS Census data, there were 347,744 people employed in the creative industries. Software development and interactive digital content is the most significant sector of employment within the creative industries, representing around 51% of total employment in these industries. Globally, employment in the creative industries is found to be much higher than reported, because employment statistics fail to account for the many part-time and freelance workers (Mietzner & Kamprath 2013); in Australia, commentators believe the performing arts population to be under-represented within official data collections by more than 50% (Throsby 2008a).

Table 1.1 Status of employment in creative industries, 2011

<table>
<thead>
<tr>
<th>Industry sector of employment</th>
<th>Employment No</th>
<th>Share of creative industries</th>
<th>Share of total employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Music &amp; performing arts</td>
<td>27,179</td>
<td>7.8%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Film, television &amp; radio</td>
<td>33,914</td>
<td>9.8%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Advertising &amp; marketing</td>
<td>30,454</td>
<td>8.8%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Software development &amp; interactive content</td>
<td>142,377</td>
<td>40.9%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Writing, publishing &amp; print media</td>
<td>44,372</td>
<td>12.8%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Design &amp; visual arts</td>
<td>35,612</td>
<td>10.20%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Architecture</td>
<td>33,836</td>
<td>9.7%</td>
<td>0.3%</td>
</tr>
<tr>
<td><strong>Total creative industries</strong></td>
<td><strong>347,744</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>3.50%</strong></td>
</tr>
</tbody>
</table>

*Source: Australian Bureau of Statistics (2013)*

The focus of the present thesis is on the creative arts core; in particular, the thesis focuses on performing arts sector, including dance, theatre and opera. The next section explores the structure of the performing arts sector in Australia, which forms the basis for this study.

1.3 Structure of the Performing Arts Sector in Australia

In Australia, the performing arts is a fragmented sector, which encapsulates a wide range of enterprises, from micro artistic companies to large-scale cultural organisations, operating in both commercial and non-profit areas (Bakhshi & Throsby
According to Arts Victoria (2011, p. 3), some of these companies focus on industry development, others innovate and generate new work, and many others are dedicated to engaging the community in artistic endeavours. However, there is clearly a crossover between the performing arts and more commercial creative sectors. As Freudenberg (2011) points out, the performing arts industry has strong relationships with other creative industry sectors, for example: with publishing, due to the importance of scripts; with visual arts, due to the importance of set design; and with film and television, due to the link with performers. Indeed, it is likely that many performers and technicians would work across theatre, film and television.

The performing arts sector covers many types of artistic endeavour, including writers, visual artists, craft practitioners, dancers, actors, choreographers, musicians, singers, directors and composers. It is carried out in many venues such as museums, theatres, heritage centres, and at festivals and other events (Cunningham & Higgs 2010; Cunningham 2009; Freudenberg 2011; Throsby & Hollister 2003). The performing arts sector is defined, according to the Australia Council, as those occupations and industries within the art forms of literature, design, visual arts and music (Australia Council of the Arts 2003, p. 3). While performing arts is often grouped under the heading of creative industries; the performing arts sector is defined for the present study as representing those industries that provide goods and services that are associated with cultural, artistic and or entertainment value. These include: the visual arts (including publishing); the performing arts (comprising theatre, music, opera, theatre, dance, concerts), television and cinema; and games (Australia Council of the Arts 2003, p. 3).

Against this background, the remainder of this chapter provides an introduction and an overview of the thesis. Firstly, discussion of the research problem is provided, with the rationale for the importance of this study within the performing arts sector context. Then, the justification for the research is presented, along with its contribution and significance. The chapter concludes with the limitations of the research study and an outline of the thesis.
1.4 Statement of the Problem

There is extensive literature demonstrating the links between HRM practice and organisational performance (Beer et al. 1984; Devanna, Fombrun & Tichy 1984; Guest 1997, 2011). Studies have also explored the impact of HRM practices on organisational performance in small- to medium-sized organisations (Barrett & Mayson 2007; Teo, Le Clerc & Galang 2011; Wiesner, McDonald & Banham 2007). However, despite the substantial body of research exploring the relationship between HRM practices and organisational performance (Alfes et al. 2013; Allen, Ericksen & Collins 2013; Aryee et al. 2011; Boxall, Ang & Bartram 2011; Guest 2011; Guthrie et al. 2009; Huselid 1995; Teo, Le Clerc & Galang 2011), and an increasing interest in the creative industries, there is a lack of focus on exploring HRM practices in the performing arts sector.

As a consequence, little is known about how HRM is perceived and managed in, and how it might influence the conduct and performance of, a sector based on creativity. For example, Hotho and Champion (2011) argue for a more effective management approach towards entrepreneurial small businesses; and in particular, Townley and Beech (2010) make a strong argument for research exploring people management and challenges in the creative industries. In addition, the people management challenges are affected by the workforce profile of the performing arts sector: insecure employment, low wages, part-time, casual and temporary employment, and freelancing. These workers often escape conventional statistics on employment and investment, as they are more likely to join projects, leave them, join with one group for one assignment, and then regroup with others for yet other assignments. How these workers are managed remains a challenge for HRM policy and practice in arts companies.

1.5 Research questions

The aim of this research study is to explore HRM practices in the performing arts companies in Australia, using a qualitative research design and two phases of data collection. Firstly, interviews were conducted, with the overall objective to acquire richer data from key stakeholders on the perceived HRM practices in the performing
arts sector, and the associated impact of the environment, for example, policy context and funding arrangements. The data collected allowed greater insight into HRM practices and challenges in the performing arts sector. Secondly, three case studies were explored in companies of different size, to provide insight into HRM practices in the companies studied.

In order to formulate the research questions, a review of HRM literature was conducted, from which three questions emerged relating to HRM practices in an organisation. The research questions that guided this study are:

1. How is HRM structured and operationalised in performing arts organisations?
2. How does the industry context impact on companies HRM?
3. How and why does the nature of the performing arts workforce impact on HRM practice?

To achieve the research questions outlined above, a qualitative case study method was determined to be the most appropriate methodology to address the research questions, as it allows for insights into a specific context or situation (Cavana, Delahaye & Sekaran 2001; Eisenhardt & Graebner 2007; Yin 2009). In addition, given that the research questions focused on what, how, and why factors (Robson 2003), this makes the study exploratory and non-hypothesis driven. Answers to these research questions help to understand and explain the nature and processes of HRM and people management practices in companies in the performing arts sector. These answers also cast light on how performing arts companies manage their employees, and identify HRM challenges inherent in the industry.

1.6 Significance of the study

The present study adds new knowledge on HRM systems and practices in the performing arts sector, given that the current body of knowledge in Australia is limited. As a result, this study is considered to be the first of its kind to explore the industry effect on, and to provide detailed empirical findings on, the current status of HRM and people management practices in a selection of performing arts companies.
This will have implications for management, government, trade unions, and policymakers.

1.7 Overview of the thesis structure

This thesis is organised into ten chapters and structured as follows.

Chapter One provides an overview of the thesis, including the study context, statement of research problem, research objectives and questions. It provides fundamental arguments for why the study is important, its contribution, and the conceptual framework upon which the study is based; and then orient the reader to the remainder of the thesis.

Chapter Two presents a discussion on the performing arts in Australia. It begins by discussing the economic contributions of the performing arts to the Australian economy. It discusses the role of government in the performing arts. The discussion includes government as a policy maker, as a funder, and as a regulator. In addition, the chapter examines industrial relations in the performing arts sector, and presents a discussion on the performing arts organisations. The chapter concludes with a discussion on the nature of the performing arts workforce, which includes the precarious nature of work, multiple jobholding, self-employed contractors, and passion and commitment.

Chapter Three provides an extensive review of the literature focusing on HRM and people management, which positions this study within the field of Strategic HRM. It then presents a discussion of work and theories in HRM relevant to the present study, including the evolution of personnel management to SHRM. The chapter critically examines the theoretical models of HRM, which include the Michigan and Harvard SHRM models. It then examines relevant empirical studies in SHRM, attempting to demonstrate the link between HRM and organisational performance, with particular reference to the performing arts sector. The three theoretical HRM approaches that have dominated HRM and firm performance studies are discussed: universalistic, contingent, and configurational approaches to HRM. Chapter Three also examines Control and Commitment HRM approaches to the management of people in an
organisation. Next, it discusses the HR Architecture model developed by Lepak and Snell (1999), which suggests that companies use different HR systems to manage different employee groups, depending on their strategic value and uniqueness. The model of the strength of HRM systems developed by Bowen and Ostroff (2004), which emphasises the perceptions of employees about HRM systems and practices, is also discussed. The chapter then examines studies across a number of contexts, geographies and industries, exploring HRM practices in organisational contexts, and their impacts on the adoption of HRM. The chapter also discusses the role of organisational size and its implications for the adoption of HRM systems and practices. The chapter concludes with a discussion on the rise of project-based organisations, and their HRM practices and challenges.

Chapter Four outlines and provides justifications for the methodological considerations of the present research. It begins with a discussion of qualitative methods. It then describes the research methodology utilised to carry out this research study, including a detailed description of the research design, justification of the research paradigm, data collection and data analysis. After substantiating the appropriateness of the exploratory case-study method, it provides a detailed analysis of the procedures followed for case selection, and collection and analysis of the multiple case-study data. Finally, issues of validity, reliability and ethical considerations of the study are considered, reinforcing the rigour of the research process, and acknowledging the researcher’s biases. Chapter Five presents the findings of the study of the key stakeholders in the performing arts sector, regarding how HRM is perceived and managed. These findings will help corroborate or contest findings in Chapters Six, Seven and Eight. Chapter Five provides background information about the informants involved in the interviews. As suggested by Miles and Huberman (1994), quotations will be used to present the evidence gathered and to give the reader a better understanding of the key informant interviews (Eisenhardt & Graebner 2007; Yin 2003). This chapter lays the foundation for understanding HRM issues and challenges in the performing arts sector.

Building on Chapter Five, Chapters Six, Seven and Eight present the results and discuss empirical evidence from each of the case study organisations. Each chapter presents an analysis and discussion of the findings relevant to the specific case study.
Chapter Nine provides a cross case-study comparison. The cross-case comparison has been completed to compare results between the cases, so as to identify similarities and or differences in the overall research findings. Chapter Ten presents and aligns all the findings, and draws research conclusions based on the research questions. The conceptual framework that guided the research is realigned in accordance with the research findings. The theoretical and practical contributions of the study are outlined. In addition, the limitations, and potential future research, are discussed.

1.8 Chapter conclusion

This introductory chapter presents an overview, background and context for the thesis, and also briefly discusses the overall research objectives and research questions. The contributions and significance of the study and the implications for theory and practice are highlighted. The chapter concludes with a description of the structure of the thesis. The purpose here is to provide the reader with an orientation for the entire study. To understand HRM in the performing arts companies, it is first important to understand the performing arts sector, which will be discussed in Chapter Two.
CHAPTER TWO: THE PERFORMING ARTS SECTOR

2.1 Introduction

Chapter One introduced the aims and major research questions of the study. It provided context and background to the study. The purpose of Chapter Two is to discuss the nature of the performing arts, and the key challenges of managing people in the performing arts, and in performing arts companies, in Australia. To do this, the chapter draws on and adapts a traditional employment relations framework of key actors – namely government and their institutions, employers and their representatives, and employees and their representatives (Bray et al 2005). However, instead of employers, the chapter focuses on organisations, which are the subject of this thesis; and instead of employees, the term workforce is used, for reasons that are explained in Sections 2.5 and 2.6 of the chapter.

The structure of the chapter is as follows. Section 2.2 discusses the economic contribution of the arts to the Australian economy. Section 2.3 discusses the role of government in the performing arts. Section 2.4 discusses Australia’s industrial relations in regard to the performing arts industry. Section 2.5 concludes the chapter by discussing the performing arts organisations and their workforce. In the light of the empirical evidence in this chapter, the research questions are revisited and developed.

2.2 Economic contribution of the Arts

The performing arts are defined, according to the Australia Council, as those occupations and industries within the art forms of literature, design, visual arts, music and performing arts (Australia Council of the Arts 2003, p. 3). This covers many types of artistic endeavour, including writers, visual artists, craft practitioners, dancers, actors, choreographers, musicians, singers and composers. Performing arts are carried out in many venues, such as museums, theatres, heritage centres, and at festivals and other events (Cunningham & Higgs 2010; Cunningham 2009; Freudenberg 2011; Throsby & Hollister 2003).
It is also acknowledged that the arts play an important role in contributing to social and economic goals, especially in the area of innovation and in knowledge-based economies (Budd 1995; Radich 1992), and to employment, regional development and urban dynamics (Andari et al. 2007). Changes, both locally and globally, in the arts and entertainment industry (Rentschler & Potter 1996), including changes in culture, economy and society, have significantly influenced the arts industry and artistic activities. Earlier studies have examined the economic benefits of the arts to communities, especially in the areas of employment and spending (Florida 2003; Heilbrun & Gray 2001). It can also be argued that the performing arts sector is part of the emerging service economy, contributing to the economy both directly through performance, and indirectly through, for example, trade and tourism (Throsby & Hollister 2003; Throsby & Zednik 2010).

Certainly, the economic contribution of the arts in Australia has been significant (Throsby & Hollister 2003). The creative sector overall contributes around $90.19 billion annually to the Australian national economy, adds almost $45.89 billion in gross domestic product (GDP), and helps generate exports of $3.2 billion dollars (ABS 2014). This figure exceeds a number of other industry groups such as Commercial Fishing ($2,280.1 million) and Beer, Wine and Spirits ($4,807.6 million) in the same period (Australia Bureau of Statistics 2014). This is also a picture that is reflected internationally in developed countries (Throsby & Zednik 2010). More specifically, it has been estimated that the performing arts sector, whilst not large in comparison with many other sectors, contributes $17.4 billion annually to the Australian economy (Arts Victoria 2011, p. 4). Recent figures released by IBIS World (2015), on Music and Theatre Productions in Australia, showed a $2 billion return in revenue, and forecasted sector growth of 0.7% over the next five years, including a rise of 0.5% over 2015.

The performing arts sector has attracted an increasing amount of research in a number of key areas. However, as stated in Chapter 1, while there is an increasing amount of research into the nature of work in the creative industries in general and the performing arts in particular, there is very little focus on arts organisations and how they manage their employees through their HRM systems and processes. There are some contextual problems related to this. Cunningham and Higgs (2010) claim that
there is a considerable degree of personal judgement as to what constitutes the arts. Furthermore, Freudenberg (2011) argues that the broad number and range of small companies in the sector makes definition and profiling problematic. These complications mean that, to understand the practice of HRM in performing arts companies, first it is important to examine the industry context in which these organisations operate.

2.2.1. The Performing Arts in Australia

While the film and music sectors generate large commercial revenue, the majority of performing arts companies in Australia are significantly dependent on funding from government, private institutions, and donations from the public (Cunningham & Higgs 2010; Freudenberg 2011; Scott 2003). One way of unpacking the nature of the performing arts sector in Australia is to utilise a traditional employment relations framework, by exploring the role of key actors. These key actors include: federal, state and local governments; performing arts organisations and their representatives; and the performing arts workforce and their representatives. While some of the features of the sector are specific to Australia, for example the industrial relations structures and processes, other features in relation to organisations and workforce are common across the arts sector in a number of developed nations. Even government policy has an international dimension, as governments are influenced by wider economic and political trends and developments. The next section, while focusing on the role of government in the performing arts in Australia, thus also puts these issues in an international context where appropriate.

2.3 The Role of Government in the Performing arts

Government in Australia plays three important roles in the administration and management of the arts sector: firstly, as policy maker, setting the direction of arts and cultural policy at Federal and State levels; secondly, as funder, identifying what will be funded and how this funding will be managed; and thirdly, as the regulator, in particular in relation to employment legislation, and the setting of wages and conditions in the sector.
2.3.1 Government as Policy maker

Although a detailed examination of the history of arts and cultural policy development in Australia is beyond the scope of this thesis, Australian cultural policy has been marked by recurring characteristics that continue to influence arts and cultural policy developments. The section below provides a brief history of Australia arts and cultural policy development from the 1990s, with the rise of the creative economy, to the present time, to demonstrate changes in government cultural policy commitment and funding of the arts.

As stated in Chapter 1, one of the key developments in recent Australian cultural policy was the introduction of Creative Nation in 1994 by the Keating Labor Government (Department of Communication and the Arts 1994). Creative Nation provided a framework to develop Australia’s cultural reputation nationally and internationally, and was a demonstration of Prime Minister Keating’s vision of a culture-led economic future for Australia (Craik, Davis & Sunderland 2000, pp. 195-6). The significance of Creative Nation lay in its dual emphasis, on the national imperative to foster cultural development, and the economic potential of cultural activity (Craik 2007). According to the policy:

*Culture creates wealth... Culture employs ... Culture adds value, it makes an essential contribution to innovation, marketing and design. It is a badge of our industry. The level of our creativity substantially determines our ability to adapt to new economic imperatives* (Department of Communication and the Arts 1994, p. 7)

Creative Nation dedicated significantly increased funds to develop the cultural content of the media industries, the marketing strategies of arts organisations, and their programs for raising private sponsorship (Department of Communications and the Arts 1994). According to Johanson (2008), Creative Nation was shaped by a sense that Australian culture was threatened by international trade in cultural goods and services, and a view that information technology and mass culture were a threat to Australia’s culture. Weihong and Keane (2008) argue that Creative Nation took culture out of its traditional arts base into a more expansive industry model. Craik (2006) argues that the policy framework under the Keating government was grounded
in the intention that the arts industries could be seen as an important force in generating employment and economic growth in Australia. Indeed, Madden (2011) claims that *Creative Nation* remains exceptional in the history of Australian cultural policy developments.

A change of federal government in 1996 led to a series of inquiries and reviews into the arts that reshaped funding priorities (Craik 2007). In 1999, the ‘Nugent Inquiry’ examined 31 major performing arts organisations, as a result of the perceived crisis in the arts sector and the adverse impact of globalisation, technological change and demographic shifts on their viability (Craik 2007, p. 96). While government support for the arts continued (Australia Council for the Arts 2009), all of these inquiries were set up against the backdrop of administrative and policy reforms across all areas of government activity, centred on measures such as the application of performance measurement and the introduction of market incentives and corporatisation (Gardiner-Garden 2009). While the conservative Howard Liberal-National Coalition government continued to support the arts, there was increased use of managerialist tools across all industries, with greater emphasis on accountability, which often worked in favour of the larger more established companies (Gardiner-Garden 2009).

The return of a Labor government in 2007 saw *Creative Nation* back on the agenda. The Rudd Labor government initially used the *Creative Nation* policy as the basis for decision-making about arts and culture during their first term of government (Centre for International Economics 2009). Participants at the Commonwealth government’s 2020 Summit’s ‘creative stream’ advocated that Australian cultural policy needed three main elements: (a) a national cultural and design strategy and policy; (b) a dedicated ministry of culture; and (c) a whole of government approach to culture (Centre for International Economics 2009). As a consequence, in October 2009, the Commonwealth government announced that there would be a national discussion around arts and cultural activity with a view to developing a national cultural policy (Garrett 2009). The outcome was *Creative Australia*, released in 2013. The policy provided a new funding and support framework responsive to evolving artistic and cultural practice in Australia, including reform of the Australia Council, with a future $75.3 million injection of funds. The new national cultural policy included an immediate funding commitment of $10 million over four years to support the
production of Australian content on digital platforms. *Creative Australia* also included an additional $20 million in funding to attract international feature films to Australia (Connell et al. 2013). Although *Creative Australia* was the first genuine attempt in a generation to reconcile an evolving culture, again, as with *Creative Nation*, a change in government in 2013 meant that this policy was not fully implemented.

There have been two developments in arts funding under the current federal Coalition government in office since 2013. Under Prime Minister Abbott (2013-2015), Australia Council funding was reduced by $20 million and redirected to the Arts Minister through a new National Program for Excellence in the Arts. The change of leadership to Prime Minister Malcolm Turnbull in 2015 led to a reversal of this decision. A new fund was introduced, Catalyst — the Australian Arts and Cultural Fund — with an annual budget of $12 million, with the remaining $8 million being returned to the Australia Council (Glover, Mendelssohn & Meyrick 2015). However, when the Australia Council announced its four-year funding round in May 2016, 65 arts organisations lost their federal funding. This was described by newspaper commentators as ‘Black Friday’, as organisations “thought to be essential to the cultural ecology and unassailable in their artistic output and fiscal stability, lost their federal funding” (The Monthly 2016 [https://www.themonthly.com.au/blog/alison-croggon/2016/16/2016/1463358684/black-friday]). One of these organisations was a case study in this thesis.

### 2.3.2 Government as funder

Funding in the arts in Australia is derived from three main sources: the Commonwealth Government of Australia; State and Territory governments; and also some funding from local governments (Cunningham & Higgs 2010; Cunningham 2009; Freudenberg 2011; Throsby 2001). Other sources of funding in the performing arts sector include sponsorship, trusts, philanthropists, donations from individuals, and box office and online ticket sales (Cunningham & Higgs 2010; Throsby 2001). What is clear from the above discussion is that, in Australia, government has an important role not only in setting policy direction but also in providing direct funding for the arts. The Commonwealth government, in particular, is an important funding
source for artists and performing arts organisations, and has a long history in this area. Generally speaking, Commonwealth and State governments in Australia do not directly employ performing artists; however, they do have arts and cultural departments that employ public servants in managing and administering arts policy and arts funding through the Australia Arts Council (Craik 2007). It is possible that some of these individuals may have a performing arts background.

The dependence of the arts on public funds and, to a lesser degree, on private sponsorship, has a long tradition, based on beliefs about the value and national prestige benefit of the arts, and their social benefits in Australian society (Bakhshi & Throsby 2009a). In Australia, the main source of public funding in the arts is provided by the Commonwealth government, supplemented by state, territory and local governments (MacNeil, Lye & Caulfield 2013). This support includes funding of professional artists and the major performing arts organisations, financing the construction and maintenance of museums and galleries, and contributions to community-based arts activities (MacNeil, Lye & Caulfield 2013). The Commonwealth government provides a four-year (formerly triennial) program, through the Australia Council, as a funding base to the arts to which organisations apply (Australia Bureau of Statistics 2011). This funding is often used to provide the organisational and administrative functions that allow organisations to survive. Funding for the artistic work often comes from other funding sources, for example one-off government and philanthropic grants.

Despite an increase in private sponsorship, government funding in the arts remains the major source of income. For example, in 2012-2013 the estimate of Australian Government-funded expenditure on Arts activities was $1,756.2 million. This was similar to the $1,744.5m reported in 2011-12, which accounted for 74% of the total cultural expenditure funded by both the Federal and State governments (Australia Council for the Arts 2015).

Table 2.1 below provides a summary of Commonwealth, State, Territory and Local government funding in the arts between 2011-12 and 2012-13. In the period 2012-13, State and Territory governments provided almost $3,291.6m, and local government contributed $1,397.6m to the arts (Australia Bureau of Statistics 2014). In 2012-13,
recurrent expenditure accounted for $6,010.8m of cultural expenditure funded by all levels of government, while capital expenditure accounted for the remaining $1,039.7m. Total expenditure funded by all levels of government for cultural activities rose by 1 per cent in 2012-13, following a rise of 5% in 2011-12. In 2012-13, the estimate of expenditure on cultural activities, funded by state and territory governments, was $3,291.6m, a rise of $11.4m from 2011-12 (Australia Bureau of Statistics 2014). As shown in the table 2.1, cultural expenditure varies, with heritage primarily funded by the states.

**Table 2.1 Cultural expenditure, by level of government, 2011-12 and 2012-13**

<table>
<thead>
<tr>
<th></th>
<th>2011-12</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Value of expenditure</td>
<td>Value of expenditure per person(a)</td>
</tr>
<tr>
<td><strong>Australian Government</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Heritage</td>
<td>610.5 $m</td>
<td>27.10 $</td>
</tr>
<tr>
<td>Total Arts</td>
<td>1 744.5 $m</td>
<td>77.50 $</td>
</tr>
<tr>
<td>Total cultural expenditure</td>
<td>2 355.0 $m</td>
<td>104.60 $</td>
</tr>
<tr>
<td><strong>State and territory government</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Heritage</td>
<td>2 415.8 $m</td>
<td>107.30 $</td>
</tr>
<tr>
<td>Total Arts</td>
<td>864.5 $m</td>
<td>38.40 $</td>
</tr>
<tr>
<td>Total cultural expenditure</td>
<td>3 280.2 $m</td>
<td>145.70 $</td>
</tr>
<tr>
<td><strong>Local government</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Heritage</td>
<td>Na Na</td>
<td>Na Na</td>
</tr>
<tr>
<td>Total Arts</td>
<td>Na Na</td>
<td>Na Na</td>
</tr>
<tr>
<td>Total cultural expenditure</td>
<td>1 342.3 $m</td>
<td>59.60 $</td>
</tr>
<tr>
<td>Total government expenditure</td>
<td>6 977.5 $m</td>
<td>309.90 $</td>
</tr>
</tbody>
</table>

*Source: Australia Bureau of Statistics (2014)*

**2.3.3** Other sources of funding

In addition to government funding of the arts, other sources of funding for the performing arts sector come from sponsorship deals from companies and funds from philanthropists, donations from individuals, and Box Office and ticket sales, to improve arts companies’ financial returns (Arts Victoria 2007; Cunningham & Higgs...
2010; Throsby 2001). Governments at all levels encourage private sector participation and sponsorship to support and improve the arts (Hunt & Shaw 2008). Bakhshi and Throsby (2009a) points out that private sponsorship is growing, but with fluctuations. For example, the average value of donations decreased over the period 2009-2013. However, the value of donations was relatively consistent and small, being not more than $83 million. Table 2.2 provides the number and value of donations received for the arts between the 2009-10 and 2012-2013 financial years.

Table 2.2 Number and value of donations received 2009-10 to 2012-13

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations no.</td>
<td></td>
<td>227 788</td>
<td>167 930</td>
<td>160 805</td>
</tr>
<tr>
<td>Total value $m</td>
<td></td>
<td>82.9</td>
<td>71.3</td>
<td>74.8</td>
</tr>
<tr>
<td>Average value $</td>
<td></td>
<td>363</td>
<td>424</td>
<td>465</td>
</tr>
</tbody>
</table>

Source: ABS Cultural Funding by Government, Australia, 2012-13

Clearly, from the evidence above, the performing arts sector in Australia is heavily subsidised, rather than being a commercialised sector. Government funding often provides for the underlying administrative functions that allow organisations to exist, but funding for artistic work has to be found on a project-by-project basis from a range of other avenues. This has implications for resources, for long term strategy and planning within arts organisations, and for the security of employment for the performing arts workforce.

2.3.4 Government as a regulator

Government also has a regulatory role, particularly in the employment relations arena, through the courts and tribunals. In Australia, employment regulation involves both Federal and State governments through their respective industrial relations agencies, statute and common law. Trade unions also play a significant role, and in some instances, employer associations are also important players.
2.3.4.1 Australian Industrial Relations Framework

Employment relations in Australia is mainly governed by Federal legislation and enacted by Fair Work Australia. However, there is some statute law that has both Commonwealth and State dimensions. This includes areas such as Occupational Health and Safety, Equal Opportunity, and Discrimination on grounds of gender, ethnicity, and disability (Bray et al. 2005; Bray, Waring & Cooper 2009). The setting of pay and conditions is in the form of Industrial Awards, Enterprise Bargaining agreements, and Individual Arrangements. Employers’ Associations and trade unions still play a key role in the industrial relations system in some industries in Australia, despite union decline and the move to decentralised bargaining (Bray et al 2005). Employer associations are organisations consisting predominantly of employers, and whose activities include participating in the determination of employment conditions on behalf of their members (Plowman 1995; Sheldon & Thornthwaite 2002).

In some instances, employer associations can coordinate employer response to industrial action and preside over systems of multi-employer bargaining where wages and conditions are standardised (Barry & Wilkinson 2011). Australian trade unions are independent member-based organisations that represent members in the Conciliation and Arbitration Processes of the Award system and negotiate on behalf of members through Enterprise Bargaining. As with Employer Associations in some industries, this can include multi-employer bargaining.

2.3.4.2 Awards

Awards were fundamental to Australia’s traditional conciliation and arbitration system throughout the twentieth century, and have underpinned the employment relations framework into the twenty-first century (Stewart 2009). Under the Fair Work Act 2009, a new approach to awards was introduced, and there are now ‘Modern’ Awards that specify the conditions and obligations in an employment relationship within an industry, occupation, or an enterprise (the latter known as enterprise awards) (Bray & Macneil 2011). Legally enforceable documents, awards set out minimum wages, penalty rates, loadings and other conditions, and provide employees “with a degree of certainty in their employment” (Cooper 2010, p. 5).
In 2011, awards alone set the wages of approximately 20% of all Australian employees (Australian Bureau of Statistics 2011); and they are particularly important for employees in low-paid or disparate industries where employee bargaining power is weak (Fenwick 2006; Owens 2006). An Award can also be used as benchmark for assessing enterprise agreements before approval, or to underpin common law contracts (Bray & Macneil 2011).

2.3.4.3 Enterprise Bargaining Agreements

Since the 1980s, Australia has moved from a reliance on centralised Industrial Awards to Enterprise Bargaining Agreements (EBAs) (Bray and MacNeil 2011). EBAs are collective, legally-binding agreements negotiated between employers and employees, rather than through the processes of conciliation and arbitration. Enterprise agreements set out pay and conditions of employment, for a group of employees at one or more workplaces, into a collective agreement (Knox 2009). A collective agreement is defined as an agreement between an employer (or group of employers) and a group of employees (or one or more unions or employee associations representing the employees) (Cooper & Briggs 2009; Hancock 2012). According to the Australian Bureau of Statistics (2011) registered collective agreements covered 38.1% of the workforce.

2.3.4.4 Individual agreements

Evidence shows that, in the Australian industrial relations system, notwithstanding deregulation and decentralisation since the mid-1980s, workers’ wages and conditions continue to be determined by federal awards and collective agreements (Fair Work Commission 2014). Underpinning all arrangements is a common-law contract of employment (Fair Work Commission 2014). There are a number of employees who are employed on an individual contract arrangement. Legally, these arrangements cannot go below the terms and conditions of the relevant award; however, they do allow for pay and conditions to be much higher, and they are attractive for employers and employees in certain industries and occupations (Bray et al 2005).
2.4 Industrial Relations in the Performing Arts Sector

The major employers’ association in the live entertainment and performing arts is Live Performance Australia (LPA), which claims to lead negotiations, on behalf of members, with unions in Enterprise Agreements (Live Performance Australia 2010a). LPA was established in 1917, and is registered as an employers’ organisation under the FairWork Act 2009. It has over 370 member organisations across the live performance sector, covering all artistic genres, including contemporary and classical music, musicals, theatre, comedy, dance, opera, circus and physical theatre. In addition, LPA also represents producers, promoters, venues, performing arts companies, festivals and service providers such as ticketing companies and technical suppliers (Live Performance Australia 2010a).

Australian employer associations have traditionally provided a variety of services to their members in addition to industrial relations representation, including political lobbying, public relations, and business services, including research assistance and advice, as well as training and education services (Plowman 1995; Sheldon & Thornthwaite 2002). LPA is an example of such an association, and according to its promotional material, works to promote the ongoing growth and development of the live performance industry in Australia and to assist members to run successful performance companies both in Australia and overseas. LPA claims that its policy has focused on measures designed to assist artists and producers in creating and presenting their work (Live Performance Australia 2010b). LPA claims to represent the diverse interests of its members, including providing advice on HRM functions and employment legislation (Live Performance Australia 2010a).

In the performing arts sector, the relevant trade union is the Media, Entertainment and Arts Alliance (MEAA): the MEAA represents employees in the media, entertainment arts and sports industries (Media Entertainment Arts Alliance 2010). The Alliance was created in 1992 by the merger of four separate industrial unions, including Actors Equity, the Australian Journalists Association, and the Australian Theatrical and Amusement Employees Association (ATAEA) (Media Entertainment Arts Alliance 2010). The MEAA is registered with the Australian Industrial Relations Commission (AIRC) and affiliated with the Australian Council of Trade Unions (ACTU), the
International Federation of Actors (IFA), and the International Federation of Journalists in Australia (IFJA). Members of MEAA include people working in television, radio, theatre and film, entertainment venues and recreation grounds, as journalists, actors, dancers, sportspeople, cartoonists and photographers, orchestral and opera performers, as well as people working in public relations, advertising, book publishing and website production.

According to its policy documents, the role of the alliance is to campaign for better pay, conditions and rights for its members, and to strengthen the media and entertainment industries through increased government funding, and improved government policies and laws on issues that impact on the industry. These include press freedom, Australian television and film content, occupational health and safety, public broadcasting, and arts funding. The MEAA provides advice and information to all members regarding their individual and collective rights at work, and negotiates collective agreements at workplaces to set and “safeguard fair pay rates and working conditions for its members” (Media Entertainment Arts Alliance 2010, p. 2).

The performing arts sector is covered by the Live Performance Award (Fair Work Commission 2014). There are also more specific awards, such the Amusement, Events and Recreational Award, and there are a number of organisationally based EBAs, for example in some larger ballet, opera and theatre companies.

To understand the impact of the industrial relations framework on the Performing Arts sector, it is useful to explore data from the Australian Bureau of Statistics (ABS). ABS data captures the performing arts under a more general heading of arts and recreational services. Recreational services include amusement parks, museums, zoological and botanical gardens, and parks (Australia Bureau of Statistics 2014). A number of employees in recreational services will be employees of local government agencies, which are likely to have a number of Enterprise Agreements and a different modern award; which means that, arguably, such employees would be better paid than performing arts workers. However, Table 2.3 shows that the amount of average weekly earnings in arts and recreational services is substantially lower when compared to other industries, with an income gap of 10%. This gap is evident for both average weekly and hourly rates and with overtime worked and paid.
Table 2.3 Average weekly cash earning between arts and recreational services and all industries

<table>
<thead>
<tr>
<th></th>
<th>Average weekly cash earnings</th>
<th>Average weekly hours paid for</th>
<th>Average hourly cash earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ordinary time</td>
<td>Overtime</td>
<td>Total</td>
</tr>
<tr>
<td>Arts and recreational services</td>
<td>$1,158.60</td>
<td>23.70</td>
<td>1,182.30</td>
</tr>
<tr>
<td>All industries</td>
<td>$1,297.20</td>
<td>77.20</td>
<td>1,374.40</td>
</tr>
</tbody>
</table>

Source: cat. no. 6306.0 DO003 201205 Employee earnings and hours, Australia, May 2012

Breaking these figures down into how pay is determined casts some light on these differences. Table 2.4 compares pay determination between arts and recreation workers and all industries by award, collective agreement, individual arrangement and Owner Manager. The spread of these arrangements is not that different between the two groups. Arts and recreation workers are slightly more likely to rely on an industrial award (20%) than are all industries (16%). Reliance on collective agreements is similar, with 44% for arts and recreation workers compared to 42% for all industries; as are individual agreements, with 35% compared to 38%. Arts and recreation workers are slightly less likely (2.6%) to be Owner Managers than in all industries (3.2%).

However, the average weekly cash earnings paint a different picture. There is an overall 21% gap between arts and recreational services pay and ‘all industries’ pay. While collective bargaining results in higher pay than for those reliant on awards, it is significantly below that of all industries, suggesting a weakness in bargaining power. At the same time, in arts and recreation, those with individual arrangements have the highest average weekly earnings, suggesting that some individuals are able to command higher salaries, whether negotiated by an agent or by themselves. Furthermore, the average weekly earnings for Owner Managers is less than those on Collective agreements or Individual arrangements, and is less than half of those in all industries. This could suggest that the owner managers of small arts and recreation
companies forgo pay to sustain their business venture. This may also relate to the relatively weak bargaining position of performing arts employees/ contractors. Overall, those in ‘arts and recreational services’ earn only 66% of the average weekly wage of all industries.

Table 2.4 Employees, method of setting pay by industry

<table>
<thead>
<tr>
<th></th>
<th>Award only</th>
<th>Collective agreement</th>
<th>Individual agreement</th>
<th>Owner manager of incorporated enterprise</th>
<th>All methods of setting pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts and recreation</td>
<td>30.20</td>
<td>67.50</td>
<td>51.70</td>
<td>4.10</td>
<td>153.60</td>
</tr>
<tr>
<td>All Industries</td>
<td>1544.10</td>
<td>4033.60</td>
<td>3714.30</td>
<td>313.90</td>
<td>9605.90</td>
</tr>
</tbody>
</table>

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average weekly total Cash earnings ($)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts and recreation</td>
<td>401.50</td>
<td>731.30</td>
<td>962.70</td>
<td>643.10</td>
<td>741.90</td>
</tr>
<tr>
<td>All Industries</td>
<td>633.80</td>
<td>1150.80</td>
<td>1277.20</td>
<td>1337.50</td>
<td>1122.60</td>
</tr>
</tbody>
</table>

Source: cat.no. 6306.0DO001 201205 Employee earnings and hours, Australia, May 2012.

To drill down further, the ABS provides more specific data on performing arts occupations that are useful to compare with all occupations. Table 2.5 shows that occupations such as actors, dancers and other entertainers are poorly paid compared to other occupations in the creative industries, as well as to all occupations. It further shows that artistic directors, media producers and presenters are paid above the all-industries’ average, especially those on individual agreements. Actors, dancers and other entertainers are low paid, not only against ‘all industries’ but when compared to directors of all forms and artistic directors and producers.

This data confirms previous patterns found in various studies that have explored the tenuous economic situation of artists in Australia. For example, Throsby and Holister (2003) surveyed cultural occupations, and reported that half of the artists in the survey had a creative income of less than $7,300 in the 2000-01 financial year, keeping them below the poverty line. In a follow-up study, Throsby and Zednik (2010) report that this had risen to more than half of all artists in their study earning less than $10,000.
annually from their creative income, and only 12% earning more than $50,000 from their artistic endeavours. Cunningham and Higgs (2010) argue, not surprisingly, that arts employees earn less than the average Australian income.

Table 2.5 employees, occupation, method of setting pay

<table>
<thead>
<tr>
<th></th>
<th>Award only</th>
<th>Collective agreement</th>
<th>Individual arrangement</th>
<th>Owner manager of incorporated enterprise</th>
<th>All methods of setting pay</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Average weekly total cash earnings ($)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actors, dancers and other entertainers</td>
<td>596.20</td>
<td>832.80</td>
<td></td>
<td>544.20</td>
<td></td>
</tr>
<tr>
<td>Music professionals</td>
<td>1,178.90</td>
<td></td>
<td>0.00</td>
<td>758.00</td>
<td></td>
</tr>
<tr>
<td>Photographers</td>
<td>1,330.80</td>
<td>1,026.50</td>
<td></td>
<td>1,526.10</td>
<td></td>
</tr>
<tr>
<td>Visual arts and crafts professionals</td>
<td>0.00</td>
<td></td>
<td>0.00</td>
<td>1,241.30</td>
<td></td>
</tr>
<tr>
<td>Artistic directors and media producers and presenters</td>
<td>1,571.50</td>
<td>1,679.40</td>
<td>1,723.70</td>
<td>975.30</td>
<td>1,610.90</td>
</tr>
<tr>
<td>Authors, and book and script editors</td>
<td>0.00</td>
<td></td>
<td>0.00</td>
<td>1,197.90</td>
<td></td>
</tr>
<tr>
<td>Film, television, radio and stage directors</td>
<td>1,242.90</td>
<td>1,547.70</td>
<td></td>
<td>1,353.80</td>
<td></td>
</tr>
<tr>
<td>Journalists and other writers</td>
<td>1,461.20</td>
<td>1,350.30</td>
<td></td>
<td>1,293.80</td>
<td></td>
</tr>
<tr>
<td>All occupations</td>
<td>633.80</td>
<td>1,150.80</td>
<td>1,277.20</td>
<td>1,337.50</td>
<td>1,122.60</td>
</tr>
</tbody>
</table>

Source: cat. no. 6306.0 DO008 201205 Employee earnings and hours, Australia, May 2012

These earning patterns are also reflected in international studies in Finland (Karhunen and Rensujeff, 2002), Canada (Hill & Capriotti 2009), and Holland (Jenje-Heijdel & Ter Haar 2007). Markusen et al. (2006), looking at American artists’ working schedules and their patterns of employment and self-employment, found that artists cross-subsidise work with money earned from more lucrative commercial work. They further report that many of their respondents move among sectors to augment their arts income (2006, p. 37). Evidence suggests that, although artists are often deeply dissatisfied with their financial positions, they persevere (Cunningham & Higgs 2010; Throsby & Zednik 2010). Bridgstock (2005) argues that artists derive other measures of occupational satisfaction and success than monetary reward. Davidson (2004) asserts that people do not become professional artists for the money, as they are, rather, often driven by their own passion and commitment towards artistic endeavour.
Furthermore, Miège (1989, p. 83) argues that the massive ‘reservoir’ of labour in the creative industries means that wages are depressed, and in many cases workers, especially young people, are willing to work for free.

This situation impacts on the effectiveness of trade unions in bargaining for higher wages. Trade unions have an important role to play in supporting and protecting the rights of creative arts workers (Antcliff, Saundry & Stuart 2007; Christopherson & Van Jaarsveld 2005). It can be argued that creative ‘freelancers’ have more need of union support than do permanently employed workers, and ought to have an enhanced interest in the regulation of the external labour market, due to the temporary nature of their employment (Saundry, Stuart & Antcliff 2007, p. 182). However, it is difficult to organise temporary workers who are highly mobile and who may have divergent needs from the permanent workforce (Heery et al. 2002). Kong (2011) argues that it is a challenge to represent such diverse individuals as a single collective group. In addition, because of the uncertain nature of freelance work, unions are often not on the radar of many cultural workers (Antcliff, Saundry & Stuart 2007; Christopherson & Van Jaarsveld 2005). Furthermore, Christopherson (2004) argues that the general lack of a bargaining power translates into a reduced sense of control over work, and a diminished sense of professionalism associated with one’s own work. The unpredictability of the work also means that unions tend to have limited ability to regulate the conditions of work and employment of their members (Heery et al. 2004; Hesmondhalgh & Baker 2011).

In summary, the contribution of the artistic community to Australian life, when measured in cultural and social terms, is considerable (Menger 2006; Throsby & Hollister 2003). However, much of the value of this contribution is not reflected in the market prices that artists command when selling their work and labour (Cunningham & Higgs 2010; Throsby & Hollister 2003). As a result, the economic return to artists’ work remains low, and by no means represents a true measure of their contribution to Australian society. As already stated, this situation is influenced by the nature of the work in the industry and the nature of the workforce. However, the work takes place within an organisational context; and the next section focuses on key features of performing arts organisations and the implications for HRM practice.
2.5 Performing Arts Organisations

Internationally, the performing arts is a fragmented sector, which encapsulates a wide range of enterprises from micro artistic companies to large-scale cultural organisations, operating in both commercial and non-profit areas (Bakhshi & Throsby 2009b; Throsby & Hollister 2003). At one end of the industry are small groups of artists who band together to present exhibitions or performances; at the other, high profile, well-established companies with full-time staff (Australia Research Centre 2011). These enterprises operate in a challenging environment, influenced by economic cycles and government policies (Bakhshi & Throsby 2009a). Moreover, the majority of ‘creative industry businesses’ in Australia are micro businesses or sole traders (Australia Bureau of Statistics (2014), which has implications for work and employment patterns (Fitzgerald 2003). According to Arts Victoria (2011, p. 3), some of these companies focus on industry development, others innovate and generate new work, and many others are dedicated to engaging the community in artistic endeavours.

Work and employment is characterised by project, and this impacts on organisational structures and processes (Christopherson 2004; Davies & Sigthorsson 2013; Flew 2012; Hodgson & Cicmil 2006). The 2002-2003 Australia Council’s Annual Report (2003) showed that most work in the performing arts sector is project-based. Productions of work are, by their very nature, temporary projects, for example the production of specific plays and concerts (Bakhshi and Throsby 2009; Scott 2003). Projects tend to run in cycles, with periods of ‘crunch time’ followed by slower periods (Australia Council of the Arts 2003). Mangset, Kleppe and Røyseng (2012) argue that project work requires a number of artists working together in a limited time period in order to obtain the best possible outcome of employment. Project-based or ‘portfolio’ employment is common throughout the sector (Flew 2012; Gill & Pratt 2008; Kong 2011), with creative careers often characterised by multiple short-term projects with heterogeneous employers or clients. Gill and Pratt (2008) also argue that project-based work is mainly short term, leading to constant employment uncertainty (Murdock 2003; Ross 2008).

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This means that, as Castels (2000) and Grabher (2002) found, the working lives of many arts employees are organised around projects and not careers in organisations. Castels (2000) notes that the uncertainty of the next project and the consequent instability of income compound the lives of performing arts workers. People move in and out of organisations, and the sector can be characterised by movements across the boundaries of separate employers, typical of what has been coined ‘boundaryless careers’ (Arthur 1994). This mobility is enforced by the norm of temporary contracts. Arthur (1994) argues that factors that enable and support mobility for actors, for example, are a more or less standardised basic qualification, a good observability of this qualification, and a social network that makes spatial moves easier.

In addition, contracting of labour in the industry not only reflects project-based work but also the absence of stable organisations in many sections, cost reduction, and high labour supply, which means that freelance or free-agents are more typical than permanent or more secure employees (Eikhof & Warhurst 2013; Hesmondhalgh & Baker 2011; Mckinlay & Smith 2009). Even in larger organisations, in some sectors such as in television and film, fragmentation and deregulation have resulted in almost universal freelance working and increased challenges in managing people (Davenport 2006; Ursell 2000).

Hesmondhalgh and Baker (2010) and Belussi and Sedita (2008) describe conditions whereby creative workers are constantly seeking new work, as such occupations are often seasonal or temporary, and job security is poor. Hesmondhalgh and Baker (2010) also identify a number of features that apply to labour in the performing arts, including irregular work, short-term contracts, little job protection, uncertain career prospects, and unequal earnings. As noted by Dex et al. (2000) in their study of contractual changes in the television industry, these demands can cause considerable stress for the majority of creative workers. De Peuter (2011) terms this condition ‘creative labour precarity’, and suggests that the nature of the creative sector often requires individuals to undertake unpaid internship for a chance at securing paid employment.

A reliance on project-based work impacts not just on the workforce but on the organisations themselves, which in turn also impacts on the workforce. For example,
Petricca-Harris, Weststar and McKenna (2015), in their study of the gaming industry, report that the dominance of extreme work is shaped and perpetuated by the project-based structure of the work. As noted by Hodgson (2002, 2004) and Cicmil et al. (2006), and described with respect to software designers by Ó’Riain (2001), workers are controlled both structurally and normatively under project-management regimes. In other words, expectations are placed on workers, not only by organisational structures but also by the norms of the organisation, which reflect the norms in the industry.

As a result of the inherent mobility of project-based work, workers rely on their portfolios and their reputations to maintain employability as they move from organisation to organisation. As such, a worker’s personal choice to work long hours is often constrained by the social context, institutional conditions and social rights involved (Crompton and Harris, 1998; McRae, 2003). As Sturges (2013) comments on this phenomena in research on young professionals, “working long hours is the time when people felt closest to their work ‘family’” (p. 354); yet the development of a family atmosphere that blurred the boundary between work and play was “a deliberate attempt by the firm founder to encourage employees to work long hours when required” (p. 353). This elevates the power of reputation-based norms such as being part of the team or work family (Sturges 2013).

Clearly, there are inherent consequences of project-based models of work and employment for human resource management. It has been argued that it makes for ‘bulimic careers’ (Pratt, 2002), in which there is a boom and bust pattern where people work long days and nights when a project is underway, then break until the next project. Watson (2012) argues that project-based work forces these workers to find alternative employment between projects to optimise their limited work opportunities. Furthermore, project-based work has consequences for training and entry into the creative industries; and as (Eikhof & Warhurst 2013) point out, projects are only temporary, and there is little potential benefit for employers in financing apprenticeships or other industry-wide training schemes.

Some authors suggest that project-based work can be advantageous to workers and organisations. For employees, despite its inherent insecurity, project-based work gives
workers an opportunity to exercise agency over their working lives (Antcliff, Saundry & Stuart 2007). Lindgren, Packendorff and Sergi (2014) juxtapose the instability of portfolio labour markets with the opportunities they afford to seek out exciting new work projects. This could be, for example, a mix of stable jobs such as instrumental tuition, which gives a more reliable income stream, with other, more risky endeavours (Hesmondhalgh & Baker, 2010).

For employers, project-based work can be seen as a reinvention of control, utilising project management technology (Clegg & Courpasson 2004; Hodgson 2004; Hodgson & Briand 2013; Watson 2012). Hodgson and Cicmil (2006) suggest that, to assure their continued survival, project-based organisations emphasise comprehensive planning and strict managerial control, as well as professional self-discipline. Hesmondhalgh and Baker (2010) argue that companies trade autonomy through contract and freelance, thereby protecting themselves from risks and lowering labour costs. This way, instead of employing people and maintaining a work relationship, arts companies maintain loose affiliations with their employees (McKercher 2009).

Furthermore, it has been argued that contract work employment enhances ‘coordination flexibility’, so that firms can efficiently adjust the number or types of skills in the firm to cope with fluctuations in product or service demands (Lepak, Takeuchi & Snell 2003). Casual and short-term employment also offers managers greater flexibility to deal with fluctuations in customer demands, by assimilating a part of their labour costs as variable rather than fixed costs (Lepak, Takeuchi & Snell 2003). Chambel and Sobral (2011) noted that organisations may increase labour productivity and reduce costs by using casual labour to screen potential workers for regular full-time positions. Highly skilled professionals and technical experts in temporary employment create new and specific knowledge within the organisations that engage them; which knowledge would not otherwise be developed internally, and is especially valuable in dynamic and competitive industries (Chambel & Sobral 2011). Considering that large number of artists work on a freelance basis, the future welfare and financial security of artists is a matter of considerable concern (Throsby & Zednik 2011). The casualisation of work and outsourcing which typifies the creative economy offers advantages to large companies in the creative industries: it
reduces their overheads, and offers them increased flexibility and competitiveness in the make-up of project teams.

Project-based work can also be an efficient form of organisation for mastering tasks of high complexity, while stimulating creativity and individual learning (Hobday (2000) and Davenport (2006). The performing arts and the creative arts in general, it is argued, epitomise the virtue of empowering, flexible and knowledge-based production systems (Peters 1992). However, some authors (Banks, 2007; Smith and McKinlay, 2009) question this ‘freedom’, and argue that these stereotypes of liberated work in the industry need to be challenged (Banks, 2007; Smith and McKinlay, 2009). What is clear is that, as Cunningham (2006) notes, pressures such as tight budgets, a fluctuating industry, intermittent work, and a competitive labour market are unlikely to change in the future in the performing arts sector, and that project-based work will remain.

2.6 The Performing Arts Sector Workforce

While it is important to recognise that, on a macro level, policy makers extol the economic virtues of the arts sector, there are many concerns about the nature of work and employment in the sector in general, including self-exploitation, casualisation and precariousness as typical characteristics, and self-employment and project-based work are widespread (Comunian, Faggian & Jewell 2011; Hartley, Sorensen & Torfing 2013). Work in performing arts is uncertain (Ross 2009), and characterised by resource constraints (Hothe & Champion 2011), to the extent that workers often need to rely on networks to access skills, to collaborate, to be inspired, and to assist their own creative development (Dasklaki 2010; Potts & Cunningham 2008).

However, work in the arts sector is often viewed as desirable, because it offers less alienating work, characterised by aesthetic and professional autonomy, a less formal or hierarchical work environment, and greater levels of social prestige (Oakley 2009; Scott 2004). However, there are a range of employment characteristics in the performing arts and the creative industries in general, identified by both academics and policy makers, that suggest that, while work can be creatively rewarding and fulfilling, employment in the industry is characterised by discontinuous, contract and
short-term employment, profound job insecurity, long working hours, low pay, and little job protection, all features of precarious work (Banks 2007a; Blair 2003; Centre for International Economics 2009; Gill 2007; Hesmondhalgh 2007; Menger 2006; Morini 2007; Ursell 2000; Willis & Dex 2003). Precarious work in this context refers to what is also described as contingent work: all forms of insecure or flexible work, from illegal, casual and temporary employment, to piecework and freelancing (Neilson & Rossiter 2005; Oakley, Sperry & Pratt 2008).

2.6.1 Precarious labour

A robust literature has developed around the notion of precarious labour (or ‘precarity’) in the arts sector. Labour precarity refers to “non-continuity of employment, lack of employment protections and exclusion from standard employment benefits” (Burgess and Campbell, 1998, p. 7); with insecure, contingent, or flexible work, casual and temporary employment and freelancing (Hesmondhalgh & Baker 2011; Oakley, Sperry & Pratt 2008). Some studies show that precarious and intermittent labour is endemic to the life of arts workers (Banks 2007a; Deuze 2007; McRobbie 2002; Oakley & O’Connor 2015; Ursell 2000). Creative careers are characterised as being precarious, in that they involve chronic unemployment and underemployment, which significantly affect the wellbeing of creative workers (Davies & Sigthorsson 2013; Hesmondhalgh & Baker 2010). As previously discussed, workers undertake ‘portfolio careers’ comprising piecemeal creative and non-creative jobs, and tend to undertake short-term, project-based and self-employment-based work (Bridgstock 2005; Ross 2009; Throsby & Zednik 2010).

Work and employment in performing arts and the creative arts in general is increasingly uncertain and competitive (Antcliff et al., 2007; Townley and Beech, 2010). Investigations into the labour force further show difficulties faced by arts workers that reflect the often exploitative and precarious nature of work processes (Banks & Hesmondhalgh 2009; Hesmondhalgh & Baker 2011; McKinlay & Smith 2009; Oakley & O’Connor 2015). Throsby and Zednik (2010) argue that the short-term nature of much of the arts sector production means that many people are employed precariously, either on a fixed-term contract or as a freelancer. Creative workers have also been reported to be strongly motivated in their work yet often
precariously employed and poorly paid (Gill and Pratt 2008), with contingent occupations (Kalleberg 2009; Stuart et al. 2015b). There is also debate over the employment and labour experiences of creative workers, with some authors arguing that the reality of creative work is one marked by insecurity, high levels of (self) exploitation, and the corrosion of work-life demarcations, as the social networks of friends and family are put to work for business purposes (Fitzgerald, Rainnie & Bennett 2012; Flew 2002; Simms & Dean 2013; Standing 2011; Throsby & Hollister 2003).

Another key focus in much recent research on creative industries and the performing arts in particular, is the growth of casualised, ‘precarious’ labour in the ‘middle layers’ of society, which is particularly noticeable in the creative labour workforce. Some recent studies on creative labour highlight the relationship between a high degree of casualisation and precarity of employment (Cunningham & Higgs 2010; Gollmitzer & Murray 2011; Throsby & Zednik 2010). Gollmitzer and Murray (2011) argue that creative work is more intensively casualised, and indeed, more precarious as a whole, than the general labour force. A 2011 ABS report on employment and culture found that the proportion of creative workers employed in cultural occupations on part-time employment in Australia is approximately 33.1% (between 1 and 34 hours per week). By comparison, the report showed that 30.5% of all employed persons in creative occupations worked part-time (Australian Bureau of Statistics 2011). Temporary employment and freelancing are a common trend, highlighting an underlying problem associated with working in the creative arts industry (McKercher 2009). Arguably, part-time and freelancing conditions can provide work autonomy to the worker; but for the creative employee, increased autonomy and flexibility of creative work has implications for income security (Gollmitzer & Murray 2008). McKercher (2009), writing on precarity and the freelance journalist, argues that most journalists’ employment is contingent in nature, as they are often not offered full-time employment.

Research on artists’ working lives reveals that the majority are not employed full-time in their artistic profession, and encounter variable, fragmented and often unpredictable employment patterns (Cunningham & Higgs 2010; Throsby 2010b; Throsby & Hollister 2003). Casual and short-term contracting makes it more difficult to train and
retain workers, especially in film and television (IBISWorld Industry Report 2015). Cunningham and Higgs (2010) found that the performing arts sector has a high percentage of people in part-time employment. The welfare and financial security of these workers is also a matter of considerable concern, while it is recognised in general that casual workers are a particularly vulnerable group in an employment situation (Pocock 2003; Watson et al. 2003). While this casual status allows flexibility, it presents drawbacks because of the unpredictability of work and low financial security (Cunningham & Higgs 2010). For example, casual employees do not receive sick leave or annual leave, even though in Australia, awards add a wage loading for casual employees in lieu of sick leave and annual leave (Thorthwaite & Sheldon 2011).

2.6.2 Multiple Jobholding

Robinson and Montgomery (2000) argue that many performing arts workers are unable to support themselves through their creative work but have to devote substantial time to other work to support their families. This way, they spread the risk by working in multiple jobs to supplement income. Given the lack of security of long-lasting employment, many artists are forced into multiple jobs (Menger 2006). Studies have also shown that the majority of artists hold multiple jobs (Kong 2011; Throsby & Hollister 2003; Throsby & Zednik 2011). By holding multiple jobs, creative workers work longer hours than average, and have total incomes below those earned by others with similar experience and levels of education (Robinson & Montgomery 2000, p. 526).

Throsby and Hollister (2003), in their study, report that 63% of Australian artists held more than one job, with a majority preferring multiple jobholding in arts-related work such as teaching and arts administration. In addition, the Australian Bureau of Statistics (Australian Bureau of Statistics 2011) report that 12% of people working in the arts industry held more than one job, compared with 6% of the total national workforce. Multiple jobholding is common in the arts, reflecting the economics of work in the industry (Kong 2011; Menger 2006); and by holding several jobs, artists spread the risk of income uncertainty and thereby not meeting minimal income level (Kong 2011). Ellmeier (2003) posits that holding multiple jobs contributes to the lack
of clarity in career paths among many workers in the arts, and thus highlights the need for them to constantly acquire new skills to market themselves.

Throsby and Zednik (2011) suggest that it is now generally understood that artists allocate their working time between three types of jobs, corresponding to three separate labour markets: the market for their creative work (including time spent on all preparation, practice, rehearsal, research related to their creative work); the market for arts-related work that is not part of their core creative output but that uses their artistic skills, in areas such as teaching in their art form (especially relevant to visual artists, instrumental musicians, singers and dancers); and the non-arts labour market (for actors this seems inevitably to involve work as a taxi-driver or a waiter in a restaurant, a time actors generally describe as being ‘between jobs’ (Throsby & Zednik 2011). Hence, Throsby and Zednik (2011) argue that artists learn to manage risk and to stay alive through multiple job-holding, occupational versatility, the diversification of job portfolios, and occasional income transfers from social security or other sources.

Alper and Wassall (2000) conclude that by far the most common motivation for artists holding a second job or more was to meet household expenses. This was in contrast to the general labour force, where reasons such as enjoying the alternative work and gaining different experience ranked higher (Alper and Wassall, 2000). Davies and Lindley (2003) found that 65% of UK artists, for example, had second jobs. Wetzel et al. (2009) in their study report that 76% of Austrian artists are involved in secondary work outside their primary arts occupation. Wetzel (2009) attributes multiple jobholding to the fact that the majority of artists do not derive substantial earnings from their artistic work. In the European Union, for example, evidence suggests that the number of cultural workers with second jobs is more than double that of the labour force as a whole (Eurostat 2007).

2.6.3 Employees, Self-employed contractors or creative entrepreneurs

As has already been discussed, a substantial proportion of workers in the creative industries in general and the performing arts in particular are freelancers or self-employed. Freelancers are temporary workers hired on a short-term contract, for their
specific skills, knowledge or experience (Davies & Sigthorsson 2013; De Klerk 2015). These freelancers may receive their wages on an hourly, weekly or monthly basis, or a flat fee for a project. Freelancers have clients, rather than employers and the relationships with their clients are often short-term, and contracts are agreed either directly between the freelancer and the client or through an agency (Davies & Sigthorsson 2013; De Klerk 2015).

The performing arts are also characterised by a high number of freelancers and microbusinesses, which are involved in content creation, and characterised by the dominant presence of extremely large, often multinational corporations (Becker & Smidt 2015; Davies & Sigthorsson 2013). Performing arts workers might work for television and film companies and small experimental theatres, and self-manage their own artistic capabilities (Blair, Grey & Randle 2001; Storey, Salaman & Platman 2005). The question is, how do they see themselves and thus how they relate to the companies that they engage with? They might have more than one identity: for example their identity as an artist, which provides them with work motivation and creative impetus; their identity as a ‘small firm’ (De Klerk 2015), which enables them to make a living out of being an artist; and their identity as an employee, when they work for an organisation.

For example, Haunschild and Eikhof (2009) argue that workers in the theatre are calculating managers of themselves, as human resources as well as intrinsically motivated bohemians. A bohemian life is marked by ideas such as spontaneity, sporadic employment, lack of income, continuous improvisation, living from hand to mouth, and trying to enjoy life from day to day instead of subordinating to work schedules. Haunschild and Eikhof, (2009) assert that this situation not only requires continuous marketing oneself through social networks and maintaining one’s employability, but also living a life fully committed to work. Since most bohemians were artists, self-fulfilment in work was tantamount to artistic expression and the participation in the art world for art’s sake (Becker 1982, Caves 2000). Their constant calculation of investments and returns for all of their work relationships, and their allocation of resources as time, energy and artistic creativity, justify interpreting actors as self-employed employees or as entrepreneurs of themselves, respectively (Eikhof & Haunschild 2006, 2007).
Leadbeater and Oakley (1999) describe the values of the emergent creative ‘independents’ that were emerging as the vanguard of the de-traditionalisation of work: anti-establishment, anti-traditionalist, and in respects highly individualistic, they prized freedom, autonomy and choice. Leadbeater and Oakley (1999, p. 15) argue that these values predispose creative workers to pursue self-employment and entrepreneurship in a spirit of self-exploration and self-fulfilment. Eikhof and Haunschild (2006) argue that most artists choose self-employment (Coulson 2012) to embrace the freedom, control and flexibility (Van Steen & Pellenbarg 2012) that entrepreneurship provides (Oliver 2010). Such freedom, it is argued, provides the flexibility to access opportunities, and the control to manage financial and creative risk (Sternberg, 1985) and avoid (even self-) exploitation (Comunian, Faggian & Jewell 2011; Runco & Jaeger 2012). Artists manage their art as a business (Throsby, 2011), and think strategically about their involvement in projects and with whom they want to collaborate (Bennett 2013). This behaviour strongly relates to entrepreneurial bricolage behaviour (Banks & Hesmondhalgh 2009; Pick et al. 2015; Stuart et al. 2015a), wherein artists, to find work, depend on whom they know and who knows them, in professional and social networks (Borén & Young 2011). Because the securities of old working patterns no longer exist, many artists find themselves holding down three or even four projects at one time in anticipation of periods with no projects. This could be attributed to funding being secured on a project-by-project basis and the arts production process is also organised around individual projects rather than any permanent production per se (Faulkner & Anderson 1987; Jones 1987), and the majority of people employed in the industry are freelancers (Skillset 1996).

From a HRM perspective, these challenges may come down to some key issues. Firstly, is there an employment relationship: is there a contract of service, that is, an actual employment relationship; or is there a contract for services, that is, a freelancing, sub-contracting relationship? This is important for the HRM function, because it is from this basic premise that other relationships flow and HRM policies and practices take effect. The second issue is, if there is an employment relationship, what is its nature: permanent, fixed term, temporary, casual, part time or full time? All have different meanings and bring into effect possible different HRM practices: for example, in relation to wages and conditions, access to training and development and
career opportunities, as well as performance management challenges. Furthermore, compliance with mandated regulations such as occupational health and safety (OH&S) and equal opportunity might present greater challenges. Thirdly, how do the individuals see themselves and understand their relationship to the organisation? Do they identify with the organisation and have expectations regarding teamwork and decision making? Do they think about their rights and responsibilities? Is their allegiance to the company, to the sector, or to their art?

2.6.4 Passion and commitment to the organisation, the industry or the art?

The final key challenge is, what drives or motivates this workforce? Despite the labour precarity discussed earlier in this chapter, a crucial distinctive feature of creative labour is the degree of enthusiasm, commitment, passion and love that workers show for their job, which helps ensure that, even as casualised, insecure and often exploitative as these labour markets are, they are continually oversupplied with labour (Eikhof & Haunschild 2007; McRobbie 2007). McRobbie (2007, p. 27) describes the ‘passionate’ attachment that creatives have to their work as “a space of romantic idealisation perhaps more rewarding than personal relationships”. McRobbie (2007) further points out that professed pleasure in work often masks self-exploitation, and that this attachment to ‘my own work’ provides both a justification and a disciplinary mechanism for staying, often unprofitably, with cultural work and not abandoning it altogether (McRobbie 1998, 2007). McRobbie (2007) connects what she refers to as the ‘refusal of mundane work’ among these cultural workers with the autonomist notion of refusal of work and the feminist dynamic, by which this independent work becomes a potential source of self-realisation. It may be argued that it is such enthusiasm that continues to driving potential cultural entrepreneurs.

While a high degree of dedication might not be rewarded with adequate income partially because many professional artists are unable to determine the value of their work (Austin & Devin 2009), other authors argue that a lack of business knowledge is one of the reasons why artists fail to make a living from their talent (Eikhof & Haunschild 2007; Røyseng, Mangset & Borgen 2007). However, Bridgstock (2005) argues that artists have other measures of occupational satisfaction and success than monetary reward. Honey, Heron and Jackson (1997), in their study of the career paths
of painters, sculptors, photographers, and video and film artists in London, found that all interviewees linked success with the quality of the work produced, rather than with earning income from the work. They concluded that artistic careers are different from others, in that it is ‘psychic income’ rather than monetary rewards that drive many artistic endeavours. According to Thurow (1978), psychic income refers to intangible benefits or psychic income such as recognition and support. The benefits of psychic income are immeasurable, invisible and subjective in nature, and have ‘sentimental value’ as well as ‘irreplaceable commodity’ (Schlesinger 1986, p. 131). Benefits may include power, friends, fame, work schedules, collegial relationships with co-workers, leadership, quality of collaboration, and satisfaction based on teamwork (Thurow 1978).

Arvidsson, Giannino and Serpica (2010), in their study of passionate work in the Milan Fashion industry, found deep attachment, love and affective bindings among the participants. Their study further shows that, among precarious workers in the Milan fashion industry, perceptions of work as creative and self-actualising contrast with a reality marked by strong hierarchy, imposed hyper-flexibility, little autonomy and, in general, few possibilities for self-actualisation. Gill and Pratt (2008) argue:

One of the most consistent findings on research on work within the creative industries is that it is experienced by most who are involved with it as profoundly satisfying and intensely pleasurable (at least some of the time). A vocabulary of love is repeatedly demonstrated in such studies, with work imbued with the features of the Romantic tradition of the artist, suffused with positive emotional qualities... Research speaks of deep attachment, affective bindings, and to the idea of self-expression and self-actualization through work (Gill & Pratt 2008, p. 15).

Against this backdrop, some authors argue that the crucial requirement for any artistic profession is passion, pleasure, freedom, and a high degree of dedication and commitment towards their artistic endeavour, and that this is what drives creative workers rather than monetary gains (Austin & Devin 2009; Davidson 2004; Eikhof & Haunschild 2007). In her study of media workers in the UK and the Netherlands, Gill (2007, p. 13) reports the “extraordinary passion and enthusiasm” that people have for their work, and the many different elements of this passion: the sense of autonomy
and opportunity, the playful and pleasurable nature of the work, and the opportunity for community and political activism. Gill (2007, p. 14) argues that “sociologists of work would be hard-pressed to find another group of workers who expressed similar levels of passion both for the work itself and for the field more generally”.

Meanwhile, the notion of pleasure and love derived from artistic work is a common finding of research into creative labour. For example, Ursell quotes one TV cameraman saying, “I don’t do this for the money. If I wanted money, I’d work in a bank” (Ursell 2000, p. 18). All of these studies further highlight the prevalence of employment precarity in the creative industry, characterised as financial, social, and job insecurity, and intensified by flexible labour such as freelancing, short-term contracts, internships, solo self-employment, and other unstable work practices (Arvidsson, Giannino & Serpica 2010; de Peuter 2014). It is also the attachment to work that undoubtedly forms part of the sheer appeal and popularity of work in the creative industries (Ursell 2000). As Guile (2006) asserts, the increasing number of graduates who hold degrees in creative and cultural subjects means that the supply of people who aspire to work in this sector often exceeds labour demand.

The HRM challenges that this passion and commitment brings are varied. For example, on the one hand, workers/employees are likely to be motivated to work for long hours to get the job done, be committed to high quality of the work, and be proud of who they are and what they do. On the other hand, they might not work in their own best interest, they might see themselves as individuals rather than team players, and they can be hard to manage because they might not share company values. The usual approaches to HRM strategy, organisation, functions and practices might be problematic. On this basis, these challenges discussed so far have major implications for the workers’ careers, and also for human resource management practices. This is also against the backdrop that, in many companies, the familiar contemporary motto, ‘Our employees are our most valuable asset!’ makes this study even more compelling and relevant in a project-based industry such as the performing arts sector.
2.7 Return to the research questions

Chapter One introduced three key research questions which this thesis aims to address:

1. How is HRM structured and operationalised in performing arts organisations?
2. How does the industry context impact on companies HRM?
3. How and why does the nature of the performing arts workforce impact on HRM practice?

Chapter Two outlined the impact of government policy, funding and regulation on the sector in general and arts companies in particular. It also examined the work of performing arts companies and the literature on the nature of the performing arts workforce, including both labour market and contractual conditions, and the motivation of the workforce. In doing so, the chapter began to cast some light on the possible impact and challenges of the sector and the workforce on HRM operations and practices. To address these research questions further, the next chapter will review relevant HRM literature pertinent to the study, with special focus on the importance of the industry effect, such as reliance on government funding, project-based nature of the work, and being dominated by small businesses; and on the nature of the workforce, such as employees or freelancers; and how these all impact on HRM theory and practice. It will also explore how relevant are HRM structures, processes, and paradigms in the performing arts companies, and how performing arts companies respond through their HRM practices to these challenges; and why HRM theory might provide a useful lens to view the people management practice of performing arts organisations.
CHAPTER THREE: HUMAN RESOURCE MANAGEMENT PRACTICES

3.1 Introduction

Chapter Two of this thesis provided the background and context of this study, with a clear focus of the study on the performing arts companies in Australia. The literature review in Chapter Two shows that: the performing arts companies are largely government funded; they are dominated by small and micro companies; work and employment is characterised as project-based; and this leads to short-term contracts, which impacts on organisations’ ability to plan strategically. The workforce itself is noted for its passion and commitment to the sector. The purpose of Chapter Three is to review the relevant human resource management (HRM) theory and literature that underpins this study, and which will help address the research questions.

There is a growing recognition by scholars and practitioners that effective human resource management (HRM) is important to organisational success (Guest 2011, 2014; Schuler & Jackson 2014). Several decades of HRM literature have demonstrated that managing employees strategically is now considered one of the best ways to achieve organisational competitive advantage (Becker & Huselid 2006; Combs et al. 2006; Guest 2011; Kehoe & Wright 2013; Schuler & Jackson 2014). This has led to an increasing amount of research among scholars exploring a range of HRM practices and behaviours, in an attempt to determine exactly how HRM can contribute to improved organisational performance (Guest 2011; Innocenti, Pilati & Peluso 2011; Kehoe & Wright 2013; Knies et al. 2015; Raeder, Knorr & Hilb 2012; Sheehan 2013). While the earliest studies linking HRM and organisational performance focused on industries such as manufacturing, more recent research has extended to a range of industries and environments (Guest 2014; Kehoe & Wright 2013; Sheehan 2013). The focus of this thesis is on HRM practices in performing arts companies in Australia.

The chapter is structured as follows. Section 3.2 traces the origin of strategic HRM from its roots in personnel management, and discusses its development to the present,
including a focus on high performance work systems. Section 3.3 outlines two theoretical models of SHRM, namely the Harvard and Michigan models, and their relevance to this thesis. Section 3.4 discusses key issues relating to SHRM, and the debates between the universal approach, contingency and configurational approaches. Section 3.5 discusses control- and commitment-based HRM practices, by contrasting the Harvard and Michigan models of HRM. Section 3.6 examines the HRM architecture, and recent debates around HRM processes and the strength of the HRM system. Section 3.7 focuses on the industry effect, noting that the performing arts industry is largely government-funded, dominated by small organisations, is peopled by a passionate and committed yet precarious workforce, and is, importantly, dominated by project-based work. Section 3.8 explores project-based work and project-based organisations and their impact on human resource management practices, in particular in the performing arts. The chapter concludes by revisiting the research questions.

3.2 Evolution of strategic human resource management (SHRM)

3.2.1 Early trends in personnel management

Personnel management has its roots in the need for increased labour productivity and the popularity of Taylor’s scientific management, in the early 1900s (Bruce & Nyland 2011). The origins can be traced to the post-World War One ‘welfare tradition’ of concern for the basic needs of employees (Schuler & Jackson 1987). The welfare tradition was based on the belief that providing adequate employment and work security and welfare for workers would increase labour productivity and reduce worker grievances, as well as contain the growth of trade unionism (Ferris et al. 1999). One of the major roles of personnel managers was to provide administrative support in the workplace to managers (Wei 2006; Wei & Lau 2005).

This administrative support tended to be technical support in relation to key functions such as recruitment and selection of employees, labour force planning, staff induction, job design and evaluation, training and development, performance management, and labour and employee relations (Beer et al. 1984; Ulrich 1997). This was particularly important because of the huge growth in practices such as job analysis, job evaluation,
job classification, employee selection techniques, and training and development in large companies (Becker & Huselid 2006). As unionisation increased and labour power strengthened, the management of industrial relations also became a key role for personnel management departments (Becker & Huselid 2006).

The developing and mature phases of personnel management, from the 1940s to the 1970s, saw an increase in the status and professionalisation of the personnel function, fuelled by massive growth in labour legislation in the major developed countries, which significantly impacted on industrial relations (IR) matters and the management of employees (Armstrong, 1997; Gunnigle et al, 1997). Such legislation included not only rights and conditions at work, such as laws regarding unfair dismissal and occupational health and safety, but also laws against discrimination on grounds of race, ethnicity and gender, as well as for equal pay (Guest 2011).

In addition, scholars such as Bamberger and Meshoulam (2000) and Devanna, Fombrum and Tichy (1981) argue that the second half of the twentieth century was a period of numerous managerial experiments aimed at improving organisational engagement, such as commitment, customer focus, organisational citizenship and workforce empowerment. As a result, research flourished exploring industrial relations issues, employee satisfaction and morale (Ulrich, Younger & Brochbank 2010). According to Lengnick-Hall et al. (2009) and Guest (1987, 2011), this period was also marked by increasingly competitive markets, which led companies to focus on improved efficiency in work redesign, job evaluation and performance appraisal.

While much of the research into the development of personnel management was carried out in the US and UK, similar developments were taking place in Australia. According to Smart and Pontifex (1993), the 1950s witnessed a move away from a welfare tradition into more focused administrative processes of personnel management that supported the organisational emphasis on improving efficiency. The 1960s and early 1970s were periods of growth and experimentation for Australian organisations, and by the end of the 1960s personnel management had consolidated its position as a legitimate administrative function. Wright (1991) argues that these developments prompted initiatives such as industrial democracy and organisational development, which questioned many of the assumptions underlying traditional
patterns of work. Furthermore, Dunphy (1987) claims that it was also during this time that the personnel function in Australia became more proactive and results-oriented, with the development of human resource planning and human resource management.

Personnel management has been widely criticised because its function is confined to reactive, fire-fighting and administrative positions in which it fails to be relevant to the aims of the organisation (Lundy 1994). Some other scholars have argued that it lacks strategic importance, because it is locked into a mainly administrative role (Drucker 1968; Legge 2005). Devanna, Fombrun and Tichy (1984) add that the solution to personnel management problems would be to get involved at the strategic level of management. The increasingly global competitive environment has meant that companies have had to become more long-term, goal-oriented thinkers and planners, as visionary leadership and strategy has become a major focus (Devanna, Fombrun & Tichy 1984; Lengnick-Hall et al. 2009). New ideas have emerged such as the organisational development movement, with its emphasis on improving organisational internal processes, human behaviour and group performance in an organisation to maximise effectiveness (Boxall & Macky 2009; Gospel 2009).

3.2.2 The evolution of HRM

The concept of HRM, as a new strategic approach to the management of people, evolved in the early 1980s (Boselie, Paauwe & Jansen 2001; Kaufman 2014; Legge 1995), reflecting the growing importance placed on employees as a significant organisational resource (Guest 2011). It can be argued at this point that the major contribution towards understanding the concept of HRM was made by the Harvard Business School in 1980, through the introduction of a human resource management syllabus into its MBA programme, and through research where practitioners and academics considered the future of HRM (Beer et al. 1984). A range of factors have been suggested as influencing the evolution of HRM, including increased competitive pressures caused by deregulation, globalisation, an increasing decline in unionisation, and changes to the composition of the workforce; as well as the influence of notable academics in the US and the UK that prompted the consideration of new ways to manage people (Delery & Doty 1996; Guest 1987). Others assert, however, that the move towards HRM was necessitated by the need for organisations to be more
strategic and aligned to the goals of the company (Becker & Huselid 2006; Combs et al. 2006). Furthermore, it is argued that the shift in paradigm from personnel to HRM was influenced by the need to go beyond the functional administrative role, to a more critical role of aligning and matching people with the organisations’ strategies (Boxall, Ang & Bartram 2011; Guest 1991; Inyang 2010). On this basis, Guest (2011) argues that HRM is a distinctive model of employee management that aims to achieving competitive advantage through the strategic development of a highly committed and capable workforce.

Legge (1995) identifies three differences between personnel management and HRM. The first is the focus of activity, where she argues that personnel management activities are performed on subordinates by the manager, while HRM pays more attention to the management of managers. The second is the role of line managers: personnel management limits the role of managers to the implementation of personnel procedures; whereas, in HRM managers are responsible for devising and driving a business-oriented HR strategy and the third perception about organisational culture; Legge sees the perception of the importance of organisational culture as a central element in HRM but not in personnel management models. To demonstrate the key differences between personnel management and HRM, Guest (1987) provides a comparison of stereotypes of personnel management and HRM models, which is presented in Table 3.1

As shown in Table 3.1, the focus of HRM is assumed to be placed on the development of employees, with a strong emphasis on investment in human resources. In such a paradigm, high trust results in employee commitment and a motivated workforce, which are keys to organisational competitiveness. Hence, HRM is regarded as proactive in viewing employees in economic terms as either assets or costs to be actively managed. HRM is seen to be strategic, tying people management to business objectives, with an attempt to manage people in the long-term interests of the business. Furthermore, HRM practices are integrated and linked with each other, driving in the same direction, and flexibility and quality are key goals of HRM. The organisation’s reward systems, performance measures, promotion and learning opportunities all work together to maximise the utilisation of its resources. However, the underlying assumption in HRM theory is that organisations are stable, and thus
able to take a long-term view. The precarious nature of the performing arts sector and the organisations within it might mean that these HRM functions are less applicable and more difficult to integrate and link; or conversely, that the motivational factors of performers are an unexpected bonus for organisations, and the workforce willingly contributes to organisational goals.

**Table 3.1 Stereotypes of Personnel Management and HRM**

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<tr>
<th>Time and planning perspective</th>
<th>Personnel Management</th>
<th>HRM</th>
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<td>Psychological contract</td>
<td>Compliance</td>
<td>Commitment</td>
</tr>
<tr>
<td>Control system</td>
<td>External control</td>
<td>Self-control</td>
</tr>
<tr>
<td>Employee relations perspective</td>
<td>Pluralist, collective, low trust</td>
<td>Unitarist, individual, high trust</td>
</tr>
<tr>
<td>Preferred structures and systems</td>
<td>Bureaucratic/ mechanistic central, formal defined roles</td>
<td>Organic, devolved, flexible roles</td>
</tr>
<tr>
<td>Roles</td>
<td>Specialists/ professionals</td>
<td>Largely integrated into line management.</td>
</tr>
<tr>
<td>Evaluation criteria</td>
<td>Cost minimisation</td>
<td>Maximum utilisation (human asset accounting)</td>
</tr>
</tbody>
</table>

*Source: Guest (1987)*

**3.2.3 The emergence of Strategic HRM**

The next key conceptual development was that of ‘strategic’ HRM (SHRM), which has been well documented in the management literature (DeNisi, Wilson & Biteman 2014; Guest 2014; Kaufman 2014; Schuler & Jackson 2007 ), demonstrating an increased emphasis on a strategic, proactive, integrated approach to human resource management and the realisation of people as a source of competitive advantage (Guest 2011; Schuler & Jackson 2014; Schuler & Jackson 2007 ; Ulrich 1997). In theory, HR departments are able to realign their resources and activities towards more value-added contributions to maintain organisational competitiveness (Ulrich 1997; Yeung,
Brockbank & Ulrich 1994), and to design their HR practices to meet both short-term and long-term strategic goals of the organisation (Ulrich, Brockbank & Yeung 1990). In addition, it has been argued that HR professionals need to be results-focused and to take on a number of roles, including strategic adviser, business partner, change agent, as well as administrative expert (Ulrich et al. 1995). The central focus of SHRM, therefore, is the examination of the role of functional HR areas in contributing to the overall organisational performance.

Boxall and Purcell (2008) note that, in this concept, people are considered an important source of competitive advantage. The basic premise underlying SHRM is that, for competitive advantage, organisations pursue a particular strategy that requires HR practices that are different from those of other organisations (Boxall & Macky 2009; Jackson & Schuler 2007; Sun, Aryee & Law 2007; Tichy, Fombrun & Devanna 1982; Wright & McMahan 2011). In the performing arts, however, competition does not drive companies; moreover, the short-term focus of even the largest companies makes long-term strategic planning difficult, and poses challenges in the implementation of a clear HRM strategy. Guest (1987) emphasises that the key difference between HRM and strategic HRM is in how organisations integrate strategic decisions into their HRM policies and practices to cope with their environment. Some notable authors in HRM argue that the primary focus of strategic HRM is on ensuring that HRM functions are fully integrated into organisational strategic objectives for optimal performance (Guest 2011; Lengnick-Hall et al. 2009; Schuler & Jackson 2014).

Wright and McMahan (1992, p. 298) define SHRM as “the pattern of planned human resource activities intended to enable an organisation to achieve its goals”. This much-cited definition has a proactive function, and emphasises the link between HRM and organisational performance as the core issue of strategic HRM (Boxall & Purcell 2003). Becker and Huselid (2006) argue that SHRM differs from the traditional HRM in two important ways. Firstly, SHRM focuses on organisational performance. Secondly, it emphasises the role of human resource management systems as solutions to business problems, rather than as individual HRM practices in isolation; thus reflecting a shift of emphasis from the operating efficiency of individual employees to the managerial efficiency of the entire organisation. Moreover, Guest (2011) argues
that an organisation’s success is to be determined by the behaviours, attitudes and
decisions of its employees, and that the key difference between HRM and strategic
HRM is in how organisations integrate strategic decision making into their HRM
policies and practices in response to their environment. One question in the present
study must therefore be, do performing arts companies integrate strategic decision
making into their HRM policies and practices; and if so, how do they do this, given
the challenges of this sector?

3.3 Theoretical models of strategic HRM

Given that the focus of this thesis is on HRM practices in the performing arts
companies, this section of the thesis examines the two most influential theoretical
models of HRM, which provided the initial framework for theory development in the
study of SHRM. It was the introduction of HRM in the 1980s that led to the
distinction between two early HRM best practice approaches: the Harvard model in
*Managing Human Assets* (Michael Beer, Bert Spector, Paul Lawrence, D. Quinn
Mills, and Richard Walton 1984), and the Michigan model outlined in *Strategic
Human Resource Management* (Charles Fombrun, Noel Tichy, and Mary Anne
Devanna 1984). These two books marked the first development of theory in
understanding the relationship between HRM and organisational performance. The
Harvard model emphasises employee development, and is based on the premise of a
stakeholder approach; in contrast to the Michigan model, which is built on employee
incentives towards optimal performance, and is based on a shareholders’ perspective.
These two theoretical models are important and relevant in our understanding of
HRM and organisational performance in the performing arts. Firstly, the Michigan
model recognises that various styles in managing people depend on organisational
context. Secondly, the Harvard model acknowledges the existence of multiple
stakeholders impacting on the organisation. These stakeholders include government,
funding bodies, trade unions and the workforce, which might effect and influence
HRM choices within an organisation.
3.3.1 The Michigan model of SHRM

The Michigan Model emphasises the links between organisational strategy and specific HR practices, concentrating on vertical alignment rather than horizontal integration (Marchington, Rubery & Grimshaw 2011); in what is now termed the ‘best fit’ or contingency approach (discussed below). Devanna, Fombrun, and Tichy (1984) expanded Chandler’s (1962) argument that an organisation’s structure is an outcome of its strategy (Whitener 2001). According to Guest (2002), the Michigan model is concerned with the effective utilisation of employees and the alignment of HRM in an organisation, to maximise the benefit to the organisation. Hence, increasing organisational performance is the major focus of improved HRM.

For Devanna, Fombrun and Tichy (1984), the external environment increases competition and necessitates HRM strategies to be designed to achieve the goals of the organisation. The Michigan model of strategic HRM is based on the relationship between strategic control, organisational structure, and the right systems in place for managing people to achieve strategic goals. Importantly, motivation and rewards are means of achieving the organisational mission and goals (Devanna, Fombrun & Tichy 1984; Lengnick-Hall et al. 2009). Hence, Legge (2005) argues that the Michigan model of SHRM focuses on the crucial importance of integration between HR policies and systems, on the one hand, and business requirements, on the other hand, in terms of activities and strategies. However, Legge (2005) questions the underlying philosophies and practical applications of the SHRM model, its managerial focus, strategic perspectives, and the ‘realities’ of HR practice. For Legge, the real world is more complex and motivations less clear. The performing arts sector is a good example of this: survival rather than competition is often the driving force and end product, that is, the show or the art rather than profit is the goal.

Figure 2.1 provides an illustration of Devanna, Fombrun and Tichy’s (1984) Michigan model of SHRM. According to Devanna, Fombrun and Tichy (1984), this HRM model recognises that various styles in managing people depend on the organisational context, and assumes that everyone in the organisation should have the same orientation, with the purpose of achieving organisational goals. They also argue that organisational effectiveness depends on achieving a tight fit between HR and the
business strategies of an organisation. However, Whitener (2001) argues that the Michigan model relies on rules, sanctions, rewards, and monitoring, to guide employee behaviour. Other authors have also criticised the model, arguing that people are reduced to passive objects and not appreciated, but rather are only assessed on skills and attributes that the organisation requires (Drucker et al. 1996; Legge 2005; Story 2007). In addition, this model ignores different stakeholders’ interests, situational factors, and the notion of management strategic choice. In a sector as complex as the performing arts, this model might be far too simplistic.

**Figure 3.1 The Michigan Model of SHRM**

![Diagram of the Michigan Model of SHRM]

*Source: Devanna, Fombrun and Tichy (1984)*

Overall, the Michigan model emphasises the importance of utilising the right reward systems and measures to attain desirable outcomes in terms of organisational performance, and the recognition of the importance of the external environment in terms of political, economic and cultural forces. The main strength of the model is that it expresses the coherence of internal HR policies, and the importance of matching internal HR policies and practices to the organisation’s external business strategy.

However, the Michigan model of HRM has been subjected to criticisms, for a number of reasons. It is thought to be too prescriptive by nature, mainly because its assumptions are strongly unitarist (Budhwar & Debrah 2001). As the model
emphasises a ‘tight fit’ between organisational and HR strategies, it completely ignores the interest of employees, and hence considers HRM as a passive, reactive and implementationist function. It has further been criticised for failing to perceive the potential for a reciprocal relationship between HR and organisational strategy (Lengnick-Hall & Lengnick-Hall 1988). Indeed, for some, the very idea of ‘tight fit’ makes the organisation inflexible, incapable of adapting to required changes and hence ‘misfitted’ to today’s dynamic business environment. Some authors have also criticised the model in arguing that the model misses the ‘human’ aspect of human resources, and it has been called a ‘hard’ model of HRM focusing on productivity, monitoring and control in contrast to ‘soft’ HRM focusing on commitment and involvement of the workforce (Guest 1987; Legge 2005). Such a rigid model might not be the best lens through which to explore HRM practice in a complex sector such as the performing arts.

3.3.2 The Harvard model of SHRM

The Harvard model of HRM, by Beer et al (1984), again provided one of the first comprehensive statements on the nature of HRM and the issue of the relationships between management goals and specific HR outcomes. The Harvard model was inspired by the human relations movement, and sought to embrace the importance of communication, teamwork, and recognition of the role of key stakeholders in the organisation’s human resource management approach (Beer et. al, 1984). One of the important aspects of the Harvard Model is that it situates HRM practice within a context of business strategy, management philosophy, legal requirements, trade unions, and workforce characteristics. Moreover, the model appreciates the role of a range of both internal and external stakeholders, for example managers, government officials and trade unions, and also appreciates the role and characteristics of the workforce. According to Beer et al. (1984), these factors or context may constrain the formation of HRM policies to varying degrees, as well as having long-term implications for organisations; and is thus perhaps more applicable in the performing arts sector.

Beer et al (1984) also include feedback loops in their model, in that the situational factors and stakeholders might also be influenced by the impact of human resource
policies. The interaction between the stakeholders can also allow the organisation to identify the most suitable HRM policy choices, such as those related to employee involvement, HRM flow (including recruitment and selection, training and development, and performance management), reward systems, and work systems. Walton (1985) concludes that the Harvard model suggests a strategy of releasing unused reserves of HRM by increasing employee commitment, participation and involvement. This is achieved by creating a committed relationship between the organisation and its employees, as a way of achieving higher organisational objectives. This approach can have relevance to the performing arts sector, which has such a dedicated, passionate and committed workforce.

Beer et al. (1984) argue that increasing pressures on organisations demand a more comprehensive strategic overview of human resource management practices in organisations. These pressures create the need for a long-term view in the management of people, with the identification of people as an asset instead of a variable cost (Guest 2011). Some scholars argue that the Harvard Model of HRM provides the needed link between SHRM decisions, the business environment, and an organisation’s performance (Huczynski & Buchanan 2001). In addition, the model further highlights the interest of different stakeholders in the organisation, such as management, employee groups, government, community, and unions.

This process illustrates that HRM activities need to be integrated with the broader organisational strategy. The outcome of implementing HRM policies is organisational commitment, competence, congruence, and cost effectiveness, which have long-term consequences for individuals, enterprises and society. It can be argued that the Harvard model has clearly influenced the theory and practice of HRM, especially in its emphasis that HRM is a general management concern rather than personnel management function. This has particular relevance in the performing arts sector, where there may not be many designated HRM professionals. Guest (1987) acknowledges the link between HRM and strategy, and recognises the need for the integration of ‘fit’ between HRM policies and business objectives. Guest (1987) argues that it is important to treat employees as valuable, and a source of competitive advantage through their commitment, adaptability and high quality. Figure 3.2 illustrates the Harvard model of SHRM.
The underlying assumption of the Harvard model of HRM is that of creating a better and committed relationship between an organisation and its employees as a way to achieve higher levels of output for the organisation’s objectives (Beer et al 1984). According to Beer et al. (1984) and Cakar et al. (2003), the Harvard model is composed of the work system, human resource flow, rewards, stakeholder interest, HRM policy choices, HR outcomes, and long-term consequences. Rather than being a prescriptive model, the Harvard model of HRM seeks to raise questions on each of these components, about ‘strategic choice’ and its various consequences. Based on these components, it could be argued that, for HRM policies, goals and objectives of an organisation to be achieved, these components are to be fully integrated into the organisational business strategy. However, the Michigan and the Harvard models represent two very different emphases: the former is closer to the strategic management literature; the latter to the human relations tradition (Guest 1987; Lengnick-Hall et al. 2009). In relation to the performing arts sector, do companies make strategic choices in relation to their HRM strategy?

The Harvard model of HRM has also been subjected to criticism for not explaining the complex relationship between strategic management and HRM (Guest 1991). It has further been criticised for ignoring the increasing involvement of line managers, rather than HR professionals, in its implementation. Studies show how line managers’ roles in HRM have increased over the last twenty years or so (Brandl, Madsen &
Madsen 2009; Sanders & Frenkel 2011). However, whilst line managers are responsible for operational HR issues, the HR function still designs procedures and liaises with senior management about policy, strategy and culture (Marchington & Wilkinson 2012). For example, research on nurse unit managers in hospitals both in the UK (Hutchinson & Purcell 2010) and in Australia (Townsend et al. 2012) demonstrate how HR aspects of their role have increased sharply without any parallel reduction in their clinical duties.

Notwithstanding the criticisms, the present thesis draws on the Harvard model as its theoretical underpinning. The Harvard model is significant for this study as it identifies a range of stakeholder interests (including unions, government and management) which influence HR policy choices in an organisation, and in this case in performing arts companies. It also contains elements that are analytical, such as situational factors, stakeholders and strategic choice that might hinder HRM practices, all of which are likely to be of importance in the performing arts sector. Furthermore, it highlights the interests of different stakeholders in an organisation and links their interests with the objectives of management. By identifying four HR policy areas, that is, HR flows, reward systems, employee influence, and works systems, it is assumed that organisations can achieve positive outcomes such as commitment, competence, congruence and cost effectiveness (Budhwar & Debrah 2001). In addition, the Harvard model allows for analysis of HRM processes and outcomes in performing arts companies.

3.4 Empirical research in HRM

These two pioneering paradigms, the Harvard and Michigan models, led to a series of empirical HR studies attempting to demonstrate the link between HRM and organisational performance (Arthur 1994; Huselid 1995; Ichniowski & Shaw 1999; McDuffie 1995). Most of these studies were large-scale surveys of large firms, which captured data about HR practices, and about performance in the organisations surveyed, and attempted to link them. For example, to demonstrate the contribution of HRM to firm success, Arthur (1994) examined HR systems and practices in 30 steel mini-mills in the US. Using data obtained from human resource managers in the companies, he classified their HRM systems into commitment or control strategies.
Those with commitment strategies showed higher performance and lower turnover, compared to those using control strategies. Commitment-based strategies led to lower employee turnover and were marked by higher productivity, compared to those firms that practiced a control model. McDuffie’s (1995) survey of international automotive assembly plants explored whether HR bundles affected productivity and quality. The study found support for the effect of HR bundles of internally consistent HRM practices, which were associated with high plant productivity and quality.

Ichniowski and Shaw (1999) examined evidence on the performance difference between Japanese and US steel manufacturing companies. Their study found that US companies that adopted innovative HRM systems equalled in productivity but not in quality the performance of the Japanese companies. The Japanese companies utilised commitment-based HRM systems featuring problem-solving teams, employment security, flexible job assignments, training, careful employee selection, and high levels of labour-management communication in their organisations; whereas the US companies utilised traditional compliance-based HR in their organisations. Another significant study was that of Huselid (1995), who demonstrated a statistically significant relationship between strategic HRM and organisational performance, in a sample of 968 publicly traded corporations in the US. He found that strategic HRM was associated with decreased staff turnover, higher productivity and profitability, and a gross rate of return on assets. These studies demonstrated a link between HRM and organisational performance. Guest (2011) argues that these studies marked the beginning of a stream of research on HR systems and the search for ‘bundles’ of HR practices that influence organisational performance.

While many of the early studies took place in the USA, they spawned similar studies across the globe, demonstrating the contribution of HRM to firm performance. For example, in Australia, Anderson, Cooper and Zhu (2007) surveyed 231 firms listed on the Australian Stock Exchange (ASE), and found that the degree of alignment of HRM with business objectives and strategies had a positive relationship with perceived organisational financial performance. Similarly, in New Zealand, Guthrie (2001) examined the impact of HRM practices on turnover and organisational productivity among a sample of organisations. He found that HRM practices had a positive impact on turnover and profitability, and that the relationship between
retention and productivity was positive when organisations implemented high-involvement HRM practices, and negative when they did not. All of these studies demonstrate that HRM can have a significant impact on organisational performance, and that the adoption of strategic HRM is associated with improved organisational performance.

3.4.1 SHRM challenges and organisational performance

Since the early work of Beer et al. (1984) and Fombrun. Tichy and Devanna (1984), and the subsequent empirical studies exploring HRM in organisations, scholars have faced theoretical challenges in their quest to demonstrate the relationship between HR practices and firm performance (Aryee et al. 2011; Jensen, Patel & Messersmith 2013). While there is considerable evidence to support the notion that certain HR practices are associated with strong organisational performance (Paauwe & Boselie 2005), the precise nature of such links remains unclear, or as Guest (2011, p. 13) notes, “we are more knowledgeable but not much wiser”. Nevertheless, three well-known theoretical approaches now dominate HRM and firm performance studies: universalistic, contingent, and configurational approaches (Clinton & Guest 2013; Delery & Doty 1996).

3.4.2 Universal perspective on SHRM

The universal approach, also known as the ‘best practice’ approach, to SHRM reflects much of the early work examining the impacts of HRM practices, which suggests that a set of ‘high performance’ or ‘high commitment’ HR practices will have the same effect, irrespective of context or types of employee (Boxall, Ang & Bartram 2011; Clinton & Guest 2013). According to Delery and Doty (1996), the best practice approach purports that all HRM practices and outcomes are universal across organisations, and that adopting them universally will inevitably enhance organisational competitive advantage, improve employee attitudes and behaviours, and increase organisational profitability (Boxall & Purcell 2008; Huselid 1995; Luthans & Sommer 2005; Pfeffer 1998). Boselie, Dietz and Boon (2005) observe that, while there is no consensus regarding the HR practices that should form a best practice HR system, they often include recruitment and selection, training and
development, performance management, job design, participation and voice mechanisms, career management, flexible working arrangements, and employment security (Combs et al. 2006; Pfeffer 1994).

The universalist paradigm postulates that there is one best way for SHRM to lead to greater business success, regardless of the organisations' circumstances (Schuler & Jackson 2005). Boxall and Purcell (2003) posit that the universal model makes three assumptions: a linear relationship between HRM practices and organisational performance; best practice being universally applicable and useful; and the performance of organisations being best measured through financial performance, such as profit, market share and sales levels. Delery and Doty (1996) emphasize that the accepted proposition is that all organisations will benefit if they identify, gain commitment to, and implement a set of best-HRM practices. Pfeffer (1995) and Huselid (1995), advocates of the universalistic approach, argue that, regardless of industry and/or organisational strategy, successful organisations are characterised by a number of HRM practices. However, one of the problems with the universalistic model is that different scholars have identified different combinations of HRM practices for inclusion in the best practice bundle (Wood 1999).

For example, Delery and Doty (1996) identify seven practices that they argue positively affect firm performance. These are: internal career opportunities; formal training systems; appraisal measures; profit sharing; employment security; voice mechanisms; and job definitions. Youndt et al. (1996), in a study of metal-working plants, explored the relationship between HRM practices, manufacturing strategy, and perceptions of organisational performance. They focused on staffing, training, performance appraisal, and compensation, as leading to improved organisational performance. Pfeffer (1998) added to the debate with his sixteen best practices, which he later consolidated into seven.

Although there is a wealth of literature advocating the best-practice approach, with supporting empirical evidence, it has been criticised for having a lack of clarity about what constitutes an ideal set of universal HR practices, and whether they should be horizontally integrated into HRM bundles or not; and also for failing to consider other practices and the contexts in which these practices are used (Wood 1999). The notion
of a single set of best HRM practices has been overstated. There are examples in every industry that have very distinctive management practices, distinctive human resources practices that shape the core competences that determine how firms compete. What works well in one organisation will not necessary work well in another, because it may not fit its strategy, technology or working practices (Pfeffer 1995). It has also been criticised for ignoring broader societal and legislative issues, thereby neglecting factors that may condition the choice and implementation of HRM practices (Godard 2004). Such factors are critical in small to medium enterprise (SME) contexts such as in the performing arts, as it has been noted that SMEs are uniquely susceptible to environmental changes and have a consequent requirement for adaptability (Hendry et al., 1995). In an SME context, and in the performing arts in particular, more immediate, short-range and pragmatic goals are linked with issues of survivability and sustainability, and as a result may carry more weight than the quest for competitive advantage (Boxall & Purcell 2000; Martin-Alcazar, Romero-Fernandes & Sanchez-Gardey 2005). Given these criticisms, the next section reviews an alternative normative approach, ‘best fit’, which may better capture the importance of internal and external contingencies in the SME context.

3.4.3 Contingency or best fit perspective on SHRM

The second of the three dominant HRM approaches is the ‘contingency approach’, or ‘best fit approach’, which suggests that HR practices and performance will improve when there is consistency or fit with other organisational strategic positions and HR policies being implemented (Boxall & Macky 2009; Delery & Doty 1996; Lengnick-Hall et al. 2009; Schuler & Jackson 1999). According to contingency theory, HRM strategies must be combined with specific business competitive strategies if they are to enhance organisational performance (Miles and Snow, 1984; Porter, 1985; Schuler and Jackson, 1987). The contingency approach assumes that organisations that closely coordinate their business strategy and HRM activities will achieve better performance than companies that do not (Clinton & Guest 2013; Guest 1987). Meanwhile, there are contextual factors that determine HRM practices in an organisation. These factors include legislative changes, and the nature of the market (Guest 1997); and organisational strategy (Delery & Doty 1996), which is the most critical and most important factor in this instance. This means that the fit between business strategy and
SHRM will lead to better performance of organisations. For example, Schuler and Jackson (1999) argue that different market strategies will have different impacts on the range of HR practices that an organisation will adopt.

The contingency model emphasises fit, and the importance of internal and external organisational environment, as being critical deterministic factors in the adoption of HRM configurations in an organisation (Boxall & Macky 2009; Delery & Doty 1996). For the internal organisational environment, these factors include: organisational structure; firm size; life-cycle stages and organisational business strategy size of the organisation; stage of the organisation’s life cycle; organisational structure; access to capital or funding; and unionisation (Boxall & Purcell 2008; Collins & Smith 2006; Jackson & Schuler 2007; Jackson, Schuler & Jiang 2014; Ulrich, Younger & Brochbank 2010). The external organisational environment includes such things as legal, social and political environment, labour market conditions, unionisation, and industry factors. These factors exert an influence on the way HRM policies are formulated and implemented (Boxall & Purcell 2003; Lepak et al. 2006). Other factors include: the level of technology (Compton 2009); regulation (Roehling, Posthuma & Hixkoc 2009); macro-economic and industry factors (Schuler & Jackson 2007); and the nature of the labour market (Collins & Smith 2006). The adoption of certain HRM configurations aligned to organisational strategic goals might not be possible, due to these constraints. It is likely that the unique features of the performing arts sector in this respect will impact directly on the companies within it.

The contingency approach further suggests that the choice of HR practices should be determined by the context within which they are applied (Clinton & Guest 2013). It advocates that different businesses should have different SHRM dimensions to yield better performance (Wright & Snell 2005); and argues that organisational competencies should be distinct from those possessed by its competitors, to remain competitive (Lepak, Marrone & Takeuchi 2004; Lepak & Snell 2002). The underlying assumption of the contingency approach is that the strategic performance link is only applicable under high external-fit conditions (Bamberger & Meshoulam 2000), termed the ‘best fit’ (Boxall & Purcell 2000).
The criticism often levelled at the contingency model is that it tends to over-simplify organisational reality. In attempting to relate one dominant variable to the organisation (for example, compete on innovation, quality or cost) to another internal variable, they tend to assume a linear, non-problematic relationship (Huselid 1995). It has also been criticised for the lack of focus on the exact aspect of business strategy that helps in deciding how to adapt the HR practices that it advocates (Becker & Gerhart 1996). Another area of criticism of this model is in the external fit concept. The external focuses more on the cost reduction, quality enhancement and innovation, thereby neglecting the interests of employees. While best fit acknowledges contingencies, it does so in a deterministic way, which may not fully capture SMEs; particularly in a sector such as the arts, with its proximity to the environment and resultant insecurity and vulnerability to external changes (Bacon et al. 1996; D’Amboise & Muldowney 1988). The model has been criticised for the inability of the ‘fit’ system to be flexible in structure. This implies that the structure cannot adapt to change (Becker & Gerhart 1996).

Although this model has its limitations, there is considerable support in the literature for the contingency approach (Delery & Doty 1996; Huselid 1995; Ketkar & Sett 2010; McDuffie 1995; Stavroua, Brewster & Charalambousa 2010; Tissen et al. 2010). These studies strengthen the belief that companies should adjust their organisational processes in the context of dynamic global environments. Accordingly, their HRM strategy needs to be flexible to adjust to these environmental challenges. Efforts need to be strengthened to identify the contingencies most likely to affect organisational performance and requiring specific human resource management practices and systems. It can be argued that successful implementation of business strategy in an organisation relies heavily on employee behaviour, and that an organisation's strategy necessitates behavioural requirements for success (Jackson, Schuler & Rivero 1989). In this manner, the use of HRM practices in the organisation can reward and control employee behaviour (Fiss 2007). This implies that the organisation should implement HRM practices that encourage particular employee behaviours and are consistent with the organisation's strategy. It is this alignment of strategy and HRM practices that allows organisations to achieve superior performance (Fiss 2007).
3.4.4 Configurational perspective

The third dominant approach that contributes to the explanation of SHRM is the ‘configurational perspective’, which proposes that, in order for an organisation to be effective, an HRM system must be both horizontally and vertically aligned: where horizontal fit refers to the internal consistency of the organisational HRM policies and practices; and vertical fit refers to the congruence of the HRM system with other organisational characteristics, namely, organisational strategy (Delery & Doty 1996; Delery & Shaw 2001a; Guest 2011; Pfeffer 1998). Doty, Glick and Huber (1993) argue that configurational theory is guided by the holistic principle of inquiry, is based on typologies of ideal types, and adopts a systems assumption of ‘equifinality’. Equifinality is a situation where a system can reach the same final state from different initial conditions and by a variety of different paths (Fiss 2011).

Fundamental to the configurational perspective is the argument that the impact of HRM on organisational performance is dependent on the adoption of an effective combination of HRM practices, often referred to as HRM bundles (McDuffie 1995). According to Applebaum et al. (2000), the configurational approach has influenced debates on defining what constitutes the bundle of HRM practices that yield high performance effects in an organisation. Some authors argue that central to the configurational approach is its concern with how patterns of multiple independent variables are related to dependent variables such as HR practices and processes, rather than with how individual independent variables are related to the dependent variable (Clinton & Guest 2013; Delery & Doty 1996; Fiss 2011). In this view, an HRM system must be consistent with the environmental and organisational factors, as well as being internally coherent (Delery & Doty 1996; Lengnick-Hall et al. 2009; Martin-Alcazar, Romero-Fernandes & Sanchez-Gardey 2005; Ostroff & Bowen 2004).

The configurational approach attempts to answer some of the limitations of the contingency approach, by identifying ‘ideal-type’ categories of both the organisation strategy and the HRM strategy (Clinton & Guest 2013; Delery & Doty 1996; Wright & McMahan 1992). It further seeks to derive an internally consistent set of HRM practices that maximise horizontal integration, and then to link these to alternative strategic configurations in order to maximise vertical integration and therefore
increased organisational performance (Delery & Doty 1996). Advocates of a configurational approach propose that it is the pattern of HR practices that contribute to organisational performance and goal attainment (Brockbank 1999; Delery & Doty 1996; Doty 1997; Wright & McMahan 1992). As pointed out by Delery (1998), one of the advantages of the configuration approach is its reliance on the assumption that the relationship between the configurational patterns and organisational performance is not linear, since the interdependence of practices multiplies the combined effect. In other words, a configuration of internally-aligned HRM practices will have a much greater ability to explain variation in organisational performance than will single HRM practices taken in isolation.

Despite its advantages, it has been criticised for its lack of consideration of other organisational systems and environmental characteristics that may hinder the effective adoption of HRM in an organisation, such as in the performing arts (Delery 1998). In consideration of these hindrances, strategy alone may not be enough to give an organisation the competitive advantage it requires, given that there are other contingencies to consider that may affect HRM adoption and practices. While configurational models potentially offer more robust insights into the dynamics of an HR system, they can also be more difficult to interpret and apply. This perhaps explains partly the enduring allure and dominance of more simplistic but easily digestible, best practice models. The primary difference between the configurational perspective and the contingency perspective, however, is that, while the contingency perspective looks at individual practices, the configurational perspective looks at systems of practices (Delery & Doty 1996).

However, universalistic, configurational and contingency approaches all provide theoretical foundations for the development of HRM practices and organisational performance relationships (Delery & Doty 1996; MacDougall et al. 2014). Although it has been widely accepted that HRM policies can make a direct and positive impact on firm performance (Dany, Guedri & Hatt 2008), the cause and effect relationship remains elusive (Purcell & Hutchinson 2007). It can be argued that, despite the differences between these three contextual perspectives outlined above, they are not necessarily in conflict and may simply operate at different levels. They may also complement each other by adding missing constructs in our understanding of HRM.
systems and practices (Becker & Gerhart 1996; Martin-Alcazar, Romero-Fernandes & Sanchez-Gardey 2005). It could also be argued that they share a common assumption, that HR positively affects organisational performance; and they often imply that, in terms of HR practices, ‘more is better’ (De Winne & Sels 2013; Kaufman 2015). One criticism of HRM theory is its lack of focus on employees, or only seeing employees in terms of the extent to which they contribute to increased organisational performance (Guest 1997; Huselid 1995; Ichniowski, Shaw & Prennushi 1997; Paauwe & Boselie 2003). The next section focuses on approaches to the management of employees.

3.5 Compliance versus commitment HRM Systems

The contrast between the Harvard and the Michigan models of HRM can be found in Walton’s (1985) distinction between compliance- and commitment-based HRM strategies. In the SHRM field, Arthur (1992) and Walton (1985) identified two opposite approaches to managing employees, described as either a ‘control or compliance’-based strategy, or a commitment-based strategy that aims to foster employer-employee mutuality of interest.

3.5.1 Compliance-based HRM Systems

Compliance HRM systems are externally focused and have short-term goals, while recruitment and selection emphasises technical competencies and specific skills rather than behaviours (Koch and McGrath, 1996 Mossholder, Richardson and Settoon 2011). There is a focus on securing compliance with terms and conditions of work and employment, and employees are treated as externally motivated and needing monitoring and control (Boxall & Macky 2009; Hauff, Alewell & Hansen 2014; Walton 1985). Some authors have argued that compliance-based HRM systems are characterised by lower-than-average wages, compliance with standardised rules and procedures, and the provision of minimal training and development other than on-the-job training; and employees are evaluated by appraising individual performance, through quantifiable measures (Arthur 1994; Mossholder, Richardson & Settoon 2011). Employment relationships are often transactional, involving short-term
relationships; such as in the performing arts companies that are the focus of the present study (Rousseau 2004).

Tsui et al. (1997) stress that, in this model, the obligations of both the organisation and employees are very narrow and well defined. Mossholder, Richardson and Settoon (2011) note that, with much emphasis on efficient access to human capital, there is a greater acceptance of non-standard employees (temporary or contingent workers) as a means to obtain requisite knowledge and skills; and as such there is little or no organisational incentive to develop employees internally. Mossholder Richardson and Settoon (2011) argue that there is little incentive to pursue enduring employment relationships where employment is mainly temporary and often contract based.

Compliance-based HRM is often described as a ‘cost-focused’ or a ‘low roads’ approach. Lepak and Snell (1999) argue that such work arrangements are utilised when human capital is seen to be not of high strategic value to a firm, nor unique. These employees are often unskilled manual workers who are easily replaced. They suggest that managing this group of workers tends to focus on short-term productivity and efficiency, for tasks of limited scope, purpose or duration, and that job descriptions are likely to be standardised (Lepak & Snell 2007). Furthermore, employees are usually motivated by extrinsic rewards, which are dependent on measurable output criteria (Heinsman et al. 2008). Lepak and Snell (1999) argue that there might be circumstances under which compliance HR systems are the most suitable, such as when employees’ skills have little firm specificity; or where equivalent labour is widely available such as in the performing arts sector. Mossholder, Richardson and Settoon (2011) note that a compliance approach to HRM favours jobs that are clearly defined and highly prescribed, such that employees have less task interdependence with others in the organisation.

3.5.2 The commitment-orientated HRM system

In contrast to relying on compliance by means of rules, regulations and monitoring to reduce labour costs and increase efficiency, commitment-based HRM systems attempt to encourage employees to identify with the goals of the organisation (Ceylan 2013;
Whitener 2001). Employees are seen as an asset rather than a cost, and are intrinsically motivated and worthy of the company’s investment (Zacharatos, Barling & Iverson 2005). Su and Wright (2012) argue that commitment HRM systems mark a shift away from the traditional authority and compliance-based system, and are concerned with the processes and procedures for ensuring employee participation and organising work to increase employee involvement. In this way, the mutuality of interest between employers and employees is promoted by increasing autonomy and responsibility of employees at all levels (Beer et al. 1984; Walton 1985). One of the core arguments of the advocates of universalist, high-commitment HRM approach is that the same set of HRM practices should be applied to all workers (Pfeffer 1994; Walton 1985). The implication of this view is that differentiation between employees at different levels in organisations should be largely abandoned (Clinton & Guest 2013).

According to Meyer and Allen (1991), organisational commitment is the individual’s psychological bond with the organisation, as represented by an affective attachment to the organisation, internalisation of its values and goals, and a behavioural desire to put forth effort to support it. Meyer and Allen (1991) argue that employees with a strong link and commitment to the organisation are believed to be more valuable to an organisation than those with weak commitment. On this basis, Meyer and Allen (1991) proposed three components to organisational commitment: affective, continuance, and normative components. Affective commitment refers to an employee’s emotional attachment to an organisation; continuance commitment refers to an employee’s awareness of the costs associated with leaving his or her organisation; and normative commitment reflects a perceived obligation to stay with the organisation (Meyer & Allen 1991). Employees with strong affective commitment stay with their organizations because they want to; employees with strong continuance commitment stay because they need to; and employees with strong normative commitment stay because they feel that they must do so (Meyer & Allen 1991).

Collins and Smith (2006), in their study of high technology firms, reported that HR practices emphasising employee commitment were positively related to trust, cooperation and knowledge sharing. Chang and Johnson (2010) argue that the
commitment that employees have toward their organisation and its constituents is a crucial work attitude and identity. Meanwhile, studies have shown that high-commitment HR practices increase employee effort (McClean & Collins 2011), enhance management-union initiatives (Geare, Edgar & McAndrew 2009), and reduce employee turnover rates (Batt 2002; Batt & Colvin 2011).

Walton (1985) proposes that, by adopting a set of commitment-based HRM practices, an organisation in a highly competitive environment can achieve higher performance through genuine engagement of employees. Walton (1985) further argues that HR practices that induce trust, team-work behaviour and communication create employee commitment, and contribute to organisation performance. According to Lepak and Youndt (1999) and Purcell (1999), commitment-based HR practices are important for those employees who have high strategic value and uniqueness. In this way, organisations have financial and strategic incentives to internally develop and invest in these employees (Lepak et al. 2007). Such employees typically have knowledge and firm-specific skills that are not readily available in the external labour market (Lepak & Snell 2007).

The compliance or commitment approaches are very much a ‘one size fits all’ approach which might not fit all industry sectors – for example, not all sectors focus on competition and profit. In addition, many companies cannot afford the extra effort needed for commitment-based approaches. Several authors (Atkinson & Lucas 2013; Boxall & Macky 2009; Godard 2004; Guest 2011; Nishii, Lepak & Schneider 2008) argue that a commitment-based approach is associated with increased direct costs through extra training activities, higher wages, and employment guarantees. They may also lead to longer decision-making processes. Further criticism comes from proponents of the contingency approach of strategic HRM, who assume that the effects of HRM systems depend on the specific internal and external context (Delery & Doty 1996; Martin-Alcazar, Romero-Fernandes & Sanchez-Gardey 2005).

Given that there are important contextual factors that influence organisational HRM choice (Jackson and Schuler, 1995; Jackson et al., 2014), there is the question of which components of HRM systems are adequate in certain contexts, and what affects the range of HRM choices in the organisation (Boxall & Macky 2009). Beer et al.
(1984) and Su and Wright (2012) point out that, in practice, many organisations have hybrid HRM systems with a mixture between control and commitment HRM practices (Hauff, Alewell & Hansen 2014; Lewicka & Krot 2015). Recent research suggests that commitment and compliance HRM strategies might complement rather than oppose each other, and that, in reality, companies use a mixture of both (Lewicka & Krot 2015).

In this light, the work of Lepak and Snell (1999) on the HRM Architecture model might be valuable for the study of performing arts companies. Lepak and Snell (1999) recognised the importance of a differentiated HR architecture that acknowledges the different contributions that specific categories of workers can make to organisations. Given the fragmented nature of the performing arts sector, and the precarious nature of the work, a model that recognises organisational complexity can be useful.

### 3.6 The HR Architecture model

Lepak and Snell (1999) attempted to further the understanding of HRM practices in an organisation by combining other theoretical approaches to HRM and drawing on transaction-cost economics, human capital theory, and the resource-based approach. Rather than only focusing on best practice or best fit, they suggest that companies use different HR approaches to manage different employee groups, depending on their strategic value and uniqueness. Lepak and Snell (1999) proposed a typology of multiple HR systems based upon two dimensions: uniqueness of human capital (firm-specificity of skills); and value of human capital (strategic importance of skills). For this typology, Lepak and Snell (1999) define human capital as the personnel who possess the ability, experience and knowledge to create economic value for an organisation. Lepak and Snell (2002) argue that a firm’s HR ‘architecture’ is used to identify HR practices, employment modes and employment relationships for different employee cohorts, based on the degree to which their human capital is strategically valuable and unique. The HR architectural archetype makes clear that: (1) employees do not all contribute to the firm value in the same way; (2) that multiple HR configurations are used within firms for different skill groups depending on the nature of their contributions; and (3) that value creation and strategic positioning are derived from combinations of human capital across these different cohorts (Lepak & Snell
The HR architecture model (Table 3.3) recognises ‘core’ and ‘peripheral’ employees.

The idea of core and peripheral employees is not new. Atkinson’s (1985) model of the flexible firm provided an early and innovative framework that divided the workforce along similar lines. The ‘core’ members are characterised by permanent, highly-skilled employees with internal career paths (Atkinson 1985; Burgess 1997). Peripheral employees represent employees whose skills are low in value and uniqueness and essentially represent labour as a commodity that is widely available and can be purchased and disposed of as required. These workers are employed on temporary or part-time contracts. Traditionally, these workers have been referred to as atypical workers in Europe; while the term ‘contingent labour’ is often used in the USA literature (Isaksson & Bellagh 2002). However, in Australia, these groups of employees would be referred to as non-standard, non-permanent or casual staff. As pointed out by Lesperance (2001), this labour force is utilised when organisations adopt numerical flexibility, which involves the expansion and contraction of their employee numbers based on market fluctuation and competitive pressure. Lepak and Snell (1999) thus acknowledged that all workers do not provide the same strategic value to employers, and developed a model with four HR approaches or configurations. These configurations are: (1) commitment-based, (2) productivity-based, (3) compliance-based, and (4) collaborative-based HR systems that organisations might adopt. Applying this model to the performing arts sector raises some challenges and provides some insight into how HRM might be practiced.
Table 3.3 Human capital characteristics and employment modes

<table>
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<tr>
<th>Quadrant 3: Contract Work</th>
<th>Quadrant 1: Knowledge-based employment</th>
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<td>Is characterised by low-value, low-uniqueness employees, who are those with low-level skills that are widely available in the market. In this case, labour is treated as a commodity to be acquired when needed. There is no long-term relationship, rather a short-term economic exchange.</td>
<td>Is characterised by high-value, high-uniqueness employees, who are core employees and a source of competitive value. Their values and uniqueness may be based on ‘tacit knowledge’ that would be valuable to a competitor. Organisation would invest in training and development while employees are internally developed.</td>
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<th>Compliance-based HR</th>
<th>Commitment-based HR</th>
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<td>Quadrant 4: Alliances/ Partnerships</td>
<td>Quadrant 2: Job-based employment</td>
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<td>Characterised by low-value, high-uniqueness employees, who are those not essential to creating value and not ‘core’ but who have skills that the organisation needs from time to time, such as lawyers. For example, there would be little or no training for a law firm that looks after a company’s legal affairs.</td>
<td>High-value, low uniqueness employees are those whose skills are valued but are widely available in the market. These employees are likely to be career focused and have a conditional loyalty to a specific organisation. There is little investment in training, while HR strategy remains to buy from the market.</td>
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<th>Collaborative-based HR</th>
<th>Productivity-based HR</th>
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Adapted from (Lepak and Snell 1999)

**Quadrant 1 Core Knowledge-Based or Commitment-Based HR**

For Lepak and Snell (1999), human capital in the knowledge-based employment quadrant is most likely to be viewed as a core to the firm. Given their high strategic value and uniqueness, core knowledge workers are most likely to contribute directly to a firm’s core competencies on the basis of what they know and how they use their knowledge (Lepak & Snell 2007; Purcell 1999). As a result, firms need to have financial and strategic incentives to internally develop and invest in these employees; and a knowledge-based employment mode is designed to help firms maintain unique knowledge that leads to strategic advantage (Lepak & Snell 2007). Furthermore, the knowledge-based employment mode represents core employees that a company will invest in, in terms of training and development, remuneration and benefits, and other self-enhancement HR programs that will protect their investment (Lepak & Snell 2007).
The performing arts workforce is known to be characterised by high value and high commitment workforce. Strategically, a performing arts company needs its performers; but in practice, the employment arrangements for the majority of performing arts workers do not fall under this quadrant.

Quadrant 2: Job-Based Employment or Productivity-Based HR Configuration

In this quadrant, Lepak and Snell (2002) argue that skills of workers are not particularly unique to the firm, and thus cannot serve as a differentiating source of competitiveness. This is because job-based employment HR configurations are not unique, are mobile, and firms may suffer a capital loss if their investments transfer to a competitor (Lepak & Snell 2007). This employment mode can be described as ‘acquisition’ associated with a market-based HR focus, with HR concentrating on recruitment and deployment (Lepak & Snell 1999). Incentives for these employees tend to focus on efficiency and productivity, through a results-based approach; and performance appraisals are likely to emphasize a short-term, results-oriented component (Snell & Youndt 1995).

Quadrant 3: Contract Work Arrangements or Compliance-Based HR

With a contract work employment arrangement, Lepak and Snell (1999, p. 31) argue that workers in this category are prime candidates for outsourcing in a scenario where “one job holder is pretty much as good as another”. Managing this group of workers tends to focus on short-term productivity and efficiency for tasks of limited scope, purpose or duration (Lepak & Snell 1999). This is done by focusing on compliance with pre-set rules, regulations and/or procedures. For example, job descriptions and training and performance management are likely to be standardised (Lepak & Snell 2007). Given the transactional nature of the exchange and heavy emphasis on conformance, compensation for employees is usually based on an hourly wage and the accomplishment of specific tasks (Lepak & Snell 2007). Considering the nature of work and employment in the performing arts, as discussed in Chapter 2, it could be argued that, while performing arts workers should fit into Quadrant 1 due to their strategic value and uniqueness, in reality they are largely engaged under a model captured in Quadrant 3, which usually represents employees whose skills are low in
value and uniqueness. In this latter quadrant, labour is treated as a commodity to be acquired when needed. There is no long-term relationship, but rather a short-term economic exchange.

*Quadrant 4: Alliances/ Partnerships or Collaborative HR configuration*

On the other hand, it could be that many members of the performing arts workforce would see themselves under a Quadrant 4 arrangement. The alliance or partnership model represents low strategic-value, high-uniqueness staff that the firm need not employ directly. Their skills are unique, and they are not related directly to the organisation’s core competencies. These firms rely on alliances or partnerships for human capital that is unique but of insufficient strategic value to employ (Lepak & Snell 1999). Managers recruit or select alliance partners who can integrate their knowledge and experience into the firm and work in a team environment (Lepak & Snell 2002). Through partnerships, firms gain human capital without incurring the entire costs of internal employment, while gaining the ability to maintain an ongoing relationship that is necessary for the application of unique and specialised skills (Lepak & Snell 2002). For those in performing arts who see themselves as freelancers rather than employees, or who can negotiate high fees through agents, such a model might make sense. Lepak and Snell’s (2002) approach supports the configurational framework, and the notion that different employment nodes are related to variations in human capital value and uniqueness. Their findings suggest that there appears to be a defined pattern of resource allocations and HR configurations associated with different groups of workers.

From a strategic HRM perspective, a key point for understanding employment subsystems is that these work arrangements have direct implications for how organisations structure their HR systems to manage them. Lepak and Snell (1999) observe that not all jobs and employees are equally valuable to an organisation, and that the use of multiple HR systems may reflect these differences and thus yield better outcomes. The above review indicates that there are still gaps in our understanding of some of the core processes underpinning the ways in which HRM systems work, especially in regard how they might work in the performing arts. A question in the present thesis is, what can this approach tell us about the people management
arrangements in performing arts companies? Is there one approach, or do companies draw on a number of different approaches depending on a range of external and internal factors?

3.7 A process focus - the strength of the HRM systems

Rather than focusing solely on HR practices or the content of HRM, Bowen and Ostroff (2004) took a process approach, and examined the concept of the ‘strength of the HRM system’. They explored the key features of an HRM system that create an organisational climate, defined as the shared perceptions of employees of “what the organisation is in terms of practices, policies, procedures, routines and rewards” (Bowen and Ostroff, 2004, p. 205). Drawing on signalling theory, which explains how firms release information, especially information beneficial to the firm, enabling receivers to develop positive attitudes toward the firm (Connelly et al. 2011), they focused on how HRM messages are transmitted and interpreted across the organisation, and how these messages were received and interpreted by employees.

Bowen and Ostroff (2004) propose that the link between HRM and performance can be explained by the strength of the HRM system, i.e. the integration of both HRM content and process. The content of HRM refers to the individual set of HRM practices designed to achieve certain behaviours (Bowen & Ostroff 2004). HRM process, on the other hand, refers to how a company’s HRM system is designed to send signals to employees that allow them to create a shared meaning and a collective sense of what is expected (Bowen & Ostroff 2004, p. 204). In this way, climate, both as an individual-level attribute and as a set of shared beliefs and values, can have the effect of “motivating employees to adopt desired attitudes and behaviours that, in the collective, help achieve the organisation's strategic goals” (Bowen & Ostroff 2004, p. 204).

According to Bowen and Ostroff (2004), a strong HRM system is characterised by three features: distinctiveness, consistency, and consensus. Firstly, distinctiveness includes the legitimacy of the HRM system, or the importance that the HRM function is given in an organisational and visibility of the HRM system, leading to employee awareness of the HR policies, practices and messages. It also includes:
understandability – whether employees can understand the various policies and procedures; and their relevance – how relevant employees see these policies and procedures in their day-to-day work.

Secondly, consistency refers to the internal consistency or the internal alignment among HR practices. Consistent messages create awareness and help employees to understand what is expected of them. A lack of consistency in communication can lead to high levels of misunderstanding between the sender and the receiver, and lead to feelings of unfairness if employees feel that they have been treated differently. For HRM messages to be consistent, they should be linked to behaviours, referred to by Bowen and Ostroff (2004) as instrumentality. In other words, there is a consistent and clear cause-and-effect link between behaviours, and a consistency in terms of rewarding desired behaviours. Furthermore, HRM practices need to be valid in the eyes of employees, with an understanding of the right behaviours. Bowen and Ostroff (2004) argue that, to create a strong HRM system, organisational leaders need to ensure that messages they communicate to stakeholders and employees are consistently clear and unambiguous.

Thirdly, consensus means agreement among policy and decision makers about the behaviours they wish to encourage (Bowen & Ostroff 2004). Consensus among principal decision makers can contribute to firm performance by sending strong messages to employees, motivating them to adapt desired attitudes and behaviours that help achieve the organisation’s strategic goals (Bowen & Ostroff 2004, p. 204). If employees perceive confusion and disagreement from the message senders, they are less likely to accept the legitimacy of the required behaviours. Hence, agreement among HRM decision makers helps to create consensus among employees about the HRM message, which in turn will lead to shared interpretations about which behaviour is expected and rewarded (Bowen & Ostroff 2004; Delmotte, De Winne & Sels 2011; Pereira & Gomes 2012).

This consensus helps “contribute to firm performance by motivating employees to adapt desired attitudes and behaviours that, in the collective, help achieve the organisation’s strategic goals” (Bowen and Ostroff, 2004, p. 204). Moreover, a distinctive HRM system is critical to fostering effective organisational
communication (Bowen & Ostroff 2004, p. 208). It can be argued that, if HRM is not
distinctive, ambiguity is high, and employees are more likely to get mixed messages,
which can undermine perceptions of fairness and equity (Bowen & Ostroff 2004, p.
209). Distinctiveness is, therefore, important, because it allows every employee to get
confidence when they know what HRM stands for. In this respect, Bowen and Ostroff
(2004) argue that supervisors act as interpretive filters, contributing to the strength of
the organisational climate. There is an argument in the HRM literature suggesting
that, in order to explain the link between HRM and performance, both the content and
process approaches to HRM need to be taken into account. Moreover, a range of
contextual factors need to be included that might constrain the effective utilisation and
adoption of HRM. One of these key factors is industry context, which is important in
HRM practices, as suggested in the theories discussed above. For example, in the
performing arts sector, if the workforce is committed to the sector or their own
individual practice, they might not see much relevance in the HRM practices and
processes of the company apart from making sure that they are receiving the correct
remuneration.

3.8 The industry context

Industry context represents an important external factor that influences a firm’s choice
between HRM systems (Jackson and Schuler, 1995; Jackson et al., 2014). As noted in
Chapter Two, the performing arts sector is influenced by government policy, and is
largely government funded; it is dominated by small- to medium-sized organisations;
and work and employment is mainly characterised by project-based activities, which
leads to a precarious but committed workforce. This section of the thesis attempts to
explore this question by bringing together some key features emerging from empirical
research studies on HRM and organisation size, and HRM in project-based
organisations, that could be relevant for the performing arts sector.

Early empirical studies focused on the HRM and performance relationship link,
largely in the manufacturing industry, and mainly in terms of financial and
productivity outcomes (Arthur 1994, McDuffie 1995). However, studies soon began
to explore other parts of the private sector, and other organisational outcomes were
included, for example: links between HRM, organisational performance and
employment security in banks (Delery & Doty 1996); and customer satisfaction and employee loyalty in call centres (Batt 2002). Studies also extended to the public sector, where it was argued that the introduction of private sector managerial techniques led to greater interest in improved performance (Bartram & Casimir 2007; Teo 2000; Worland & Manning 2005). While the evidence is mixed in regard to the adoption of successful strategic HRM practices, research has continued. For example, in Australia, Rodwell and Teo (2004) examined the adoption of SHRM by for-profit and non-profit knowledge-intensive health services organisations, and found a positive relationship between SHRM and organisational performance for both for-profit and non-profit hospitals. In contrast, Bartram, Stanton and Leggat (2007) found a lack of understanding of SHRM in the Australian public hospitals they studied, and poorly articulated links with performance. Moreover, public hospitals were at the mercy of government policy, and tended to limit their reporting to government-mandated requirements.

The common element in these studies is the importance of context and industry factors in the adoption of HRM practices. These factors can include: how organisations are funded, and the role of government and regulation in the industry; management strategy and philosophy, and how this impacts on what is measured and valued; and the nature of the workforce, their motivations, and the influence of trade unions and professional bodies (Bartram, Stanton & Leggat 2007; Beer et al. 1984; Datta, Guthrie & Wright 2005). Clearly, the nature of the industry or sector impacts on organisational strategy, what is valued, what and how work is done, and the features of the workforce. In turn, all of these factors impact how HRM is perceived and practiced.

3.8.1 HRM and organisational size

Another important limitation of HRM studies is the observation that the majority of the studies, which espouse the virtues of HRM practice and links to organisational performance, focus almost exclusively on larger companies (Hornsby & Kuratko 2003; Kaye 2002), with small- to medium-sized enterprises (SMEs) receiving far less attention (Jones 2004). It has been argued that smaller businesses are distinct from their larger counterparts, with prototypical characteristics including more flexible
organisational structures, and a more informal and fluid approach to the management of employment relations (Marlow 2004). Notwithstanding, there has been much debate as to what HRM means to SMEs, especially with some research indicating the largely informal nature of HRM in SMEs (Bartram 2005). According to the Australian Bureau of (2011), a small-sized business is defined as an organisation that employs less than 20 staff, and a medium-sized business is considered to employ between 20 and 199 staff; whereas larger companies are defined as employing more than 200 staff.

In large organisations, for example, key HR activities such as recruiting, selecting, developing, utilising, rewarding and motivating employees are often supported by an HR department, or at least an HR specialist. In contrast, small organisations are found to lack sophisticated and formalised HR practices, and rarely have HR professionals or an expert (Wapshott & Mallett 2015). As pointed out by Marlow, Taylor and Thompson (2010), HR issues often remain under the control of the organisational leaders, especially founders and owners, or may be delegated to other non-specialist staff as part of their wider managerial role. Working practices and relationships in smaller firms are often governed by informal rules, unwritten customs, and tacit understandings, because of their structures. Consistent employer-employee interactions are central to the management of employment relationship (Kitching & Marlow 2013), rather than the formal rules, policy documents, written agreements and staff handbooks commonly associated with large firms. Singh and Vohra (2009) argue that written HR policies and procedures are present to varying degrees in small firms, but that, generally, HR activities in SMEs are informal, reactive and have a short-term outlook (de Kok et al. 2002; de Kok & Uhlman 2001). Some authors argue that employee performance might be managed more directly and informally, and that there may be no formal basis for review and negotiation of pay and reward (Wapshott & Mallett 2015); and that training might be limited to meeting immediate expediencies rather than for long-term HR development strategies (Marlow 2004).

HRM literature on SMEs has generally characterised their HRM practices as lacking a strategic approach (McEvoy & Buller 2013; Way 2002), and as lacking resources and technical knowledge necessary to implement comprehensive HR systems (Barber et al. 1999; Sels et al. 2006); and that, compared with large organisations, such practices
tend to be informal, less sophisticated and using fewer forms of HR practice (Cardon & Stevens 2004; Chandler & McEvoy 2000; Mayson & Barrett 2006). Given this situation, HRM theorists (Allen, Ericksen & Collins 2013; Barber et al. 1999; Sels et al. 2006) argue that findings generated from large organisations cannot be automatically translated to small organisations.

Cardon and Stevens (2004) report that SMEs’ approaches to various HR practices are predominantly ad hoc and opportunistic rather than based on systematic and strategic considerations. Klaas, McClendon and Gainey (2000) argue that the costs of having HRM on a full-time basis are highly prohibitive to SMEs; with responsibility for HRM issues more likely to rest on the shoulders of general management (Harney & Dundon 2007). Some researchers, such as de Kok and Uhlaner (2001) and Mayson and Barrett (2006), have noted that informality is more appropriate to small companies, as it provides flexibility and allows organisations to change and develop.

Bartram (2005) investigated the adoption and character of HRM in 138 Australian small firms. His findings indicate that small firms in Australia are generally less likely, relative to medium to large firms, to adopt formal HRM practices, including formal recruitment and selection procedures, written occupational health and safety guidelines, and formal performance evaluation practices. Kotey and Slade (2005) surveyed 1330 Australian small businesses with an emphasis on training, recruitment and selection, development of HRM systems, and maintenance of HR records. They concluded that HRM in the majority of the firms studied remained informal.

Meanwhile, Barrett and Mayson (2007), using data generated from a survey of 600 small firms across Australia, explored the use of formal HRM, such as employee performance, flexible working hours, written job descriptions, and off-site training. The study showed that small firms were slowly adopting formalised HRM practices. More recently, Wiesner and Innes (2010), using a sample of 1230 Australian SMEs, explored HRM practices between 1998 to 2008, and reported that HRM practices had been, to some extent, formally adopted by Australian SMEs, when compared to earlier studies (Wiesner, McDonald & Banham 2007) that examined the extent to which HRM practices were formally adopted by the Australian small businesses. What is common in these studies is the realisation of the value of formalised HRM
systems. For example, Bartram (2005) argues that small firms could benefit from both formal and informal HRM practices, to achieve competitive advantage in the marketplace.

While implementation costs are purported to be relatively low amongst larger firms (Sung & Ashton 2005), research highlights that SMEs do not have the economies of scale that larger organisations have that would justify the investment of extensive practices (Sels et al. 2006; Way 2002). Some scholars point to low overall levels of HRM adoption by SMEs (Cassell et al. 2002; Way 2002) and the ‘slow diffusion’ of high-performance work systems across the SMEs sector (Tomer 2001). Furthermore, studies report that SMEs are less likely to adopt a sophisticated range of practices (Pearson et al. 2006), and suffer from a range of resource constraints (e.g. finance time, management skills) that combine to limit the uptake of HRM practice. The findings of these studies also suggest that management recognises the importance of and the need for HRM to achieve organisational objectives; but the findings also suggest that the translation of this into action has been problematic and difficult (Ogunyomi & Bruning 2015). Meanwhile, Townsend, McDonald and Cathcart (2016) argue that the challenges of managing staff in small business, in particular micro business, is influenced by organisational size, financial constraints, and workforce characteristics such as casual and part-time employment.

International studies report similar findings. For example, De Kok and Uhlwaner’s (2001) study of sixteen small Dutch firms also found that small firms vary greatly in the use of HRM practices. Similar findings can be found in other studies, such as Brand and Bax (2002), Bacon and Hoque (2005), Kotev and Slade (2005), and Wilkinson, Dundon and Grugulis (2007). Research by Storey (2004) reports that training and development are less likely to be provided in SMEs than in larger firms. This is supported by Matlay (2002b), who states that SMEs are unlikely to have a strong record in providing training for their employees.

Koch and McGrath (1996) found that, in general, company size is positively related with the incidence of HRM planning and formal training, and with the level of overall HRM sophistication. Cassell et al.’s (2002) empirical research, based on data from 122 SMEs in South Yorkshire, England, found that about two-thirds (64%) of the
firms they studied did not have or rarely used formal HR strategy, and that the approach that the firms took to implementing HR practices was fairly piecemeal and reactive, rather than proactive, holistic or systemic (Cassell et al. 2002).

Johnston and Loader (2003) suggest that the lack of formalised training structures in SMEs may, to some extent, be compensated for by informal training activities. Storey (2004) provides two explanations for this. Training is less likely to occur in small firms firstly because of ‘ignorance’ of the benefits it can bring, and secondly because the cost is too high for small firms. Informal, on-the-job training is more likely to occur than formal training (Gilbert & Jones 2000; Kotey & Sheridan 2001), and therefore it is not correct to assume that small firms do not train. For example, Bacon and Hoque (2005) point to UK small businesses spending some 5.8 billion pounds sterling on training each year. Despite this, there is little to show that a strategic approach is being taken, as internal and external training do not appear to be linked to other HRM practices in the organisation such as employee performance appraisals (Gilbert & Jones 2000; Marlow 2000).

What is clear from these studies is that the size of an organisation is crucial in determining HRM choices and practices. Furthermore, size can also be influenced by industry context, which in turn not only determines the kinds of employees and the nature of the work but also influences the key goals of organisations and identifies what is valued within these organisations (Beer et al. 1984, Datta et al. 2005). Since we know that the majority of companies in the performing arts are small or micro, it is likely that the studies outlined above will have considerable relevance.

### 3.9 The rise of project-based organisations

We also know that the performing arts sector is characterised by project-based work. Project-based work is the organisation of work into distinct, complex tasks limited in time and scope, and has become a common feature of contemporary economies (Bredin & Söderlund 2011; Ekstedt et al. 1999; Hobday 2000). Hobday (2000) defines this type of work as “one in which the project is the primary unit for production, innovation, and competition”, and where “there is no formal functional coordination across project lines” (p. 878). Project-based work is not new, being the
primary work model used in sectors such as building and construction; but it is now increasingly considered pervasive in our today’s economy. Its spread has been attributed to the changing environments and markets, the increasing complexity of products and services, and the corresponding knowledge intensity in production processes (DeFillippi & Arthur 1998; Hobday 2000). Extant research on project-based organisations show that project-based work is widespread in software (Ibert 2004), construction (Eccles 1981), new media (Grabher 2002), and professional service firms such as consulting (Semadeni & Anderson 2010).

These studies are indicative of the widely shared notion that, across the board, economic action seems to be increasingly taking place in small temporary systems of work organisations rather than in large permanent organisations (Malone & Laubacher 1998). Project-based work has been framed as a stimulating experience, opposite to bureaucratic forms of organisation of work (Cicmil et al. 2009). According to this view, projects are what modern and desirable jobs are all about (Gill, 2002; Grabher, 2002), with success and joy being built on passion and dedicated teamwork (Colwell 2005), and where individuals are unleashed from bureaucracy and tradition and can build their interpersonal relations on trust, loyalty and shared values (Grey & Garsten 2001; Lindgren, Packendorff & Sergi 2014). The development of and increasing use of projects (Midler 1995)(Midler 1995)(Midler 1995) could be argued as being a move away from repetitive production to non-routine work processes. Midler’s (1995) study of the French auto manufacturer Renault is one example of studies that focused on projectification, which emphasises the need for studies on “the relation between the development of temporary organisations (as project teams) and the permanent structures and processes within the firms” (p. 373). As many organisations move into project-based structures, human resource management, hiring of staff, and staff development are likely to be affected.

Early research studies in this area primarily focused on projects as temporary organisational configurations for allocating personnel and resources within stable firms (Davies & Brady 2000; Hobday 2000; Prencipe & Tell 2001). Projects are considered suitable ways to control endeavours in a turbulent environment (Ekstedt et al. 1999); but more importantly, they are regarded as the appropriate way to stimulate a learning environment and to enhance creativity so as to deliver complex products
(Hobday 2000). It has been claimed that there is a paradigm shift in the nature of 21st century organisations, with projects as a specific and significant characteristic (Whittington et al. 1999). These types of companies are often referred to as projectified, project-business, project-intensive, or project-oriented companies (Becker & Smidt 2015; Hobday 2000; Huemann 2010; Huemann, Keegan & Turner 2007; Midler 1995). Besides the use of projects as coordinating mechanisms within established companies, project-based organisations, especially whereby the company is little more than a set of contracts that ceases to exist once the project is completed, can be found across a wide range of industries.

Whitley (2006, p. 79) defines a ‘project-based firm’ as a firm that “organise work around relatively discrete projects that bring particular groups of skilled staff together to work on complex, innovative tasks for a variety of clients and purposes”. This definition is, however, somewhat vague in explaining the nature of work in project-based settings. For the purpose of the present study, the definition used is that by Bredin and Söderlund (2011, p. 11), who defined a project-based organisation as a “firm that privilege the project dimension and carry out most of their activities in projects firms.” This definition concerns a permanent organisational framework in which temporary projects are embedded (Sydow, Lindkvist & DeFillippi 2004).

### 3.9.1 Characteristics of project-based organisation

Bredin and Söderlund’s (2011) definition of the project-based organisation provides a set of common features, including: core activities are performed in projects; project work is routine; the projects are embedded in a permanent organisational context; and people are hired by the permanent organisation, not directly by individual projects. It is these defining features that bring about a number of organisational characteristics that are particularly common among project-based organisations, which are important in the present thesis from the HRM perspective.

Hobday (2000, p. 4) argues that, in project-based organisations, “knowledge, capabilities and resources are built through the execution of major projects; and that such organisations are most typically found where “complex, non-routine tasks require the temporary employment and collaboration of diversely skilled specialists”.
DeFillippi and Arthur (1998) argue that many of the individuals working on projects are often contract workers who move amongst different employing firms. The performing arts industry is one industry that relies heavily on projects, and often employs a large number of highly skilled contract workers who move between projects and employers, referred to by Redpath, Hurst and Devine (2009) as contingent knowledge workers.

Hanisch and Wald (2013) identify five main characteristics that differentiate the temporary organisational form from the permanent organisational form: temporariness vs. permanence; uniqueness vs. repetition; heterogeneity/ diversity vs. homogeneity; informal vs. formal coordination; and ambiguous hierarchies vs clear lines of command. Project-based organisations are characterised by knowledge-intensiveness, which means that the competence and skills of employees have greater importance than other inputs have, that the majority of employees are highly qualified, and that work involves complex problem-solving while working collaboratively (Alvesson 2001; Swart & Kinnie 2003).

Huemann’s (2010) study found that project-oriented companies are characterised by an explicit project management culture, based on management concepts such as Lean Management, Total Quality Management, The Learning Organisation, and Business Process Re-Engineering. Gill and Pratt (2008) report short tenure and constant employment uncertainty; meaning that it is precarious employment (Murdock 2003; Ross 2008). Some authors argue that the short-term nature of relationships between project partners, and the disintegration of the project team after project completion, challenges the accumulation and transfer of knowledge to future projects (Huemann 2010; Huemann, Keegan & Turner 2007).

One of the most established industries, when it comes to project-based organising, is the cultural sector, including music (Lorenzen & Frederiksen 2005; Peterson & Berger 1971), film (Baker & Faulkner 1991; Ferriani, Cattani & Baden-Fuller 2009; Lorenzen & Ta¨ube 2008) and television (Windeler & Sydow 2001). Productions of such work are, by their very nature, temporary projects; for example, the production of specific plays and concerts (Bakhshi & Throsby 2009a; Scott 2003). Mangset, Kleppe and Røyseng (2012) argue that project work requires a number of artists
working together in a limited time period in order to obtain the best possible outcome of employment. As noted by Bredin and Soderlund (2007), project-oriented work also leads to increased individualisation, as the individuals themselves become more responsible for making and shaping their own careers and have little time for reflection (Zika-Viktorsson, Sundström & Engwall 2006). The project-based organisation, such as in the performing arts industry, stands out as a highly relevant organisational context for research into HRM practices (Midler 1995).

In their studies, Castels (2000) and Grabher (2002) found that work in the performing arts is commonly characterised and organised around projects and not careers. A study by the Australia Council of the Arts (2003) also reports that most work in the performing arts is project-based. Castels (2000) notes that there is uncertainty about the next project, and as a result there is instability of income among performing arts workers. Cunningham (2006) notes that work pressures such as tight budgets, a fluctuating industry, intermittent work, and a competition labour market are unlikely to change in the future in the performing arts industry, and that project-based work will remain. Hodgson and Cicmil (2006) argue that, to assure their continued survival, project-based organisations are built on comprehensive planning, linked to a reassertion of the importance of strict managerial control and professional self-discipline. It can be argued that cultural industries, historically, have not had a standard form of work. McKercher (2009) argues that, instead of employing people and maintaining a work relationship, the arts industries maintain loose affiliations with their employees. Ferreira et al. (2012) argue that the specific features of temporary organisations, such as limited timespan, may have a substantial negative effect on how individuals cooperate with the company and support each other. As a consequence, many project teams are ‘less developed’ (Bechky 2006), which has considerable implications on trust building and employee socialisation (Meyerson, Weick & Kramer 1996).

Despite the increased adoption of project forms of organisation, specific studies on HRM in project-based organisations remain sparse, especially in the performing arts (Turner, 2010). This section has provided a general introduction to projectification and project-based organisations. Researchers from the project field of research, as well as from the HRM field of research, have pointed to possible implications that this
discourse might have for HRM. In the next section, I will examine HRM practices and implications in the project-based oriented company, and the challenges therein, given its relevance to the present study.

3.9.2 HRM challenges in the project-based organisation

It has been argued by some authors that project-based organisations face unique challenges in HRM management, due to the unstable and temporary nature of the work processes and environment, and that they require specialised HRM practices and processes; however, this area has yet to be fully explored (Bredin & Söderlund 2011; Huemann, Keegan & Turner 2007). Burgess and Connell (2006) argue that the growing use of a temporary workforce introduces the potential for unique HRM challenges. Cheng, Dainty and Moore (2006) argue that the challenge in implementing HRM systems is more acute in project-based organisations, where temporary teams and geographically dispersed employees render the coherent implementation of new systems and procedures problematic. For example, Cheng, Dainty and Moore (2006), in their study of the construction industry, report that barriers to implementing new performance solutions in the company they investigated stemmed from a lack of senior management commitment and support, ingrained working practices, and an absence of appropriate training interventions.

Spelthann and Haunschild (2011) argue that HR management, when practised in a project-based organisation, faces challenges due to the disruptive and discontinuous nature of project-based organising. Other studies also show that project-based structures have implications for employees, and hence for HRM, pointing to a number of challenges related to HRM such as role strain (Goodman1981), project overload (Zika-Viktorsson, Sundstro¨m and Engwall 2006), employee well-being (Huemann, Keegan & Turner, 2007), and competence deterioration (Packendorff 2002). The study by Zika-Viktorsson et al. (2006) also supports these findings, that project work in multi-project environments increases the risk of excessive workload, which results in lesser time for reflection, learning, and recuperation between the projects. Zika-Viktorsson et al. (2006) study further shows that these effects lead to stress reactions, and might hamper the competence development of staff.
Similarly, Hobday’s (2000) study, of the effectiveness of project-based organisations in managing complex products and systems, reports that there is little room for formal training and staff development in a project-based organisation. Hobday (2000) further argues that it is the lack of structures and mechanisms for cross-project coordination that constitutes a challenge for the long-term effectiveness and learning of project-based organisations, due to a “lack of incentives for human resource development” (Hobday 2000, p. 885). Similar studies also report that the project-based organisations studied had problems understanding the work and emotional situations of the individual (Söderlund & Bredin 2006), and multi-role assignments (Zika-Viktorsson, Sundström & Engwall 2006) that may lead to burn out for younger employees who are not able to achieve an appropriate work-life balance or to manage the damaging consequences of role overload and role conflict (Huemann, Keegan & Turner, 2007). Cattani et al. (2015) argue that, from an organisational and managerial perspective, failure to address the role-conflict facets of project work may damage efforts to retain workers.

Given that the success of a project-based firm depends on its knowledge workers’ capabilities to develop new skills and apply old skills in novel ways (Bredin & Söderlund 2011), it can be argued that HRM practices adopted by these organisations should support the project-based work environment (Huemann 2010; Huemann, Keegan & Turner 2007; Turner, Huemann & Keegan 2008a); which practices are, however, designed for the classically-managed organisation where the emphasis is not on projects but instead on routine products and services, and where the job requirements are well defined and stable (Keegan & Turner 2003).

Huemann, Keegan and Turner (2007) argue that, regardless of the nature of employment in a project-based organisation, many of the mainstream HRM practices, such as career development, performance evaluation, and appraisal, are applicable to projects, even if there is no dedicated HRM department or function within the project organisation. Belout and Gauvreau (2004) also note that traditional HRM practices such as recruitment and selection, performance standards, training and development and workforce planning are crucial to project management success in the organisation. Söderlund and Bredin (2006) argue that project firms need adaptive and efficient human resource management, and that the coexistence of the temporary organisation
with the parent organisation creates problems in terms of HRM practices. One of those problems, Söderlund and Bredin (2006) point out, is the utilisation of people based on their current competence without taking into consideration the new skill sets that the assignment might give them. Laakso-Manninen and Viitala (2007) point out core competencies as the link between competence management and competence-based HRM, and that a company's competitive advantage resides in its core competencies.

Human resource management is important in any organisation, including project-oriented firms such as in the creative arts. The project-oriented organisations adopt temporary work processes to deliver products and services to clients, which creates a dynamic work environment, where additional pressures can be imposed on the employee, as a result of fluctuating work-loads, uncertain requirements, and multiple role demands (Turner, Huemann & Keegan 2008a). As noted by Huemann, Keegan and Turner (2007), the ideal project-oriented companies have a specific management culture expressed in the empowerment of employees, process orientation and teamwork, continuous and discontinuous organisational change, customer orientation, and networking with clients and suppliers. In addition, HRM policies, practices and processes need to be designed to meet the specific needs of the project-oriented companies (Huemann, Turner & Keegan 2004). Given the dynamic environment that characterises project-based companies, HR configurations are changing, and also the relationships between employees and the companies. There is the challenge of ensuring employee well-being and their ethical treatment, in rapidly changing organisational settings in which the transience of work-projects and the configuration of work-teams and even entire organisations is of importance.

3.10 Research questions

As the next chapter discusses the methodology used to address the research questions introduced earlier in Chapter One, it is important to remind the reader of the research questions that guided this thesis. These are:

1. How is HRM structured and operationalised in performing arts organisations?

2. How does the industry context impact on companies HRM?
3. How and why does the nature of the performing arts workforce impact on HRM practice?

3.11 Conclusion

The present chapter outlined the development of SHRM from the perspective of personnel management. The chapter introduced two of the most influential theoretical models of HRM, which provided the initial framework for theory development in the study of SHRM, namely the Harvard approach (Beer et al. 1984) and the Michigan approach (Devanna, Fombrun & Tichy 1984). The chapter also discussed the three HRM theoretical approaches that have most dominated HRM and firm performance studies, which are the universalistic, contingent, and configurational approaches. The universal approach purports that all HRM practices and outcomes are universal across organisations. The contingency approach suggests that HR practices and performance will improve when there is consistency or fit with other organisational strategic positions and HR policies being implemented. The configurational approach argues that the impact of HRM on organisational performance is dependent on the adoption of an effective combination of HRM practices, referred to as HRM bundles.

The chapter examined two contrasting archetypes, of commitment- and compliance-based approaches to employee management. The chapter introduced the concept of an HR Architecture employment mode, developed by Lepak and Snell (1999), which suggests that companies use different HR systems to manage different employee groups depending on their strategic value and uniqueness. The chapter then turned to some recent theoretical developments in HRM system thinking, relating to the strength of the HRM system, which integrate both the HRM content and process to demonstrate how HR practices contribute to organisational performance.

Finally, the chapter explored the importance of industry context and organisational size as factors relating to the adoption of strategic HRM and project-based work. In this way, Chapter Three has covered the relevant key theories and major empirical studies emerging from the HRM literature in recent years, and laid the groundwork for their application in the present thesis. The following chapter outlines the
methodology of this research study, which includes the discussion of the methodological approach, collection of data, and analysis of data.
CHAPTER FOUR: RESEARCH METHODOLOGY AND DESIGN

4.1 Introduction

The previous chapter discussed relevant HRM theory and literature that underpins this study. The purpose of this chapter is to outline the research methodology used to address the research questions introduced earlier in Chapter One. To do so, the present study utilises an exploratory, qualitative research approach that is underpinned by an interpretivist paradigm (Cavana, Delahaye & Sekaran 2001; Yin 2009) as it can help explain how people experience a phenomenon (Creswell 2007). The intention of this method is to capture the experience of performing arts company members of HRM practice given the difficulties and challenges outlined earlier in chapter 2. The unit of analysis which informs the discussion in this study is the individual performing arts companies. The present chapter is structured as follows:

Section 4.2 explains the purpose and rationale of the study. Section 4.3 introduces and discusses the research philosophy that underpins this thesis. This section also introduces research methodology and the justification for a qualitative research approach. Section 4.4 presents the research design process, justifying the selection of the exploratory case-study approach, and the multiple case designs and selection of cases. Section 4.5 outlines the two-stage process of data collection, and the profile of the participants. Section 4.6 discusses the data analysis procedures and data triangulation, including a discussion on the reliability and validity of the method. Section 4.7 introduces the theoretical framework that guided this thesis, including the limitations of the study.

4.2 Purpose of the Study

The purpose of this thesis is to explore human resource management (HRM) practices in performing arts companies in Australia. This is in the context of the assumption that effective utilisation of human resources of an organisation can be a source of competitive advantage, provided that the policies and practices for managing people are integrated with the organisation’s strategic goals and objectives (Guest 2011). However, several studies also demonstrate that industry context is an important factor
in the successful adoption of HRM practices, as each industry has its own unique peculiarities (Bartram et al. 2005; West et al. 2002). Given the focus of this study on HRM practices in performing arts companies in Australia, the research questions that this study aims to address are:

1. How is HRM structured and operationalised in performing arts organisations?
2. How does the industry context impact on companies HRM?
3. How and why does the nature of the performing arts workforce impact on HRM practice?

4.3 Research Philosophy

All research studies are underpinned by a set of belief systems or philosophy, which influence the conceptual framework of the study and guide researchers towards the appropriate investigative methods (Benton & Craib 2011, p. 1). This underlying philosophy is determined by the researcher’s ontology, or assumptions about how the world is made up and the nature of reality and epistemology - how we come to know that reality, and the relationship between the reality and the researcher (Erikson & Kovalainen 2008; Krauss 2005). Research methodology includes the framework of analysis, and the tools and procedures used by the researcher to explore reality to gain knowledge (Guba and Lincoln, 1994).

Guba and Lincoln (1994, p. 105) argue that it is important for a researcher to understand the philosophy underpinning a research project in order to make the right choice in terms of methodology. As stated above, this study is an exploratory study that aims to capture HRM perspectives of the key players. Hence, an interpretivist epistemology was considered to be the most appropriate paradigm to underpin the research methodology (Guba & Lincoln 1994; Lincoln 1990; Sarantakos 2005). An interpretivist approach lends itself to a qualitative research design that aligns best with the present research questions and enables the researcher to explore people’s experience, how they think, feel, and understand, and to interpret their meanings.
4.3.1 Research Methodology Selected: Qualitative Research Approach

Research methodology is a combination of techniques used to enquire into a specific situation. These techniques are methods, designs, concepts, instruments and analysis that guide the work of a study (Easterby-Smith, Thorpe & Jakson 2008, p. 60). The right choice for research methodology depends on the research paradigm, ontology and epistemology chosen for the study (Creswell 2013; Sarantakos 2005). According to Easterby-Smith, Thorpe and Jackson (2008, p. 60), research methodology is a combination of techniques used to enquire into a specific situation. As noted by Cavaye (1996), the methodology chosen by a researcher depends on the research project rather than a commitment to a particular paradigm. Creswell (2009) states that, if the research questions ask how or what, that is, they are seeking descriptions of what is going on, then one should employ qualitative research. Falconer and Mackay (1999), argue that by focusing on the phenomenon under examination, rather than the methodology, researchers can select appropriate methodologies for their enquiries.

The present study draws on a qualitative research approach to guide this study as it allows contextual evaluation of the data. Al Quran (2010) argues that a qualitative approach helps to overcome the common barriers of validity and reliability in the research process. As pointed out by Patton (2002), qualitative research methods produce detailed information and, when the information is analysed, increase the understanding of the individual and situation under study. A qualitative approach allows researchers to produce descriptive and explorative data from spoken words of participants and other observable resources (Creswell 2013; Creswell 2007). Guba and Lincoln (1994, p. 64) suggest that qualitative research should be used in a study if a quantitative methodology is unlikely to capture critical problems in the study, as qualitative methods allow researchers to explore perspectives and individual views that are beyond the reach of quantitative methods.

Qualitative research approach also offer interaction between the researcher and the research subjects, to gain a rich understanding of a phenomenon (Creswell 2013; Denzin & Lincoln 2005). Qualitative methods allow exploration of topics in more depth and detail, and are relevant when the research is exploratory (Yin 2003). In addition, Patton (2002) argues that the use of qualitative methods results not only in
an increased understanding of the situation under study but also a reduction in generalisation. Overall, it enables researchers to understand the personal experiences of people more deeply and clearly (Gummesson 2003; Spencer et al. 2003). It is valuable for developing rich, detailed description; for studying the complex relationships between action and context, and for exploring new phenomena and generating theoretical insights (Bradley, Curry and Devers 2007; Creswell 2007; Hoff and Witt 2000; Nembhard 2009). Qualitative data may also be used to bring an abstract idea or model to life, making it more persuasive and credible (Creswell 2007; Johnson & Christensen 2013; Yin 2009).

As noted by Bryman (2004), qualitative research emphasises words rather than quantification in the collection and analysis of data. This way knowledge is established through the meanings attached to the phenomena studied, and researchers interact with the research subjects of study during the process of data collection, thus influencing both researcher and subject (Coll & Chapman 2000). In other words, phenomena are socially constructed (Denzin & Lincoln 2005). This focus on the subject and researcher relationship, and the emphasis on language, experience, understanding and emotion, means that interpretivism is associated with a qualitative research approach to research (Erikson & Kovalainen 2008).

As pointed out by Creswell and Plano Clark, (2011), qualitative data can be examined, analysed, and interpreted for the purpose of discovering underlying meanings and patterns of relationships, helping to explain and build a level of understanding required in quantitative results despite the view that qualitative methods of inquiry are regarded as not having the robustness to enable the testing of hypotheses with empirical data. In addition, there is no objective reality; instead, there are multiple realities constructed by people who experience a phenomenon that is of interest to them (Christians 2011; Krauss 2005). In qualitative research the researcher usually makes knowledge claims based on constructivist perspectives. In the present thesis, by understanding what key informants think and feel about HRM practices in companies in the performing arts sector the phenomenon can be explored. Thus, this study aims to capture a snapshot of HRM systems and practice.
The main advantages of qualitative approaches include interpreting the social world from the viewpoints of the people under study; providing thick descriptions of context to gain understanding about the circumstantial situation of people’s social behaviour; an emphasis on processes of social life; and flexible approaches to data collection to increase the possibility of uncovering the perspectives of the people under study (Bryman 2012). Despite its advantages, it has been criticised for being too impressionistic and subjective (Bryman & Bell 2011). This means that findings from a qualitative research study rely too much on the researcher and often with unsystematic views about what is significant and important (Bryman & Bell 2011). Another parallel critique levelled against qualitative research approach is the difficulty of replicating the study; the limited scope of the application of the findings of the study; and the lack of transparency in terms of the data collection and analysis (Bryman 2012; Bryman & Bell 2011). As noted by Creswell (2009), researchers adopting a qualitative paradigm can adopt a number of possible traditions of enquiry, namely biography, ethnographies, phenomenological study, grounded theory, or case studies as well as approaches such as discourse analysis and action research. This research study adopts a qualitative case study approach to address the research questions. The next section below justifies the use of qualitative research approach in this study.

4.3.2 Justification for Qualitative Research Approach in this Study

There are a number of reasons that justify the use of a qualitative case approach in the present study. Firstly, this study is exploratory in nature, with little prior research of HRM practices in the performing arts sector in general or in companies in particular. Secondly, a qualitative methodology is most appropriate for this study as it allows a contextual evaluation and produces descriptive data from the written or spoken words of the participants and other observable data resources (Merriam 2009, p. 13). Thirdly, qualitative research data are often rich and nuanced (Weick 2007). This allows qualitative data to capture details and mechanisms that are easily overlooked, for example, in quantitative data. Fourthly, the most appropriate way to uncover the complex components of qualitative research is by getting inside the minds of the industry through the key stakeholders and participants in the case studies. Fifthly, a qualitative case approach further enables researchers to understand the personal
experiences of humans more deeply and clearly than a quantitative approach does (Gummesson 2003). Lastly, a qualitative case approach was considered the most appropriate for the study as it allows the researcher to capture participants’ working experiences, as these reflect multiple ‘realities’ (Patton 2002).

Al Quran (2010) emphasises that the type of research methodology adopted in a research study influences directly and significantly the quality, validity and generalisability of business research. Each type of empirical research has implicit, if not explicit, research design. The present study fits into the framework of ‘naturalistic’ ontology. Consistent with the constructivist ontology and subjective epistemology, a qualitative methodology was chosen because it provided an opportunity for the concerns, voice and practices of the participants to be seen and heard (Cooper & Schindler 2003). The methodology is also appropriate as it allows a contextual evaluation of data, and is discovery oriented and uses an inductive approach to build a holistic perspective of the nature and practices of HRM in the performing arts sector. Thus, given that little is known about HRM practices in the sector, exploratory qualitative research is warranted (Cavana, Delahaye & Sekaran 2001). The next section discusses the research design used in the present study.

4.4 Research Design: Qualitative Case Study Approach

Qualitative case study research approach was chosen as the most appropriate approach to addressing the research questions in the present study. Case study methods are appropriate when vigorously conducted (Merriam 1988; Swanborn 2010) and particularly useful in new and underdeveloped areas (Yin 2009). The multiple sources of data used in case study research allow for a more holistic and in-depth understanding than single method of qualitative and encourages a more contextually based understanding of social phenomenon (Patton 2002). Case study is also deemed appropriate when there is little known about the phenomenon, where current perspectives bring little new understanding and where existing theory is deemed inadequate (Fillis & Lee 2009; Swanborn 2010). Yin (2009) asserts that with case study, researchers are finding out how and why social phenomenon works or might have occurred.
The present research study involved a two-stage design of, firstly, key stakeholder interviews followed, secondly, by industry case studies. In stage 1, the key stakeholders made many claims about the nature of HRM in performing arts organisations, with limited evidence to support their claims. Stage 2 explored these claims and the actual HRM practices at the organisational level, within the context of the HRM literature.

Stake (2005, pp. 443-66) argues that the case study research approach is not a methodology but a choice of what is to be studied (i.e. a case within a *bounded system*); while other researchers argue that it is a strategy of inquiry, methodology, or a comprehensive research strategy (Denzin & Lincoln 2005; Merriam 1998; Yin 2003). Yin (2009) defined case study as an empirical inquiry that investigates a contemporary phenomenon within its real-life context. According to Yin (2009), case studies may be categorised as follows: single case (or single unit of analysis), which may be an explorative in-depth study of a phenomenon that provides a rich understanding of a situation or an event; and multiple cases, where more than one case (or multiple units of analysis) are studied, mainly for the purpose of comparing ‘cross-case’ findings.

The case-study approach has an established place in qualitative international business research. A review of articles published in core business journals over a 10-year period found case studies to be the most popular qualitative research strategy (Piekkari, Welch & Paavilainen 2009). Welch et al. (2011) argue that the prevalence of case study in business research is not surprising, given its potential to generate novel and ground-breaking theoretical insights. According to Merriam (1998) and Yin (2009), the case-study method of research is appropriate for the realism paradigm.

The research problems addressed in the present study are more descriptive than prescriptive. There are no cause and effects required to solve the research problem; and the research problem is usually a ‘how do?’ problem rather than a ‘how should’ problem. This ‘how do’ rather than ‘how should’ problem captures the positive versus normative dichotomy, as the case study is concerned with describing real-world phenomena rather than developing normative decision models (Perry 1998). The
following reasons underpinned the choice of the qualitative case-study approach in the present study.

Firstly, following Yin (1994), it is argued that the case-study method is particularly suited to situations in which the researcher has little control over or in which relatively little is known about the phenomenon under investigation. Secondly, case studies were the most appropriate because the research problem addressed the question of ‘how do’ rather than ‘how should’; and, therefore, the inductive (theory-building) approach is required to solve this type of research problem (Yin 2003; Yin 2009). Thirdly, the case-study approach aims to explain inductively the real context of the phenomena being examined (descriptive), rather than to develop normative models based on a theory-testing approach that describes how the phenomena should exist (prescriptive). Fourthly, the case-study approach is recommended for process-oriented and holistic exploration (Flyvbjerg 2006, 2011; Patton & Appelbaum 2003; Yin 2009), as it generates in-depth reflexive data that captures the complexity and plurality of organisational perspectives (Patton & Appelbaum 2003).

The present study meets these criteria for the following reasons. Firstly, as pointed out by Sinkovics, Penz and Ghauri (2008), the case-study approach provides researchers with the opportunity to understand the case in-depth and in its natural setting, and to recognise its complexity and its context. It further helps to preserve and to comprehend the wholeness of the case. Secondly, Sinkovics, Penz and Ghauri (2008) argue that the case-study approach provides excellent opportunities for respondents and researchers to check their understanding, and to keep asking questions until they obtain sufficient answers and desired interpretations.

Yin (2009) suggests that case-study methods are suitable for defining a topic broadly, to cover contextual conditions, and to rely on multiple sources of evidence. It is suitable when a researcher wants to understand behaviours and perceptions of key informants in an organisation. Moreover, the case study method is a solid ground for the theory-building approach, which is very suitable for new areas of research wherein little is known, or for refining the existing theory and proposing new directions for further research (Yin 2009). This need for relevant, in-depth and contextual detail (Cooper & Schindler 2003; Yin 2009), and the opportunity to
provide comprehensive coverage, strengthened the decision for the multiple and exploratory case-study approach adopted in the present research study. Yin (2003, p. 2) also argues that case study strategy allows investigators to retain the holistic and meaningful characteristics of real-life events such as individuals’ life cycles, and organisational and managerial processes. Furthermore, Merriam (2009) suggests that insights gleaned from case studies can directly influence policy, practice and future research.

However, there are limitations in conducting qualitative case study research. It is time consuming and costly, and may exaggerate findings, leading to incorrect conclusions about the issues under investigation (Frohlich, Tsikriktsis & Voss 2002). It might also exaggerate a situation, leading to erroneous conclusions about the actual state of affairs. It has been further criticised for the potential to create bias and reliability, validity, and the question of generalisation (Bryman 2012; Merriam 1998; Yin 2009). Acknowledging these limitations, Merriam (2009) argues that the benefits of case study research outweigh its disadvantages. Yin (2009) and Merriam (2009) argue that, despite this limitations, the results of a case study can have very high impact. Frohlich, Tsikriktsis and Voss (2002) note that it can lead to new and creative insights and development of new theory, and have high validity. Through triangulation with multiple sources of data collection, the validity can be further increased. Recognition of the shortcomings in the use of qualitative case study led to the design of this study to have a multiple-case approach to strengthen the validity and reliability of the study, with the aim of replication of data.

### 4.4.1 Multiple Case Study Design

An important part of a case study research approach is to determine the selection of either a single-case or a multiple-case study. Each of these two strategies is best applicable under particular research conditions. Yin (2003) argues that there are four types of case study design: (a) single case (holistic); (b) single case (embedded); (c) multiple case (holistic); and (d) multiple case (embedded). According to Yin (2003), single-case design implies the deployment of one case study, and it is holistic when it involves simply one unit of analysis or the case itself; whereas it is considered embedded if it integrates more complex sub-units of analysis.
The present study is guided by multiple-case research study approach as suggested by Eisenhardt (1989; 1991). Firstly, as Yin (2009) notes, findings from multiple-case design can establish a wider data analysis than a single-case design, and the findings are more generalisable. Secondly, the literature tells us that micro and small companies dominate the performing arts sector, and in this study the aim was to capture a range of organisational sizes. Thirdly, this multiple-case design provides robust and rigorous grounds for quality research derived from the triangulation of evidence, compared with single-case design; and findings are considered more powerful and compelling (Yin 2009). It is important to note that the research reported in this thesis is based on three case studies.

Multiple-case design refers to conducting a number of case studies, enabling a higher degree of findings that can establish a wider scope of data analysis than can the one context (Eisenhardt 1991; Yin 2003). The embedded multiple-case design can include multiple units of analysis (Yin 2003). However, Miles and Huberman (1994) and Patton (2002) state that multiple-case studies can provide potential for generalisability of findings, as they increase the scope of the investigation. Yin (2009) argues that triangulation of data in the context of multiple-case studies provides different data sources to satisfy theory generation and verification.

### 4.4.2 The Selection of Cases

The selection of cases in this research study are purposeful (Merriam 2009; Yin 2009) rather than a representation of the population (Stake 1995). The reason for choosing these cases as the empirical bases for this study is that they are selected based on company size, such as small, medium and large arts companies, to explore and compare HRM practices. Yin (2003, p. 47) states strongly that multiple cases should be considered as multiple experiments and not multiple respondents in a survey, and cases must be selected based on replication logic and not based on sampling logic. As a result, each case either predicts similar results (literal replication) or predicts opposite results for predictable reasons (theoretical replication). In the present study, each case study was considered an experiment, and replication was the basis for analysing the multiple cases (Yin 1994).
Patton (2002) argues that case studies should be selected from among potential cases that are information-rich, and provide the researcher with deep knowledge and understanding about the research issue. The cases in this study were purposefully selected to show different perspectives on the issue under investigation. This allowed contrasting findings according to the replication logic. The results and analysis of this research study are based on these cases and are deemed appropriate for replication of findings (Yin 2009). Regarding the number of cases to include in a multiple-case study analysis, Eisenhardt (1989) recommends that respondents should be added until ‘theoretical saturation’ is reached. Thus, theoretical saturation in this sense applies only to the key stakeholders’ interviews of this study, but not to the cases. However, the underlying principle for deciding on the case-study organisations was selecting information-rich cases worthy of investigation (Patton 1990). All participants, including the cases, were identified through a variety of methods: from industry contacts, referrals, and others through the snowballing technique (whereby one interviewee is asked to nominate other potential interviewees) (Sudman 1976).

Patton (1990, p. 181) argues that there is no exact number or range of cases that could serve as guidelines for researchers, claiming that “there are no rules” for sample size in qualitative research. Nonetheless, Eisenhardt (1989, p. 545) recommends the study of between three and ten cases. Three cases were included in the present study, which is generally considered to form an adequate basis for qualitative research analysis (Diesing 1971). Throughout the research, the unit of analysis that informs the discussion is the organisations who are involved in the management of the performing arts industry in Australia. Patton (2002) observes that one of the strengths of a qualitative research design is the holistic view of its unit(s) of analysis. The selection of the unit of analysis requires specific data collection and analytical methods that affect the position of findings and conclusions of the study.

4.4.3 Data Collection Process

The research process of the present study involved a two-stage data collection process. Firstly, key stakeholder interviews, and secondly, three case studies, were used to explore the validity of the conceptual framework of this study. Carson and
Coviello (1996) argue that this stage-by-stage process of data collection combines a variety of data sources in order to facilitate the study of a phenomena.

**Stage One – key stakeholders**

**Stage 1:** The first stage of the data collection process involved in-depth interviews with key industry stakeholders, the purpose of which was to gain an overall insight and perspective on the practice of HRM in the performing arts industry in Australia. These key stakeholders were of importance in understanding context and situational factors that influence an organisation’s approach to HRM and influence HR policy choices. These include prevailing management philosophy, government and regulation, union influence, and workforce characteristics (Beer et al 1984). A total of eight key stakeholders were interviewed in the first stage of data collection.

The participants included one official specialising in industrial relations from Live Performance Australia (LPA), which is the main employers’ association in the arts industry; and one official from the Media and Entertainment and Arts Alliance (MEAA), which is the major trade union in the industry. The others interviewed were: two government officials from the State government, one with responsibility for working with performing arts companies in relation to funding and resources, and the other with responsibility for government arts policy development; two Chief Executive Officers (CEOs) from small arts companies; one HR Director from a large arts company; and one Manager from a small- to medium-size company. Face-to-face, semi-structured interviews (see Appendix 1) were undertaken to provide an information-rich inquiry with the key Stakeholders. The composition of the stakeholders included individuals with considerable knowledge, experience and involvement in the development, implementation and management of people in the arts performing arts industry. Table 4.1 provides details of key informants or participants involved in Stage 1 data collection.
Table 4.1 Profile of the Participants

<table>
<thead>
<tr>
<th>Code ID</th>
<th>Gender</th>
<th>Position</th>
<th>Years of Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>VAC 1</td>
<td>Female</td>
<td>One official from the Media &amp; Entertainment and Arts Alliance (MEAA)</td>
<td>10</td>
</tr>
<tr>
<td>VAC2</td>
<td>Female</td>
<td>CEO</td>
<td>8</td>
</tr>
<tr>
<td>VAC3</td>
<td>Female</td>
<td>CEO</td>
<td>5</td>
</tr>
<tr>
<td>VAC4</td>
<td>Female</td>
<td>Manager</td>
<td>13</td>
</tr>
<tr>
<td>VAC5</td>
<td>Male</td>
<td>Director HRM</td>
<td>3</td>
</tr>
<tr>
<td>VAC6</td>
<td>Male</td>
<td>Government official responsible for working with performing arts companies in relation to funding and resources</td>
<td>16</td>
</tr>
<tr>
<td>VAC7</td>
<td>Male</td>
<td>Government Official responsible for government arts policy</td>
<td>20</td>
</tr>
<tr>
<td>VAC8</td>
<td>Male</td>
<td>One official from Live Performance Australia (LPA) specialising in industrial relations</td>
<td>35</td>
</tr>
</tbody>
</table>

The key stakeholders were selected on the basis of standard protocols for a qualitative research setting, i.e. key informants “should (1) occupy roles that make them knowledgeable about the issues being researched and (2) be able and willing to communicate with the researcher” (George & Reve 1982, p. 360). The participants were identified through a variety of methods: some from industry contacts; some from referrals; and some through the snowballing technique whereby one interviewee is asked to nominate other potential interviewees (Sudman 1976). The procedure is also used to study ‘rare elements’: small groups scattered over a large area, but which keep in touch with one another in some way. The first data collection provided an information-rich inquiry from a small sample (n=8) of key informants.

Each interview lasted between thirty-five to forty minutes in duration, in order to accommodate the participants’ schedules. The themes covered ranged from the respondent’s background, and current role and experience, to HRM and people-management practices in the performing arts sector. According to Halloway (1997) and Minichiello et al. (1995), the use of qualitative in-depth interviews is a good method of data collection in that it helps to determine the perspectives, perceptions and feelings of the informants in the study. The semi-structured interview questions were developed by the researcher. A semi-structured interview guide was developed.
for the key stakeholders (see Appendix 1), inviting participants to elaborate on the nature of HRM systems and challenges in the performing arts sector.

All interviews were arranged to accommodate the schedule of participants and were conducted in participants’ offices. This was important in order to ensure that participants were as comfortable as possible during the interviews. The researcher used a digital data recorder for all interviews to ensure accuracy of information and to avoid losing data. Each interview was saved in a digital folder on the recorder; later, the files were downloaded directly to the researcher’s computer. The findings from key informants enhanced insights into the industry context of the performing arts, and further facilitated the development and subsequent systematic collection of in-depth interviews at the organisational level.

**Stage 2:** The second stage of the data collection essentially relied on in-depth semi-structured interviews largely with key organisational representatives as the primary source of data. Originally, it had been planned to interview performers as part of this study however, this proved not to be possible. It became clear that direct contact with and observations of performers were not feasible, given the casual, project-based nature of the sector, and the transience of the performing workforce. Performers are not paid to attend such interviews and perhaps saw little relevance for themselves. It is acknowledged that this provides a limitation on the study findings.

The participants involved in Stage 2 data collection were: **In case one,** Company Manager, Artistic Director, Choreographer and one Board Member. **In case two,** Finance Manager, Finance Assistant, Marketing Coordinator, Box Office Staff member, Executive Producer, Company Manager, Associate Artistic Director and a Freelance Artist. **In case three,** HRM Director, General Manager Orchestra, Senior Artistic Manager and the Company Manager. Full case profiles of participants are contained in the relevant chapters.

The primary data were collected in the form of semi-structured interviews (see Appendix 2). The secondary data included reviews of organisations’ websites, including annual reports, official documents and unpublished data from the Australian Bureau of Statistics. Official documentation was very useful in validating interviews
with the participants. All documents were obtained electronically from all the participating companies. The documents included all organisational HRM policies. Each individual case relied on multiple sources of information, which allowed triangulation guided by the theoretical model developed earlier in Chapter Two.

All participants were encouraged to be frank and forthright, and some of the sensitive information that was provided suggests that this occurred. The data collection process involved case-study analyses of three performing arts organisations. In total, 16 in-depth interviews were conducted across the three case organisations. The three cases had the advantage of providing a complimentary and contrasting mix of firm size and, based upon the findings from the interviews, they also offered a contrasting and complementary mix of organisational structures and HRM management systems. Having multiple sources of data enhances the trustworthiness of case-study research, and provides richer contextual information for the cases (Yin 2009). According to Eisner (1991), triangulation of data provides a confluence of evidence that breeds credibility (i.e. confidence in the validity of the data).

Patton (2002) and Yin (2003) emphasise that the hallmark of case-study research is the use of multiple data sources, a strategy which enhances data credibility. Multiple and different sources of data were thus used in the present research to provide corroborating evidence on the themes (Whittemore, Chase & Mandle 2001). The two-stage approach to data collection in the present study is deemed appropriate to best address the research questions. The last stage of the research methodology involved comparing the findings across the cases and drawing conclusions to address the research questions of this study.

Each case was selected in a different way. Case 1 was suggested by one of the key stakeholders as an example of a micro not-for-profit organisation founded by a charismatic individual creating original works. Case 2, a medium-sized theatre company, was identified through serendipity, that is, through a chance meeting by one of the supervisors with a member of the company. The company was established in 1976 as a not-for-profit organisation. Case 3 was captured through cold calling, when it was determined that a large company needed to be investigated for comparative
purposes. However, this company had been cited by a number of the Key Stakeholders as a leader in HRM practice in the industry.

In other to mitigate the risk of disclosure of identity and maintain confidentiality of individuals and the participating organisations, no real names are used. The identities of participants are not disclosed. The interview questions were designed so that the information being collected is useful to the study but not so intrusive as to be revealing of the identities of the companies. In addition, findings do not include any information that would inadvertently identify individuals or organisations. All participants in the interviews were provided with an informed consent letter and information sheet as part of their invitation to participate. This allowed participants the opportunity to see the scope of the research being conducted. They had the option to withdraw at any point if they felt uncomfortable (see Appendix 3).

Data collection and analysis occurred in a cyclical process, until concepts and themes became detailed and redundant, and new information ceased to emerge (Miles & Huberman 1994; Strauss & Corbin 1998). All interviews were digitally recorded and later transcribed verbatim, and in addition notes were also taken during the interviews.

4.5 Data Analysis

Qualitative data analysis requires a large amount of information to be summarised, described, and examined for patterns of relationship, so the phenomena being studied can be explained and constructed (Yin 2009). Data analysis for this research was framed within the interpretive approach, which views research as a nonlinear, recursive (iterative) process in which data collection, data analysis, and interpretation occur throughout the study, and influence each other (Willis 2007, p. 202). All interview responses were transcribed, categorised, coded, and summarised for patterns and themes (Friedman & McDaniel 1998). The process of analysis included: (1) preliminary exploration of the data by reading through the transcripts and writing memos; (2) coding data by segmenting and labelling the text; (3) using codes to develop themes by aggregating similar codes together; (4) connecting and interrelating themes; and (5) constructing a narrative (Creswell 2002).
A coding system was utilised in the analysis to identify themes and concepts based on the research study questions. This research implemented inductive and deductive qualitative analyses. Inductive analysis assisted with the development of patterns, themes, and categories by means of thematic codes; whereas deductive analysis supported the comparison of data (Patton 2002). Patton (1980) points out that inductive analysis means that the patterns, themes, and categories of analysis come from the data: they emerge out of the data rather than being imposed on them prior to data collection and analysis. As pointed out by Stake (1994), the aim of qualitative data analysis is to develop and communicate understanding from the methods of data collection.

In addition, the consistent and reliable framework facilitated cross-case analyses of data (Perry 1998), while full-case analysis of each firm preceded these cross-case analyses (Miles and Huberman 1994). Cross-case analyses allowed for the identification of similarities and differences and trends in case experiences. A recursive process of discovering both convergent and divergent patterns (Patton 2002) in the preliminary document and the interview transcripts resulted in the final themes developed for this qualitative case study.

4.5.1 Data triangulation

Data triangulation is one of the defining features of a case study. It is a method used by qualitative researchers to strengthen the confidence of and establish validity in their studies, by analysing a research question from multiple sources (Johnson & Christensen 2013; Yin 2009). Yin (2009) states that documents, archival records, open-ended interviews, observations, interviews, and surveys can shed different light on the topic of case studies. Cohen and Manion (2000, p. 254) define triangulation as an attempt to map out the complexity of human behaviour by studying it from more than one perspective. O’Donoghue and Punch (2003, p. 78) define triangulation as a method of cross-checking information to produce accurate results. The benefits of triangulation include “increasing confidence in research data, creating innovative ways of understanding a phenomenon, revealing unique findings, challenging or integrating theories, and providing a clearer understanding of the problem” (Thurmond 2001, p. 253).
A key strength of triangulation is the possibility of uncovering complexity in finding different views. One of the primary disadvantages of triangulation is that it can be time-consuming. Collecting more data requires greater planning and organisational resources, which are not always available to lead researchers (Stavros & Westberg 2009; Thurmond 2001). The present study adopted methodological triangulation, involving the use of more than one method in data gathering and analysis, to check the validity and to see differences in views about the phenomenon studied. The study involved four sets of data to triangulate – the key Stakeholders, and the three cases - and this is a strength of the thesis.

The main criticism of triangulation is that distinctions are not drawn between combining data from different sources, using different methods, and integrating different methodological approaches (Hammersley 2008; Stavros & Westberg 2009). This reflects the fact that discussion of triangulation has been caught up in debates about the relationship between quantitative and qualitative research traditions, as well as in disputes among competing qualitative traditions (Hammersley 2008; Stavros & Westberg 2009). Another criticism levelled against triangulation is that it assumes that sets of data deriving from different research methods can be unambiguously compared and regarded as equivalent in terms of their capacity to address a research question (Denzin & Lincoln 2008). Such a view fails to take account of the different social circumstances associated with the administration of different research methods, especially those associated with a between-methods approach. It has further been criticised and accused of subscribing to a naive realism that implies that there can be a single definitive account of the social world (Denzin & Lincoln 2008). Such realist positions have come under attack from writers aligned with constructionism and who argue that research findings should be seen as just one among many possible renditions of social life (Creswell 2009; Guba & Lincoln 1994; Sarantakos 2005).

4.5.2 Reliability and Validity

The term ‘reliability’ is a concept used for evaluating quantitative research, and is used in all kinds of research. Reliability of a study ensures that errors and biases in the study are minimised. Reliability requires that the process of research applied in the study be consistent, allowing any future researcher to follow the exact procedures and
arrive at the same conclusions depending on the data (Yin 2003). As argued by Zikmund (2003), reliability is an evaluation process where similar results are attained over time and across situations. Zikmund (2003) further argues that reliability is the scale to which measures are free from error and therefore yield consistent outcomes. Somekh and Lewin (2008, p. 348) define reliability from a qualitative point of view. They point to the different meanings of the term reliability in qualitative and quantitative research. Given that the qualitative case-study method has been criticised for lack of methodological rigour (Patton 1990), proponents of case-study research have developed ways to ensure increasing integrity in qualitative studies (Creswell 2007; Yin 1994).

To ensure reliability in the present study, triangulation of the synthesis of data from multiple sources was attained through multiple data sources and contexts, and stages of analysis, which maximises the robustness of the study and the confidence of its conclusions (Bryman 2004; Creswell & Plano Clark 2007; Denzin & Lincoln 2008). Company documents were also used to support or to disconfirm the materials collected from the case organisations. These documents include: company annual reports; HRM policies and procedures; and company websites. As pointed out by Yin (2003), case studies include an overview of the case research, field procedures, and case study questions. To increase validity and reliability in the present study, three approaches of data collection were followed: use of multiple sources of evidence; creation of a case study database that organises documentation being collected for case studies; and maintaining a chain of evidence. Validity, generalisability and reliability of the findings were facilitated by the application of cross-case analysis (Miles & Huberman 1994), through replication logic, based on the use of multiple sources of evidence. In addition, advice from the thesis supervisors allowed additional insights on the key concepts that emerged, and reduced subjectivity.

4.6 Theoretical framework

The theoretical framework for this study is underpinned by the Harvard model of SHRM. As already stated, this model is based on the assumption that HRM is influenced by wider stakeholders’ interests and contextual factors. In theory, the interaction between the stakeholders and situational factors allow the organisations to
identify the most suitable HRM policy choices. The literature review in Chapter Three also provided a range of perspectives and theories relating to the actual practice of HRM that were drawn on in the data analysis.

The proposed model is relevant to this study because the performing arts sector is characterised by its institutional environment (Crittenden 2000), which requires organisations to gain legitimacy with multiple stakeholders, manage the dependence on funders, and reconcile diverse expectations (Akingbola 2013). The effects of these interactions impact on strategy and organisational outcomes. The proposed theoretical model, and situating performing arts organisations with the industry context, forms the bases for the research questions developed earlier, in Chapter One. The theoretical model also forms the basis for the key stakeholder interviews, and underpins the three case studies, whilst remaining important to the theoretical triangulation of the overall findings of the research.

4.7 Limitations of the Research Methods

The first limitation of this thesis is the lack of the voice of performers in the research. Having the performers’ voices in the study could have assisted in the collection of greater depth in the findings, in particular the question of identity which began to emerge from the findings. However, while efforts were made to interview performers, they proved elusive, possibly due to the casual project-based nature of their employment – possibly they were just too busy earning money elsewhere. The second limitation is that the research findings are based on the participants’ perspectives and experiences, which are difficult to generalise from. In addition, there is always the possibility of inaccurate information provided by the participants, based on their memories of past and current events in the management of HRM within the performing arts sector. However, it is important to state that generalisation was not an aim of this research. Instead this is a snapshot of the understanding and experience of HRM practice from the key informants’ perspectives. The third limitation is the small number of respondents, especially in Case 3. Interestingly, this company proved to be the most difficult in which to engage respondents, yet it was the largest company with the most employees in the sample.
4.8 Ethical Considerations

Originally, this research commenced at Victoria University, Melbourne, Australia, and was subject to approval by that university’s Human Research Ethics Committee (HREC) (see Appendix 4). Ethics approval was gained for both stages of the research process. The researcher then transferred to Royal Melbourne Institute of Technology University (RMIT) in the fourth year of the research study. There were no changes made in the research methods and processes, and ethics approval did not need to be sought again. To maintain ethics in a qualitative study, anonymity of the participants, herein the interviewees, is important (Nagar & Farah 2003; Robertson 2002; Sultana 2007). The identities of both the key informants and the case study organisations were disguised or not mentioned in the entire study. This was aimed at providing maximum confidentiality to both the participants and their organisations in the study.

Reflexivity in research entails reflection on oneself in the research process during data collection and interpretation. As pointed out by Nagar and Farah (2003) and Sultana (2007), being reflective is significant for situating the research and knowledge so that ethical commitments can be sustained. On the other hand, Robertson (2002) argues that positionality is a key component of self-critique, which is premised on the researcher’s identity in different cultural environments. As per Victoria University’s ethics policy, all interviews transcripts, as well as electronic copies have been stored on at Victoria University, and these will be retained for a period of five years following the completion of the study.

Every effort was made to mitigate any ethical concerns as a result of participation. All participants were provided with the name and contact information of the investigator, while ensuring their anonymity. While all interviews were audio recorded, participants were kept anonymous, not being identified in the thesis. In addition, the identity of participants and organisations remained confidential, with pseudonyms being used throughout the presentation of findings. As observed by Miles and Huberman (1994), there are a number of ethical issues to be considered in qualitative studies, before, during, and after the research. For example, as pointed out by Patton (2002), interviews are interventions that demand thoughts, feelings, knowledge, and experience from participants. Based on these reasons, ethical behaviour and ethical
management of the data collected and analysed are of prime importance. Patton (2002) argues that qualitative research methods are highly interpersonal by nature and, as a result, the interviewer requires an ethical framework within which to operate.

4.9 Chapter Conclusion

This chapter has described the research methodology in this study. The study adopted a qualitative case study approach to address the research objectives identified in Chapters One and Two. Exploratory case studies were useful in this study to explore the under-investigated topic of HRM practices in the arts industry, given the lack of empirical research in the area. The use of qualitative methods for in-depth understanding of the research problem has been justified based on evidence from the literature and in relation to the aims of the current research. The qualitative data collected from the key informants and the three cases will be used to explore the current state of HRM systems and practices in the performing arts industry. The assumptions and ethical considerations that underpin this research have been discussed, and each stage of the data collection and analysis associated with this research project has been discussed.

The chapter also explained the reasons for the choice of particular research techniques, together with the constraints and limitations of the methodology. Having described the research methods used for this study, the next four chapters will introduce the findings. Chapter Five focuses on the perceptions of the key stakeholder’s perception of HRM systems and practices in the performing arts industry in Australia.
CHAPTER FIVE: PERSPECTIVES FROM THE KEY STAKEHOLDERS

5.1 Introduction

Chapter Two explored the features of the performing arts sector including economic relevance, the role of government, industrial relations practices, organisational characteristics and the nature of the workforce. Empirical evidence from Australia and international studies identify a sector dominated by small organisations, casualisation and part-time employment (often based around short-term projects), and wide income disparity, with many workers holding multiple jobs to make a better living. However, despite such challenges, one of the key features of the arts sector is a passionate and committed workforce. Chapter Three focused on the human resources management (HRM) literature and the different theories and approaches to the management of people. The industry context, the nature of the workforce, and organisational size emerged as key factors that could shape the adoption of particular strategies or approaches to HRM policy and practice by arts organisations. Chapter Four outlined the research methodologies which form the foundation of this thesis.

The purpose of Chapter Five is to present and discuss the themes that emerged from the stakeholders in regard to their understanding of HRM practices and challenges in the sector. Four key themes emerged from these interviews, and these are: precarious employment; funding and resources; pay and conditions; and organisational size. Chapter Five lays the groundwork for the three case studies that are examined in the subsequent Chapter. Chapter Five is structured as follows: Section 5.2 highlights the profile of participants. Section 5.3 identifies the key themes that emerged from the key stakeholder interviews, while Section 5.4 discusses these themes and draws conclusions.

5.2 Profile of participants

A total of eight key stakeholders were interviewed for the study. These included one official specialising in HRM and industrial relations from Live Performance Australia
(LPA), which is the main employers’ association in the arts industry, and one official from the Media and Entertainment and Arts Alliance (MEAA), which is the major trade union in the industry. The other interviewees were: two government officials from the State government, one with responsibility for working with performing arts companies in relation to funding and resources, and the other with responsibility for government arts policy development; two Chief Executive Officers (CEOs) from small arts companies; one HR Director from a large arts company; and one Manager from a small-to medium-size arts company.

5.3 Key emerging themes

The themes that emerged from the interviews are discussed in Sections 5.3.1 to 5.3.4. First, precarious work and employment in the arts sector, where interviewees spoke about a number of issues including job insecurity, casualisation, multiple jobholding, project-based employment, and the short-term nature of employment in the arts sector. Second, the impact of the funding context on organisational resources; third, pay and conditions in the sector; and finally, the importance of organisational size as a determinant in adopting HRM in performing arts organisations. While some of these themes are common in other project-based industries such as software and fashion industry for example, they are particularly relevant in the performing arts.

5.3.1 Precarious employment

The notion of precarious employment dominated the interviews. All participants described the nature of work and employment in the arts sector as project-based, casualised, and often part-time, leading to multiple job holding, and job insecurity. However, this situation was also seen to be an expectation of those working within the sector. For example, the Manager of the Performing Arts Company stated that there are few permanent positions in her company, and indeed within the sector, at any given time, but claimed that this was the expectation, particularly for performers:

*The level of job insecurity of their employment is of course terrible... to a certain extent that is the nature of their work. You may have a job this week and next week you have none.*
Furthermore, the Government Official responsible for government arts policy believed (without providing any evidence) that job insecurity in the arts sector was increasing, but that it is not only performers that are insecure. He claimed that performing arts managers and administrators also have high levels of job insecurity. Again, he attributed uncertainty and job insecurity in the arts sector to the casual nature of work and employment conditions, and believed that it was the nature of the sector. He stated:

*I can tell you there is no job security in their employment and this is of course not good but this is the nature of the work. Job insecurity is a general issue in the arts industry.*

The HRM Director agreed, stating that most members of the performing arts workforce have at least two jobs, if not more, in order to maintain some financial security. Again, he attributed this situation to the nature of employment in the sector. He noted:

*Job insecurity is certainly a problem in the industry ... you know you can have a job today and next week you may not have a job to earn money to pay your bills.*

One of the CEOs stated that she had more casual staff in her company than permanent employees. She explained that she would like to have more permanent staff but, like many other arts organisations, she did not have the resources to do so, and her only option was to employ casual staff whenever necessary to perform certain roles. She commented:

*We have about thirty performers who we contract on casual basis and about five or six technical crew who we get to come on board for specific jobs. They come on just when there is a performance. They are on a restricted contract usually and they are for operational purposes only*

The other CEO went further, claiming that there are only two arts companies in the state capital that employ a substantial number of their staff in more permanent
positions. However, she believed that while performing arts workers do not like the casual nature of the arts industry in which they work, because they are passionate and love their work, they are prepared to accept this precarious employment situation.

Clearly, one of the reasons that work and employment in the arts sector is so precarious is that it is characterised by project-based employment. Both Government officials commented on this. The Government official responsible for funding stated:

*Work and employment in the arts industry is often characterised by project based employment ... hence you complete one project, you move to another and that is how it is in the arts in general.*

The Government official responsible for government arts policy added:

*I would say one of the issues in the arts industry is that work is project oriented. Employees move from project to project and that is the nature of the industry*

In addition, the MEAA representative explained that not only are the projects short term but that the teams of people working on projects are often different, giving little ongoing stability:

*It is a project driven industry and learning lessons from one project to the next when you might be working with a completely different group of people.*

Overall, the interviewees were concerned that precarious employment was standard practice for the majority of performing arts workers, including not only performers and technical staff but also managers and administrators. However, they felt that very little had been done to address this situation and did not appear to be aware of existing research in the sector. For instance, the Manager of the Performing Arts Company believed that there was a lack of research on people management issues in the arts sector, given that the industry is characterised by casualisation of work. She commented:
The casual nature of the industry and part time positions within the industry continue to happen ... but it is a casualised workforce and I don’t think there has been a lot of thought or research done into it ... and I think that needs to change.

The MEAA representative linked casualization to HRM practices within organisations and she argued that the casualisation of the workforce was a key barrier to good human resource management practice in the sector because the main priority of management is the performance or show. This leads to a short-term focus rather than the longer-term nature of organisational policies. She noted:

The biggest barrier in the implementation of HRM is the casual and brief nature of the contract because when a show is rehearsed and up and running the whole focus of everyone becomes on that and not on any HRM issue.

In summary, the issue of the precarious nature of employment in the arts sector emerged very strongly from the key stakeholders. This was largely due to the project-based nature of the work and the limited number of permanent positions. This included managers and administrators as well as performers and technical staff. However, there was also a sense of acceptance that this is the way work is done in this sector with no real sense of how things might change.

5.3.2 The issue of funding and resources in the sector

The second theme emerging from the key stakeholders was the reliance on limited government funding, leading to a general lack of resources and arts companies having to manage on very little. It was noted that, in Australia, both federal and state governments have played a fundamental role historically, and continue to do so, in providing funding to the arts. However, the stakeholders also believed that funding in the sector is a sensitive issue for both government and arts companies, and is a source of contention and argument between government departments and the companies, which often leads to competition between companies seeking government funds. The informants also believed that government funding, or lack of it, affects HRM practice
because it directly and indirectly impacts on wages and conditions. One CEO claimed that government funding was crucial for the survival of small companies like hers. She explained:

We need extra government funding as the smaller companies obviously have fewer resources and it makes it harder for them and I think extra funding will go a long way to helping us especially in the areas of wages and salaries

The other CEO claimed that the way the arts sector is perceived in Australia by the general public and government makes it harder to get substantial funding from government. She argued that the arts are not taken seriously and nurtured by government, despite the contribution that the sector makes to the Australian economy. She believed that government and community attitudes towards the arts are problematic. She noted:

The way the arts are managed in Australia means that we don’t have the resources to enable us build the arts in a robust way. The issue with funding is ongoing and I think more funding in the arts industry will be helpful

On the other hand, the MEAA representative had a different view. She argued that arts companies need to generate more of their own revenue and become more self-reliant instead of constantly relying on government. She recognised that currently a large proportion of their income comes from government. However, rather than lobbying for more government support, she argued that companies should look for other sources of revenue. She explained:

About sixty-six percent of our income is from government funding ... we need to generate more in order for the company to succeed not just through government funding ... sell more tickets, raise more philanthropic income.

In summary, in the previous section it was shown that precarious employment was the major problem facing human resource management practices in the arts sector and
that this was largely due to the nature of the work. However, underpinning this, evidence from the current section showed that the majority of the stakeholders believed that limited government funding and less support to the arts was a fundamental problem in the sector which contributed to precarious employment and poor wages. One reason for this limited support could be the value that Australian society places on the arts, particularly support for the smaller, more experimental companies.

Only one stakeholder challenged the expectations of companies regarding government support, and suggested that companies should explore other options for financial sustainability. Evidence provided earlier in Chapter 2 of this thesis demonstrates that in practice arts companies are sourcing other avenues of revenue such as box office, sponsorship and donations. However, the findings from the current chapter show that companies are still largely reliant on government and this reality is reflected in the commentaries from the stakeholders.

5.3.3 Pay and conditions

The majority of the respondents identified low wages and poor conditions as a key challenge, and attributed these to a lack of government funding and support. Certainly, there was a general belief that more government funding would improve employment security and wages and conditions. The Government official responsible for government arts policy commented:

*I think the actual issue is to do with wages and salaries because the arts and the artists are poorly paid. The wages have been traditionally low and so developing a kind of robust salary structure is quite tricky because we mainly rely on government funding and are very reliant on box office sales*

However, this stakeholder also acknowledged that this was not necessarily the case across the whole sector, but only in the areas reliant on government funding. For example, he believed that good wages could be earned in film and television, and that
many performers subsidised theatre work through their work in these more commercial areas:

The pay that you get when you get work in theatre is not particularly good. Film is different but obviously actors that get into film can start to earn good money, the same with TV, so as a performer it is said that you almost do theatre for love and TV for money.

The LPA respondent agreed that lack of government funding led to poor wages and conditions. However, again he argued that this was not across the board, and that the larger more established companies can afford to pay their staff well. He commented:

The higher you get up the tree, especially when you get to the large organisations like the opera, ballet and some of the bigger theatre companies ... they pay their staff OK but when you get down to small organisations with a handful of people involved ... they are not well paid.

The Government official responsible for funding believed that because low wages and conditions were the accepted norm, people often left the arts sector to work in other sectors, to get better wages and conditions and better opportunities. He noted:

Quite a few people I know recently have moved from the arts to the health sector because they get a better wage, career path and a less stressful job. A lot of my friends have left the arts industry to other industries ... unless you become a manager you do not get paid better ... unless you become a Russell Crowe or Cate Blanchet and the rest of them.

He added:

For the work that the artists do ... if they work for a transport company or an airline, even in hotels which traditionally pay less ...they would get more money.
The stakeholders believed that unless someone becomes a famous actor, performer or director (who can command higher salaries or fees), for those that choose to stay in the industry, poor wages and related working conditions can lead to both short-term and long-term financial insecurity. For example, the Performing Arts Company Manager claimed:

*My partner is a casual technician in the performing arts industry and we face the same thing. One week his salary is enough and we can pay the mortgage and the next week it is not enough and we can’t go out for dinner or do something nice. Definitely it is something that impacts on our personal life and you have to be organised, plan and always keep something up your sleeve for a rainy day.*

This situation even affects long-term security. For example, two of the stakeholders expressed their concerns that, due to financial constraints and the casualised nature of the industry, some small companies were not meeting their legal requirements with regard to the payment of superannuation benefits. They believed that if this problem is not investigated and acted upon, many people working in the performing arts will retire with little or no superannuation. One CEO was particularly concerned, and commented:

*The other issue and challenge that we face is that in a lot of small companies, people are not being paid superannuation appropriately. This may be because of the nature of their employment such as casual, part time, contract and often project-based employment.*

Similarly, another CEO commented on the lack of retirement plans and general awareness of these issues in the arts sector, and worried that most artists could end up with no superannuation when they retire. She drew on her own experience and situation, stating:

*There is no retirement planning ...and most artists will end up with no superannuation when they retire because there’s been no provision made for it. I know some administrators who are now supposed to be retired, who have to work as hard as they ever did*
because they can’t afford to retire, and they have no superannuation…. I didn’t get paid superannuation until it became compulsory, but prior to that, there was no superannuation.

However, we do know from the evidence presented in Chapter 2 that wages in the sector are underpinned by, at the very least, an Industrial Award and while wages might be low, they are not the lowest in the Australian economy. In reality, the perception of low wages and the reality of financial insecurity is exacerbated by precarious employment patterns and also by the actual conditions of work in the sector. For example, the stakeholders claimed that working in the performing arts is marked by long hours and heavy workloads, especially for the freelancers who might work in a number of jobs at the same time. The HRM Director believed that employees could work for up to fifty hours a week, depending on the nature of the project they have on hand. He gave his own company as an example:

We are a fairly lean organisation and there are times managing those workloads are difficult. There is no stress management, you’re expected to work 24/7, 12 months a year because you work in the arts and you are doing it for the love of it, so there is very little recognition of any kind of stress.

In fact, all respondents stated that they have regularly worked long hours, and that there is an assumption in the sector that people should be willing to work extra hours, often for no pay, almost as a requirement of being part of the team. The Arts Company Manager commented:

The implication is that one should be always be willing to work beyond 38 hours a week. People in the industry created that expectation because they are committed, passionate and happy to work beyond their hours and so there are a large amount of unpaid hours of work.

This view was also highlighted by both government officials. One claimed that “wages were depressed because workers were willing to work for free”, while the
MEAA respondent claimed that, in most arts companies, employees not only work fifty hours during the week but also work on Saturdays and Sundays.

One CEO went even further, claiming longer working hours are seen as the norm:

*I think one of the problems that we face in the arts industry is the workload and the extra hours we have to put in. The average working week will be sixty-five hours, and that is always because you have to be at performances as well as during the working day, and at weekends coming in on Saturday as well, because there are performances and they need to be there to show their passion and commitment.*

The other CEO agreed:

*You are expected to work 24/7, 12 months a year because you work in the arts and you are doing it for the love of it, so the workload can be overwhelming and there is very little recognition of it.*

What clearly emerged from the interviewees is that the culture of the industry and the expectations within the industry are also shaped by the people who work within it. Even the trade union representative believed that people who work in the arts, not only performers but also managers and administrators, do so for the “love, commitment and passion they have for the arts” and the identification that they have with the product and the team. She stated:

*I tell you something ...people who work several hours a day as managers shouldn’t come in on Saturday or Sunday to do extra work but ... they will say but I love it ... I want to do it ... I don’t want people to feel let down by me not being there and da-da-da! ... So it can really get hard stopping people.*

In summary, the majority of the stakeholders believed that wages and conditions of work in the performing arts sector are a key challenge. The stakeholders attributed the low wages to the lack of sufficient government funding in the industry. There was a
general consensus among the stakeholders that increased government funding would improve wages and conditions of work in the industry. In addition, performing arts workers contributed to poor wages and conditions of work by an acceptance of the sector standards.

What was surprising, however, was that although it was alluded to by the interviewees, no one specifically spoke about possible oversupply of labour in the arts sector, which is a common feature in the global performing arts labour markets. In reality, if labour was in demand and workers could pick and choose, it is far less likely that they would work for nothing. An oversupply of labour also undermines the bargaining position of the workforce, if people are willing to work for free and put in hours of unpaid labour, wages and conditions will not improve. Under these situations, more government funding on its own will not solve these problems.

5.3.4 HRM practices and organisational size

The fourth key issue emerging from the key stakeholders was a focus on organisational size and its impact on human resource management practice. All the interviewees believed that the larger organisations tended to be more commercial in their business approach and less reliant on government funding. Hence, they had more employment security, could support better wages and conditions, and were more likely to have formal HRM departments that would have sophisticated policies and practices in line with similar-sized companies in other industries.

They gave examples of organisations, such as arts centres, ballet, opera and orchestral companies, which they claimed had formal HRM departments with many staff and many HRM policies. For example, the MEAA representative, stated:

\[ The \ larger \ organisations \ such \ as \ ... \ all \ have \ a \ very \ large \ HRM \ department \ with \ several \ levels \ of \ HRM \ relative \ to \ other \ arts \ organisations \ ... \ with \ a \ large \ administrative \ department. \ They \ have \ lots \ of \ company \ policies \ and \ a \ big \ employee \ pool. \]
The official from the LPA also argued that the larger companies had more staff and more employee relations issues to deal with. He stated:

*Obviously, larger companies have the numbers of personnel to deal with ... they usually have their own dedicated HRM department that focuses on providing the organisation with strategic HRM and employee relations advice, unlike the smaller organisations.*

However, the stakeholders also argued that most performing arts companies are small to medium-sized, and that this is an important factor in determining the adoption of HRM policy and practice. For example, the LPA official argued that financial survival is often the overriding issue for such companies. Hence, these smaller, often micro companies are more likely to have more informal, reactive and ad-hoc approaches to HRM. One CEO commented on how difficult it was for her to keep up with all the legislative requirements and changes:

*As a small- to medium-size organisation ... someone in my position is pretty much a generalist and has to cover a wide range of issues, and therefore it is very difficult to keep abreast of all relevant legislation, awards and trends that impact on HRM and industrial relations.*

A number of the interviewees supported the view that in small companies it is the general managers that have to manage everything, who are often not even aware that the issues that they are dealing with are HRM issues. The LPA official stated:

*Many arts organisations are small and a major issue for small to medium arts organisations is the lack of HRM practitioners in their ranks, and so it is usually left to the General Manager to implement, control and monitor HRM systems. Any HRM issue is dealt with, probably unknowingly, by the General Manager, as the focus is on the end product.*

One CEO agreed with this point. However, she raised another issue which refers to the role of the Board of Management. She explained that many small performing arts companies are not-for-profit organisations, which are governed by a voluntary board.
of management. She described how the board of management in her company had sought out experienced board members in key areas, one area of which was HRM. She stated:

*Of course, being a small company, we can’t afford to have an HR person; we just don’t have enough staff, and so ultimately that falls to me to be overseeing the HR resources of the company ... It has been important for us to have someone who is an HRM expert on our board of directors.*

Overall, the interviewees believed that it was largely small to medium-sized organisations that suffered from a lack of HRM strategies, policies and HR specialists. However, they identified three particular HRM functions that, while they were a particular challenge for smaller companies, also impacted on the larger companies. These included issues related to human resource development, in particular training and development, career development, and succession planning. For example, the stakeholders agreed that training and development is often not a priority in arts companies; and even in the larger companies, it is not recognised that training and development opportunities can help retain their key managerial, administrative and creative staff, as well as improve the overall employee performance and thereby contribute to improved organisational effectiveness.

The LPA official, stated:

*One of the major challenges in our industry at this time is to provide training opportunities to our employees and retain trained employees.*

Even the Director of HRM, who worked in a large company with a dedicated HRM department, described the challenges in his organisation:

*The challenge for us as a HR team is more to equip managers with the skills to manage people, and this is really a shift in thinking ... it’s been happening over the past several years, but the problem is it is happening very gradually ... the shift from managers seeing that*
all people issues come to HRM. We see that one of our main benefits that we have in the organisation is coaching managers to better manage people issues so that we have fewer problems, if you like, less blow ups, less instances of poor performance management.

In contrast to the attempts in the large arts company, the Manager from a smaller arts company, described her experience as follows:

*I think most of us that work in the performing arts management side of things, as opposed to performers ... we’re all taught on the job and you learn from mentors, which is great, but formal theoretical and analytical training would complement on the job.*

However, it was not only the lack of access or understanding of the value of training and development that was seen as important. The other challenge related to the highly casualised nature of the industry, with a significant proportion of the workforce being in short-term and part-time work. The stakeholders agreed that casualisation made it difficult to organise and train these staff. Moreover, the nature of the funding arrangements often made it costly and even unaffordable for the smaller companies; hence, they often only focused on providing training that was required by regulation or by the industrial awards and agreements, such as occupational health and safety or first aid training. They argued that many employers do not feel obligated to provide training to their casual staff. As a result, casual staff members are often responsible for providing their own training to ensure that they have the necessary skills required for employment in the industry.

The approach to training and development also reflected the approach to career planning in the industry. The stakeholders attributed the lack of career pathways to the casual and short-term nature of work and the small size of many arts companies. The informants believed that employees should be provided with career pathways as in many other industries. The Government official responsible for funding argued that more could be done at the industry level to create awareness of the importance of career paths for arts managers and administrators:
There is no career path in the arts industry, you have to make it up and do it yourself. So there are people coming out of arts administration courses, being led into an industry that then has no career path for them and they have studied to be an arts administrator.

The Government official responsible for government arts policy agreed; and added that this leads to workforce moving from job to job to develop their careers, and sometimes even leaving the industry completely. He argued:

_There is no career pathway for the individuals and a lot of staff develop themselves by moving jobs. They go from one company to another and that is how they advance ... certainly that is what a lot of management staff do. You know, lack of career pathways is one of those issues in the arts industry. I think a bit more work could be done in terms of developing career pathways and yeah, I think an increase of awareness of some of the issues would be useful._

The two CEOs agreed, and drew on their own experience. One stated:

_There is the issue of career pathways here, and sometimes I find it difficult when dealing with my employees as I know they can only move to another company if they want to further their career in the arts. In my position in this company I wonder sometimes what are my odds to find another job if I decide to leave or get sacked._

The second CEO commented:

_We do not have career pathways. We are a small company and there is no room for that. Some of our staff leave and join other companies for that reason. This is also common in the arts industry in general and not only unique to us._

The issue of succession planning was also seen to be problematic for managerial and administrative staff. Two of the eight respondents argued that the arts sector is behind
other industries in relation to succession planning. Both government officials believed that through the use of good human resource development processes, arts organisations could recruit excellent employees, develop their knowledge, skill and abilities, and prepare them for advancement into ever more challenging roles within their company. Moreover, they commented that a requirement of funding from State government was that organisations should have a succession policy so that, if a key member of the company left, the company would not collapse. However, the Government official responsible for funding felt that they often did not do this:

_Ahaaa! ... In the funding agreement for the major arts companies it is now one of the requirements that arts companies report on their policy on succession planning.... so we ask them to report on how their succession planning is essentially’ and often there isn’t any._

The CEO from the small arts company admitted that in her company, while there is a reference to succession planning within company policy, it is not implemented. She explained:

_Ok ... it [succession planning] has a reference in our business strategy but that is just about it, to be honest ... I can say it does not exist, because if the worst-case scenario happened and I got hit by a bus tomorrow there is no plan about who will succeed me, if that makes sense. I’ve even got my computer; they wouldn’t be able to do anything else!_

In summary, the interviewees believed that larger companies have extensive human resource policies, processes and practices. However, they saw human resource development strategies for managerial, administrative and support staff in performing arts companies across the sector, even in the larger organisations, as weak. They saw this as not only due to the casualised and insecure nature of work and employment in the industry but also the lack of funding and support, meaning that many arts companies prioritise raising funds in order to survive. Such emphasis means that planning is often short term and project focused, whereas human resource development by its very nature is long term. Moreover, the interviewees commented
on a general lack of understanding of the possible value that HRM practices and processes can have in an organisation.

5.4 Discussion and conclusions

The overall aim of this study is to explore HRM practices in the performing arts sector. The research questions included: how is HRM structured and operationalized, how does the industry context impact on performing arts companies, and how and why does the nature of the performing arts workforce impact on HR practice? The key stakeholders commented on these research questions from their perspectives. These comprise: the precarious nature of employment in the industry, due to casualisation and project-based employment; a reliance on often limited government funding; poor wages and conditions, leading to short-term and long-term financial insecurity; and the domination of the industry by small, often micro, and medium-sized organisations.

Although these themes are not uncommon in other sectors with similar profiles, an analysis of the views of the stakeholders interviewed demonstrates a range of complex HRM challenges in the performing arts sector. Three conclusions can be drawn that need further exploration. The first is that these themes are clearly linked. For example, a reliance on government funding, and the project-based nature of the work, leads not only to employment insecurity but also to financial insecurity, because the downtime between jobs lowers an individual’s annual salary. Also moving from job to job in different companies undermines the ability to build up satisfactory retirement or other workplace benefits. Furthermore, multiple job holding can lead to extremely high workloads for substantial periods.

However, low wages, poor conditions and employment insecurity do not necessarily prevail across the industry. In film and television, wages are higher and conditions better. Similarly, the stakeholders believed that in larger companies there is likely to be improved employment security for managers and administrators. Unfortunately, for performers and many technical staff, even in these companies, the work is likely to be short-term and project-based employment.
The issues discussed in most of these themes are not new in the arts sector and were identified extensively in the literature in Chapter 2. What is different is that most of the literature speaks to the precariousness of the work of performers. In this study, the stakeholders also identified precariousness for managers, administrators and support staff. These workers are often at the core of performing arts companies and carry out the planning, operational, financial and marketing functions that enable organisations to survive and produce the artistic work. It is this group that also carries out the various people management functions. Half of the stakeholders interviewed were in these positions and often spoke from their own experience or that of their peers.

Another key question that emerged was that most of these problems of precarity were seen to be underpinned by a shortage of resources, in particular not enough government funding. The answer from almost all interviewees to the challenges that they raised, was the provision of more government funding. There was no discussion of the underlying labour force issues, including labour oversupply, or any acknowledgement of labour force sustainability.

The second conclusion relates to answer to the question: why do people join and stay in this sector and accept such a precarious existence? This is particularly applicable to managers and administrators who could find work in other industries. The answer could perhaps lie in both the individual motivation of those within the industry – the passion, commitment, altruism, and love of the work that they bring, and the culture and expectations of work in the arts industry. Certainly the literature in Chapter 2 covers these points extensively, but mainly in relation to performers and artists. In this study, similar motivations were expressed in relation to managers, administrators and support staff. This individual passion and commitment also relates back to the first conclusion as it could also undermine their individual and collective bargaining power and contribute to poorer wages and conditions. Only those individuals who are highly successful can command higher salaries and benefits.

The third conclusion is in relation to organisational size, which is exacerbated by the high number of smaller organisations in the industry. All the stakeholders believed that size plays an important role in the adoption of HRM practices and processes in an organisation. They all believed that larger arts companies have professional HR
departments and thus are able to provide better wages and conditions and greater stability. However, they also accepted that some areas of human resource management, in particular human resource development, appear to be undervalued in all organisations, even in the larger companies. They believed that this was due to the nature of the sector itself, and in particular, the nature of the workforce. This point is the crux of this thesis, which sets out to explore how HRM is structured and operationalized in performing arts companies and in particular how the sector context and nature of the workforce impacts on performing arts companies.

The next three chapters of the thesis delve further into these four themes and the above three conclusions, by exploring organisations of different sizes, to assess how they translate into organisational practice. The chapters focus on three case study organisations, representing micro, medium-sized, and larger (more commercial) arts companies.
CHAPTER SIX: CASE STUDY ONE - DANCE COMPANY

6.1 Introduction

Chapter Five presented the results of the views and understanding of the key stakeholders on HRM practices and challenges in the performing arts sector. Four key themes emerged from the data obtained. First, the precarious nature of employment in the arts sector, due to casualisation and project-based employment; second, a reliance on often limited government funding; third, poor wages and conditions, leading to short-term and long-term financial insecurity; and fourth, the domination of the arts sector by small, often micro, and medium-sized organisations. Three conclusions were drawn from a discussion of these themes: the first is that the themes are clearly linked and enmeshed, and have a cumulative impact on each other. Second, the individual and collective motivation of not only performers but also managerial, administrative and support workers within the arts impacts on their expectations and their overall pay and conditions and job security. The third conclusion related to the impact of organisational size and the dominance of small companies in the arts sector. While the participants claimed that the larger companies had established HRM processes and practices, they also believed that some areas of human resource management, in particular human resource development, appeared to be undervalued in all organisations, even in the larger companies.

Chapter Six introduces the first case study in order to explore the human resource management practices in a micro performing arts company and the challenges that might hinder effective HRM practices in this company. The chapter assesses the level of HRM understanding, perception of importance, and the current HRM practices and systems in the company. Primary data used in the analysis were obtained through four in-depth interviews which focused on the views and perspectives of each individual interviewee who are employees of the company, while secondary research data were drawn mainly from the company website, documentation and annual reports. To maintain confidentiality, no names of the participants in this case are used, and the name ‘Dance Company’, as referred to in this case, is a pseudonym.
The chapter is structured as follows; 6.2 provides contextual information on the Dance Company, including background information; 6.3 presents an overview of the organisational structure; 6.4 highlights the profile of the participants involved in the case study; 6.5 presents the perspectives of the interviewees on human resource management; and 6.6 discusses the key themes that emerged from the case study and draws conclusions regarding the practice of HRM in Dance Company.

6.2 An overview of the company

Dance Company was founded by the current Artistic Director (ADC) in 1998, and incorporated as a not-for-profit organisation in 2000. At the time of the interviews, the company had three permanent staff: the CEO/Artistic Director; the Company Manager; and the Philanthropy Manager. The company also employed a choreographer and dancers as casual employees on a project-by-project basis. According to information provided at its website, Dance Company is embedded in Australia’s arts community through the delivery of artistic programs and works of excellence with a “distinctly unique and Australian sensibility” (Company Website). Additionally, the Company provides training, education and support for students, emerging dancers and choreographers (Company Website). At the time of the study, the company had secured triennial base funding from the Australian Council of the Arts (ACA), enabling a certain amount of financial security for three years (2013-2015) and the employment of the Philanthropy Manager (Company Website). However, the company also relied heavily on other sources of income for specific productions, which included grants from philanthropic organisations such as trust foundations and commercial activities such as Box Office takings (Annual Report, 2012).

6.3 Organisational Structure

As an incorporated association, Dance Company is governed by a voluntary Board of Management, with the responsibility for the overall governance. Members of the Board include a Chair, Vice Chair, Treasurer, Public Officer, Secretary, and four Ordinary Members (Annual Report 2012). Board members are unpaid, and come from a diverse range of backgrounds and bring a range of experience including higher
education, accountancy, the legal profession, urban design, and management consulting. They augment the management team and provide oversight and governance across all operations of the Company, and in particular, the financial and legal reporting requirements. As well as playing a governance role, Board members interact and network with key stakeholders in the industry, and oversee the overall strategic development of the company (Annual Report, 2012). In addition, some Board members are involved in the day-to-day operational management of the company (according to the interviewees). The Board of Management comprises “highly regarded, active and committed members who contribute behind the scenes to enrich the presence, achievements and goals of Dance Company” (Annual Report, 2012).

The organisational structure of the company, as in many micro companies, is very flat. The Artistic Director is also the Chief Executive Officer (CEO) of the company and, according to the interviewees, works closely with the Company Manager, the Choreographer and the dancers. In turn, the Company Manager works closely with the part-time Philanthropy Manager. The Artistic Director, in his role as CEO and Founder of the company, has overall responsibility in terms of day-to-day decision making and the general management of the company, with the support of the Board and the Company Manager. In theory, it is this structure that underpins how power and accountability, internal and external, operates within the organisation, determines how responsibilities are allocated, and enables effective participation. In practice, however, interviewees stated that the roles and responsibilities are often enmeshed and many decisions shared. Figure 6.1 depicts the organisational structure of Dance Company.

The advantage of such a flat organisational structure is that it can minimise the distance between levels of management. In common with other micro organisations, Dance Company does not have a dedicated HR manager or any formal HRM system or structure in place; rather, the role of HR sits with the Company Manager. The Company Manager also advises the Board and the CEO on key strategic issues facing Dance Company, while facilitating major organisational changes.
According to the interviewees, while there are some HRM policies and procedures in place in the company, for example health and safety policies and policies regarding wages and conditions, there is no overall HRM manual of employment policies. In addition, there is no overall HRM strategy. Policies regarding wages and conditions are largely based on compliance with the relevant industrial awards and legislation (Company website; and Company Manager). While the Company Manager carries out most of the HR functions, in particular interpretation of the industry awards, the Artistic Director and members of the Board also have involvement in a range of largely informal human resource management practices in the company: for example, in relation to recruitment and selection, and training and development (interviewees).

6.4 Profile of the Participants

Dance Company employs three permanent staff members: the Artistic Director, the General Manager, and the Philanthropy Manager. The Choreographer is employed on a fixed-term employment contract, the dancers are engaged on a project-by-project basis, while the Chair of the Board is a voluntary position. Overall, four employees were interviewed and each participant was selected because they represent a crucial aspect of the company, which enabled them to provide in-depth insights on the issues explored in the study. Table 6.1 provides profile of the participants.
Table 6.1 Profile of Interviewees in Dance Company

<table>
<thead>
<tr>
<th>Role/Position</th>
<th>Gender</th>
<th>Years of Service</th>
<th>Employment Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Manager</td>
<td>Female</td>
<td>4 years</td>
<td>Permanent</td>
</tr>
<tr>
<td>Artistic Director</td>
<td>Male</td>
<td>15 years</td>
<td>Permanent</td>
</tr>
<tr>
<td>Choreographer</td>
<td>Female</td>
<td>11 years</td>
<td>Casual</td>
</tr>
<tr>
<td>Board Member</td>
<td>Male</td>
<td>3.5 years</td>
<td>Voluntary</td>
</tr>
</tbody>
</table>

The Artistic Director was interviewed in his apartment, as he had been injured during a dance routine and was unable to come to his office. The Company Manager, the Chair of the Board, and the Choreographer were all interviewed in their respective offices. Other sources of data were the Company’s annual reports and other documentation, the website, and personal observation.

6.5 Managing Human Resources in Dance Company

This section captures the perspectives of each of the interviewees in regard to the HRM systems and practices, the relevance of HRM, and barriers to the effective adoption of HRM in the company.

6.5.1 The Artistic Director’s story

The Artistic Director and CEO founded Dance Company. A man in his fifties, he was described by other interviewees as ‘passionate’ and dedicated to more ‘avant-garde’ or experimental dance forms. Similar to most dancers, he started dancing at a very early age, describing how he “has been an artist and dancer since he was five years old”. He stated that he was inspired to take up dancing as a child following an injury. A graduate from a prestigious performing arts college with performing arts background spanning more than 25 years in contemporary dance, he founded Dance Company not only to perform himself but also to “teach his unique approach to dance as an art form to a new generation and to fulfil his childhood dream”. He presented as a charismatic individual, and described at length the love, passion and commitment he
has for the arts, and how that motivates and inspires him towards the creative vision and leadership her provides for Dance Company.

Initially during the interview, the Artistic Director was reluctant to comment on human resource management or any people management-related issues in the company, stating that this was not his job or his passion. Instead, he wanted to focus more on his artistic endeavours and the challenges that they brought. He explained how he established Dance Company without any background or experience in arts management; and he commented proudly that he learnt to manage the company through trial and error rather than through any formal management training.

As the interview progressed, however, many people management issues began to emerge. For example, he shared his constant concern and worry over the company’s finances and struggle for funding, not only in regard to his own income but, as he explained, in terms of how he needed to constantly raise money for the company’s continued existence and to secure the income of others. However, he did not see this as an HRM issue; instead, he argued that, due to the small size of the company, good HRM practices are largely irrelevant. To him, HRM was not important; rather, he identified finance as the key to company survival, and not people management. He stated:

*I am so nervous about my next income and raising money and how I am going to survive the next day, that I just don’t consider HRM ... we are a small dance company - as you can see, and we are not in a financial position to fully realise a HRM impact in the organisation ... We are all borrowing from each other to get the next job done and HRM is like .... the extreme for us [laughing].*

The Artistic Director went on to describe a number of management challenges in the company, largely to do with managing resources – both people and financial. He described the tension that he felt between being an artist on the one hand, and a manager on the other. This was more so because, as the founder and CEO, he recognised that he is such an integral member of the company, but the management
role did not come easily to him. He also stated that he finds this role so challenging that he relies on the Company Manager to manage the company:

> It is always a challenge for me to manage myself at the same time managing the company. I am an artist … [he laughs!]. It is a constant challenge for me as an artist to work in a managerial role.

The Artistic Director was clearly relieved that the company had gained some financial security from the Arts Council, and described how access to more money meant that they could recruit more people to do the work. This could be either artistic work or administrative support so that the artistic work could be developed further:

> The major challenge is to be able to get money to do the artistic work. The arts operate 24/7, unlike the banks. It encompasses your whole life. I don’t know any better. I have been an artist since I was five and continued to create since, and nothing has changed since then.

However, even with the Arts Council funding, he still didn’t believe that the company had enough resources to enable them to do as much as they wished:

> Right now we need another full-time salaried person of up to $62,000 per annum but we do not have the money or the resources to do so.

The Artistic Director recognised the managerial support that he receives from the Company Manager and the Board members, who assist him to effectively carry out his vision for the company. He described these managerial supports as not only providing general advice but also developing organisational strategies that lead to the restructuring of programs so that they are linked with the Company’s vision. As with many company founders or entrepreneurs, he saw this support as enabling him to achieve his vision. He also expressed concern that, without him, the company would no longer exist:

> The support comes in the form of restructuring my programmes so they sit within the organisational aims. So what I am saying is that … I come out with the vision and someone has to go and make money
from it. In an organisation like this the role of the Artistic Director is to drive the mission. In my particular case I think if I step down as the director, the company will stop.

After considering the management challenges of the company, the Artistic Director began to consider the HRM challenges, despite having earlier distanced himself from such issues. On reflection, he stated that improvements had been made in how people are being managed in the company. For example, he cited an improvement in the area of pay and conditions of work, due to the security that the triennial grant status from the Australian Council for the Arts had given to the company. He claimed that this not only led to job security but also to pay increases for staff. While three years sounds like a long time, for successful HRM practice it is in reality quite short and raises issues as to what happens at the end of the funding period. The Artistic Director was aware that this security was limited:

Yes, in my organisation there has been some improvement in pay and conditions and that is because we have been granted triennial status from the Australian Council for the Arts. Therefore my pay check has increased because of the recognition from the government. With that I am guaranteed work security until the end of the year [he laughs!].

At this point, the Artistic Director also commented that, despite the lack of formal HRM structures within the company, he believed that there are systems in place to deal with potential people management issues that might arise. Although these are not written down or formalised in documents, he argued that the process involves board members playing an operational role in the company by dealing with any potential people management conflicts that may arise. He emphasised the importance of his immediate access to the board, claiming that:

We resolve any people management problems by involving the board members to articulate the problem and resolve it at board level. I can call on my board members and say I need something or some help and they will respond to me within 24 hours. They are there to help and they really do.
Another HRM issue that emerged from this interview was that of training and development. The Artistic Director saw this as an important part of his role in the Company. On the one hand, he saw himself as an artistic mentor to newer and more junior performers in the company. On the other hand, he saw training as an informal collaborative activity. In this way, he extended his view of training to that of learning new skills beyond those of dance. He stated:

Looking at my role I would say I am more of a mentor in terms of training and education, which is different from being an artist. Training for me is still part of my role as much as learning internally between the employees that are recruited in my office. We train each other in the process of grant writing. We are a collaborating team for a small arts organisation.

He then went on to describe other forms of training that he and the rest of the company are involved with:

We attend arts industry forums for younger and emerging organisations, looking at ways to diversify the programmes and bring in more customers. We go to a lot of fund raising events, education, infrastructure, management, board restructuring, recruiting. we do it all.

In telling this story, another key HRM issue emerged, that of occupational health and safety. Occupational health and safety is a major concern in the dance industry in general, as dancers are exposed to accidents and injuries on a regular basis. Such accidents can mean the end of a dancing career. The Artistic Director was interviewed in his own home because he had suffered a recent injury and could not walk properly. He commented on how it is unusual that a man of his age is still a professional dancer. While he did not comment further on this, long-term careers in dance are clearly problematic. In addition, despite this personal experience, he saw occupational health and safety largely as a compliance issue:
I have attended one session of OHS last year but not this year yet. I am aware of our responsibilities in OHS and make sure we follow the relevant Act.

The next key HRM issue that emerged was the challenge around recruitment and selection of dancers. The Artistic Director described his approach to the recruitment of new dancers, pointing out that he never used a traditional audition method. He argued that he could not have a healthy working relationship with a complete stranger. Instead, he described how, as a part-time lecturer in a Dance College, he uses what could be seen as a talent-spotting approach, where he asks promising students directly if they would be interested in working with his company. He explained:

The recruitment process in the company happens over a long period of time and is relationship based, and also the unanimous appreciation of both parties involved, as candidates are approached early in their Bachelor’s degree … whether they will be interested to join the company. They come onto my radar and I get to know them … and we form a relationship and so … I will never audition somebody. Across all spectrum of all dance companies that I am aware of, there is ideally an audition process, but I don’t follow that. I set myself away from that, and that is what makes it even more interesting [he laughs].

This unorthodox approach to HRM based largely on the decision of one person is highly and thus open to bias and especially as it draws on a limited talent pool, and thus prone to ‘cloning’ i.e. finding people in one’s own image. Interestingly, at the time of the interviews the MEAA were publicising a merit-based recruitment campaign for performing artists through their website. The union was concerned that recruitment for all roles should be carried out by a transparent and fair process, and that recruitment on the basis of personal relationships was open to abuse, in particular sexual harassment. The campaign aimed to create awareness of such issues to all performers. However, in niche micro organisations such as Dance Company, finding performing artists who are committed to the particular form is essential, and the Artistic Director believed that this was unlikely to succeed through more traditional
audition processes. For him, the unwritten selection criteria not only included dancing ability and talent but also sharing his vision for the Company which he felt he could only assess through getting to know the individual dancer.

In summary, the narrative provided by the Artistic Director paints a picture of a micro performing arts company, established by a creative individual to achieve his artistic vision, and to which he attracts like-minded people. This is a company that survives on very little funding; however, at the time of the interviews, it had more security than usual due to Arts Council triennial funding. Despite claiming not to know much about human resource management or being interested in the topic, in the course of his narrative the Artistic Director went on to describe number of key HRM challenges in the company. These included the payment of decent wages, the provision of employment security, and the importance of providing a good occupational health and safely environment in line with current government legislation. While all of these challenges can apply to any micro-entrepreneurial organisation, not just to creative arts organisations, there is something interesting from an HRM perspective about people like this Artistic Director who found a Company and employ people to fulfil his artistic vision rather than be motivated by profit. In the case of Dance Company this work is well outside of the more commercial arts productions and is even more difficult to find funding and support. The whole vision of the Company is to push the boundaries of the art form, which by its very nature is characterised by insecure funding, smaller audiences, and the need for people who share the vision and interest to work for the Company.

To attract these people, the Artistic Director described a relationship-based approach to recruitment and selection of his artists, and an informal collaborative and mentoring approach to training and development, which he believed were crucial to the development of good artistic process in the company. However, he did not identify these issues as HRM issues; instead, he saw them as more general management challenges. This is not unusual as human resource management is often not understood by those outside of the profession. For the Artistic Director, while the art comes first, through the course of his narrative he realised that successful artistic endeavour is underpinned by good staff management and the availability of resources.
6.5.2 The Company Manager’s story

The Company Manager is a key person in the Company’s operation, and the chief liaison between the Artistic Director and the Board. She described her role to include ensuring that appropriate governance and managerial processes are put in place, including reporting to government, grant writing, and all setting up the HRM processes. Other duties and responsibilities include finance and budgeting, and in particular, for ensuring that the company has adequate investment to produce their shows, planning internal and external communication, while ensuring that they are clearly understood and achieved. The Company Manager is also involved in the marketing and development of the company. At the time of the interview, she had been working in the company for four years, and stated that she had a very close working relationship with the Artistic Director. Her qualifications included a degree in fine arts photography and a Postgraduate Diploma in Arts Management. She had taught arts and events management in tertiary education for five years and spent ten years curating and organising exhibitions and working in festivals.

Due to the Company Manager’s background in arts management, unlike the Artistic Director, she understood human resource management better; and while she agreed that the Dance Company had few formalised HRM systems and practices in place, she was able to identify some key basic HRM issues in the company. She also showed a good understanding of industrial relations processes, and was very familiar with the type of employment contracts that staff were employed under, and the implications of this. For example, she stated:

Every staff member has a job description that they agreed to at the start of working in this company but it is not formalised into a written signed contract.

She described how the company also employs many staff on casual, fixed-term contracts, either part time or full time.

Similar to the Artistic Director, the Company Manager also commented on wages and work conditions in the company, and expressed a good understanding of the relevant
industrial awards. She described the importance of the employers’ association, Live Performance Australia (LPA), in supporting a micro organisation such as Dance Company, and how LPA helps the company comply with the industrial awards. For a tiny organisation such as Dance Company, the kind of support provided by an employers’ association is crucial in ensuring that the company is doing the right thing by the employees:

_We are members of Live Performance Australia so we use the Performers Award and we pay the appropriate company dancers rate. Because they (the dancers) are on short-term contracts I classify them as casual … so we give them 25 per cent casual loading and we pay 9 per cent superannuation … and that in my mind covers them for holiday and sickness allowance … they would have got because of the extra loading. We pay the best we can pay within our budget and the funding we can raise and also in accordance with the Award._

Even though there is the lack of formal HRM policies and practices in the Dance Company, the Company Manager believed that HRM has contributed to the company’s bottom line. For example, while this strategy is not explicit in a written document, she believed that the company is very aware of the kinds of people that they need to recruit in order to achieve their goals. This did not just relate to the dancers, as in the Artistic Director’s story, but also to the support positions. She described how this underlying HRM strategy had helped her to identify and employ the philanthropy manager. She noted:

_Yes [She laughs!] … it has, we really want to expand and increase our capability so we need more staff. First thing has been to recruit the philanthropy manager. If I have someone else doing grant writing and philanthropy, and developing those relationships, that will provide me additional time to do more producing work._

Since funding is so crucial to the survival of this company, the recruitment of someone with the specialist skills for raising money, through developing a philanthropic strategy to bring in money from individuals and the private sector, is an
important strategic step. This also frees up the time of the Company Manager to work more closely on the artistic product and to develop the production role.

In this company, the Company Manager is clearly responsible for a wide range of management responsibilities and tasks, and she struggles to balance the range of these tasks. While the appointment of the Philanthropy Manager had released her from this aspect of the job, she was still responsible for all staffing matters, the facilitation of meetings, and ensuring that candidates selected fit best into the team. Balancing such a wide range of tasks led to frustrations. In relation to the appointment of the Philanthropy Manager, she described the amount of time it took to develop the job description as well as advertising and interviewing applicants. She argued that it is a constant challenge for her to perform a role that she believed should be carried out by two people. For instance:

> *I wanted to recruit someone at the start of the year but did not have enough time to finalise the job description, which requires the Board members' approval, and to get the position advertised and then organise to get the Board members in so that they will be able to interview. I have too many responsibilities as you can see.....so it took me three months before we got the job description finalised and advertised. If I had someone else assisting me, it could probably take less time.*

The Company Manager also commented on the challenges created by such a flat structure and shared decision making, particularly the communication issues between her and the Artistic Director. She described how communications often take place well out of office times. She stated:

> *In terms of personnel management it is really difficult when the Artistic Director is out of the office. We do a lot of communication by email or quick phone calls ... like he had a meeting with the festival director, he rang me to tell me what happened at that meeting on a Saturday. I had to take that call and chat on you know ... like normal. When we are busy there is no formal meeting or time process and that can get problematic at times.*
The Company Manager raised the question of succession planning; however, she saw this in relation to her own position and the pivotal role that she played in the Company. She stated:

*In terms of a succession plan we do not have one..... we have talked about it at the board level but if I was to leave I will try and give the company as much time as possible, perhaps up to four weeks’ notice to find a replacement.*

This comment demonstrates the importance that each individual position plays in a micro organisation and the risk to an organisation’s survival if a key person leaves. However, despite this huge risk and the fact that the Board was aware of this issue, nothing had been put in place to deal with it. Interestingly, twelve months after the interviews took place, the Company Manager left to work for another arts company.

Similar to the Artistic Director, the Company Manager was frustrated by the limitation of resources due to the funding challenges in such a small organisation; for example, making sure that the company paid the correct wage rates under the industrial awards, and trying to balance many demands wearing many different hats. However, she did believe that, despite these constraints, the company did practice some elements of strategic HRM; in particular, finding the money to recruit the right person who had the required skills and knowledge to bring in more money to fund the artistic programs of the company. In this sense, she claimed that the company’s HRM practice was contributing to the company’s overall bottom line.

### 6.5.3 The Chair of the Board’s story

The Chair of the Board of Dance Company is a University professor. He described how he joined the Board because of his strong interest in the arts and the fact that he knew the work of the company well. After serving two years as a member of the Board, he was elected as Chairperson, and had been in that role for eighteen months at the time of the interviews. He stated:

*The reason why I joined the board is that I have a strong interest in the arts and I knew the work of this company and that there was an
opportunity to join the board to help out and to improve grant-writing strategy for the organisation. And then I ended up serving as the Chairman of the Board after serving for two years.

He stated that, as a small contemporary dance company supported by very small team, the role of the Board included providing governance, mapping out organisational strategy, and also contributing in the operational management of the company. In particular, he pointed out that one of his key roles as Board Chairperson was working with other Board members to ensure a good financial base for the company. Unlike Board chairpersons of larger organisations, he was also directly involved in day-to-day matters within the company. He commented:

My role involves proper governance of the organisation, interacting with the key stakeholders in the funding sector ... helping them to support the organisation, the development of the company and also being directly involved in the actual grant applications and the operational management of the company.

The Board Chairperson described not only his own passion and commitment to the arts but also the love, passion and commitment of the people who work in the arts industry, which he felt led to job satisfaction. He claimed:

Fundamentally speaking [he laughs!] people who work in the arts industry tend to be people who are passionate and fully committed to the arts, which makes it satisfying ... from my point of view, and that is why they are so wonderful and committed to what they do.

Similar to both the Artistic Director and the Company Manager, the Chairperson of the Board emphasised that Dance Company is a small organisation with few permanent staff. He agreed that the company does not have the financial standing to employ additional people, even though they would like to do so. However, he had a different view to the Company Manager regarding HRM, in that he argued that, in small organisations such as Dance Company, HRM is in fact very straightforward and simple, given that they employ so few staff. Instead, he considered HRM as a bureaucratic function designed for larger companies and organisations. Perhaps his
view of HRM is based on his own experience of working in a large bureaucratic organisation such as a university. Surprisingly, despite his claims that he spent time in the organisation working on operational matters, he did not entirely agree with some of the people-management challenges articulated by both the Artistic Director and the General Manager. Instead, he argued:

*In an organisation like ours (Dance Company) ... being a small organisation ... HRM is straightforward. We don’t have the financial base to employ many people in the administration side of things. We can contact and reach out to everyone in the organisation. HRM would seem plausible for larger companies and not smaller companies like ours.*

As his view of HRM was limited in this company, he did not see many people-management issues; the only HRM area that identified was the process of recruitment in the company:

*I think for an organisation of our size that is emerging we are about right. We don’t have any major deficiencies. I think our issues will be if the company continues in the same direction and we have more staff employed. Because we are a small organisation we don’t have any people management issues. The process of recruitment is an area we would like to improve further.*

However, when he stated that recruitment could be improved, he appeared to be thinking about recruitment of more people, in other words as a funding issue, rather than improving the process of recruitment, which is an HRM issue. He believed that more funding would enable the company to employ more people, which would solve the organisation’s problems. He claimed:

*Our main challenge is funding to get additional people to support the company's activities. We don’t have any direct HRM challenges, because this is a very small organisation and that makes it efficient for us if you get what I mean! Our major challenge is how to raise money.*
In summary, the narrative from the Chairperson of the Board provides a different perspective to that of the previous interviewees. On one level, he is clearly close to the day-to-day operations of the company and is very aware of the financial challenges of the company. Despite his closeness with the operations and management of the company, he did not appear appreciative of the some of the people management challenges articulated by the Company Manager in relation for example, to the appropriate payment of wages and employment conditions, or recruitment and selection of staff. He saw the issue as not having enough staff rather than making sure that the staff that they do have are managed appropriately. This is surprising, considering that a Board of Management has legal responsibilities in a range of HRM areas, including occupational health and safety, compliance with industrial awards and agreements, and equal opportunity legislation. The Board is liable for breaches of legislation in these key areas and there are serious financial sanctions for non-compliance. The Chairperson of the Board did not seem to focus on these key areas in his role as Chairperson. Instead, he saw the major challenges as financial matters only.

6.5.4 The Choreographer’s story

At the time of the interview, the Choreographer had been working with Dance Company for almost 15 years, starting as a dancer when the company first started. Over the previous eighteen months, she had been working as the Company Choreographer, but she also continued her role as a performer. She believed that she had a good working relationship with the Artistic Director, with whom she worked very closely. At the time of the interview, she was also teaching choreography to students who were training to become professional dancers at a prestigious dance college. At Dance Company, she is employed on a series of fixed-term contracts (project by project), and paid according to the weeks that she works. At the end of each project, the contract finishes, and she has to wait until further funding is secured before she is able to have a new contract. Her description of her employment situation is as follows:

*If you look at the big picture I am what you would call a ‘permanent employee’, but I am casually employed on project by project basis. I*
get paid according to the weeks that I work, and by the end of the project my contract is finished.

Although she described herself as a permanent employee, in reality her employment situation is contractual and somewhat precarious. Although personal motivation is not the aim of this thesis, all interviewees were asked questions about why work in this industry or what do you enjoy in this industry as an ice breaker question. These questions also gave the interviewer a sense of why people commit themselves to such a precarious existence. The choreographer’s response to this question was in terms of the love of performance and the creative collaboration shared with other artists. She commented:

What I like about working in the arts industry is the nature of collaboration and creative pursuit and sharing it with other people. In my early years, I would say I really like performing as this is what I wanted to do ... the kind of radical thinking and very perceptual way of dealing with ideas is what I probably like the most working in the arts.

Moreover, she acknowledged that she was motivated to work in the company and in the arts industry in general because it allows her to think “outside of the square, out of box and there is absolute freedom of the mind”. She believed that the arts sector is different, and does not align with the same time frame that most people work within. She elaborated:

What motivates me is love, passion and commitment to pursue this creative engagement, it’s my choice and I like what I do ... at the moment, I am a dancer and a choreographer.

Similar to the other interviewees, the Choreographer emphasised that the industry as a whole is characterised by financial insecurity. She explained that this insecurity gets worse as artists age, which is why she also works as a dance teacher to support herself. She explained:
For me personally the major issue is financial inconsistency, and this is really problematic for me as we speak. All these years ... the financial reward is still minimal and consistently low compared to other industries that I know of. I can't see where the support is coming from in terms of being comfortable as I get older. One of my friends makes three times the amount of money that I make in a year and she has financial security which I don't have.

Furthermore, the struggle of contract-to-contract work with gaps between means that her overall annual salary is low. She explained the impact that this situation has on her lifestyle choices:

I don't feel I can support a child if I am to have a baby, I can't purchase a property either, something that I have been thinking about all these years, and these are things that normal people think about, but it is impossible for me because of my financial status. I can't get a loan from the bank because I don't have consistency in my income, and these are major issues many of us face when working in the arts. It is not a good feeling, to be honest.

Despite having described herself as a ‘permanent employee’, the Choreographer was fully aware of job insecurity and worried that, if the company was not able to attract funding to keep producing artistic work, she could lose her job. She explained:

Umm ... I do not feel my job is secure by any measure. If this company does not get the funding and resources they need to work as a company, I don't have a job. I will be out looking for another job somewhere, you know [She laughs!].

She also had a very different view of training and development in the company to that of the Artistic Director. She stated that, as a contract employee, she does not have access to training and development programmes in the company. However, she accepted this situation, as she believed that it was common for smaller companies not to provide training opportunities to their contract employees. She noted:
No, I am a casual employee and I do not have any opportunities in the areas of training and development in this organisation. Training is usually for the permanent staff and not for a casual or part time worker like me.

The Choreographer also raised the issue of succession planning in the company, but she was not aware that it had been discussed at Board level. This suggests that perhaps decision making in the Company is not as decentralised as the other interviewees believed, and cross-communication and consultation not as strong, particularly the distance between the board and the contract staff. Similar to the Artistic Director and the General Manager, she saw succession planning from her own perspective and her own career development, believing that, if the Company is successful, she could take on the role of the Assistant Artistic Director.

The issue of succession planning hasn’t been discussed. It is something that we will discuss in our future meeting. If the company keeps going strong I could work towards becoming Assistant Director, or if the Artistic Director decides to leave the company and pursue something else then I might take up the role of Artistic Director.

This is a very different view from that of the Artistic Director who did not believe that the company could survive without him. What is unclear here is how realistic the career development hopes of the Choreographer are. In companies that are founded by charismatic entrepreneurs such as in the case of this Dance Company, there is always going to be a challenge of succession or transition. On the one hand this could be seen to be a situation where traditional HRM practices are not practical or achievable. On the other hand, as a government official pointed out in the previous chapter, a condition of State government funding is that a Company has a succession plan in place. This condition however, is less to do with human resource development and more to do with financial security and continuity. However, the choreographer was committed enough to the company and her work to believe that this could be an option, even though at the company level this had clearly not been considered.
In summary, the Choreographer is a committed artist who works two jobs to survive and to make ends meet. She follows her passion by working in the arts, but the cost is precarious employment, low wages, and major implications for her lifestyle and overall security. As she ages, these issues become even more stark. The lack of a career path is a major challenge for her. Unlike the Board Chairperson who acts on a voluntary basis, the Choreographer experiences HRM challenges in the company intimately. Ultimately, she sees this as an industry issue and not just a problem facing Dance Company. For her, the price of working in such a company is a price she is prepared and willing to pay.

6.6 Discussion

The purpose of this chapter was to explore the human resource management practices in a small performing arts company, and the challenges that might hinder effective HRM practices in such a company. Five key themes emerged: the nature of HRM in the company; HRM systems, policies and practices; HR and communication in the company; nature of funding; and the nature of the workforce in the company. These issues are discussed in details below.

6.6.1 Nature and structure of HRM in the company

Like most micro organisations, Dance Company has no formal HRM department or dedicated HRM personnel. Instead, HRM sits within the portfolio of the company manager who performs a wide range of managerial and operational functions. Again, like most micro organisations, HRM systems and practices in the company are largely informal and relationship based, sometimes ad hoc and reactive. On the surface, these HRM practices resemble a traditional personnel management approach, with a focus on regulatory compliance and employee welfare. There was clearly a commitment to doing the right thing by the employees and attempting to ensure that they were getting the correct entitlements. In this sense, the HRM role of the Company Manager could be seen to be that of a good administrative manager or an employee champion.

On further analysis, given the company manager’s skills and knowledge, it could be argued that not only did she play an administrative role and role of employee
champion but that she also played a strategic role in linking organisational strategy and people management strategy. However, this was not captured in any formal or structural sense, and this strategic HRM thinking was based on the action of one key individual in the company. In this company, the board of directors played not only a governance role but also a role in the operational management of the company. Despite this hands-on role of the Board, its Chairperson saw the overall governance priority as being one of financial survival and fund raising for the production of the artistic endeavour in order to have enough people to make this endeavour possible. For him, HRM was for large organisations with many staff and he did not appear to see any relevance for this micro organisation.

6.6.2 HRM policies and practices

Despite the lack of formal HRM systems and policies, there were a number of informal HRM practices in the company. For example, the company had two different approaches to the recruitment and selection of employees. While administrative staff were recruited through a traditional approach, of developing job descriptions, advertising, and interviewing, potential performers were recruited quite differently. A more relationship-based, ‘talent spotting’ approach was used by the Artistic Director, who sought out not only ability but also a particular creative approach and attitude in his dancers. This subjective and largely transparent approach to recruitment could not only be discriminatory but also lead to ‘cloning’ as the Artistic Director recruited in his own image. Furthermore, these recruitment and selection practices were not formalised or captured in company policy, but instead appeared to be part of company knowledge.

Training and development was another practice that was largely informal, and articulated quite differently by each interviewee. On the one hand, training was linked to compliance around issues such as occupational health and safety. On the other hand, training was seen to be more developmental around issues such as learning to write successful applications for funding. Furthermore, there were also differences in understanding regarding access to training and development opportunities in the company, with the Artistic Director claiming to have a mentoring role to more junior
performers, and the Choreographer claiming that there was no access to training and development in the company.

In relation to wages and conditions, the company clearly relied heavily on external institutions such as the relevant industry awards in regard to the payment of wages and employment conditions. These industry awards are legally based and prescriptive, and the company relied on the services of the employer’s association to ensure compliance. However, despite formal compliance in relation to paying the correct wages, while the permanent staff members had some level of job security and income protection, the casual employees were in a much more precarious position. For example, the short-term, project-by-project nature of employment of the company Choreographer, with gaps in between, meant that, while she was paid award wages when she was working, her annual income was low. Like many performers in her position, she had to work two jobs to survive.

6.6.3 Communication in the company

The third issue emerging from the case study was the issue of communication, which was surprising in such a small company. For example, while claims were made about open communication in the company by the Chairperson of the Board and the permanent staff, the Choreographer was not aware of important discussions taking place on key issues such as succession planning, despite working in the company for over fifteen years. Other examples of a lack of communication were the difference in views on the existence of training and development opportunities, and the fact that the Board Chairperson had only a limited understanding of the HRM issues in the company. Clearly, the informal nature of most of the HRM policies and practices in the company means that they are often invisible to other members of the company who do not have access to company knowledge. This invisibility in itself undermines communication for example, in one sense succession planning was seen quite differently by the Company Manager, the Artistic Director and the Choreographer yet they all saw it subjectively from their own perspective, rather than as an organisational issue that needed a policy.
6.6.4 Funding and resources issues

In common with many micro organisations, this company was in a constant struggle to survive and experiencing a continuous lack of resources to develop new work. This is particularly true of a not-for-profit organisation that relies on government funding, limited Box Office opportunities due to its limited target market, and philanthropy and donations from individuals for its survival. Clearly, the limited nature of government funding in the arts industry in general is a challenge in the adoption of effective HRM practices. However, even when funding was secured, resources were still limited, resulting in one person, in this case the General Manager, carrying out a whole range of managerial responsibilities and not having the time to devote to company development. Better funding was seen to be the answer, as it was believed that more access to financial resources would mean more people to do the work, whether it was artistic work or someone to give the support so that the artistic work could be developed further. There was a general frustration among the interviewees with limited funding and the challenges this created in the company.

6.6.5 Nature of the industry and impact on the workforce

The final key issue emerging from the case study was in regard to the nature of the industry and its impact on the workforce. Employment in the company, even for the permanent staff, was precarious and reliant on constantly seeking funding. This was worse for the casual staff, where the short-term nature of the work, with gaps in between jobs, led to low wages and financial insecurity, which had a direct impact on current lifestyle and future retirement security. Furthermore, the size of the company meant little opportunity for career development.

Despite these constraints, all the interviewees in this company appeared to be highly motivated and committed, and chose to work in the arts industry, and indeed for the Company manager and the Choreographer, chose to work in this micro company with the particular artistic vision of the Artistic Director. There was something about the job in this company that they found fulfilling. This included not only those with an artistic performance background, such as the artistic director and the choreographer, but also the Company Manager, who did have the knowledge, skills and qualifications
to work in another industry or larger company. Such motivation and commitment clearly underpinned the success of this company, but led to a precarious employment and career situation for the individuals within it.

6.6.6 Chapter conclusions

The research questions in this study relate to the nature of human resource management policies and practices in the organisation, and HRM challenges faced by the company in their HRM practices. Three key conclusions can be drawn from the case study. Firstly, the company is a micro organisation, which has displayed the usual issues in relation to the management of HRM in such organisations that is, ad hoc and informal policies. The responsibility for HRM management resides with the company manager and compliance with external regulations. Her HRM role could be seen to be both administrative expert and employee champion. While she understood the importance of clear people management strategies, HRM was largely invisible to everyone else. This is not unusual in micro organisations and links to the second conclusion which is that the company’s survival is clearly the key issue that dominates strategy and practice. The ongoing struggle for funding directly influenced wages and conditions of work and employment security. The third conclusion is that, despite the precarious situation of this company, the participants spoke about their passion and commitment not only to the industry but also to this particular company.

While individual motivation was not a research question in this thesis, a key aspect of HRM theory is the role of employee commitment. Understanding the nature of the performing arts workforce and how and why this impacts on HRM practice in PA companies is an important element of this study. In this particular case study, company members were willing to sacrifice their own employment and financial stability to follow their dream of working not only in the in the performing arts sector but also in this particular Company. For the Artistic Director it was the embodiment of his vision, for the Choreographer it was the support of this vision. However, for the Company Manager it could have been the challenge and varied nature of the job. Whatever the underlying reason, clearly it was the passion and commitment of the Company members that enabled Dance company to continue to survive.
CHAPTER SEVEN: CASE STUDY TWO - THEATRE COMPANY

7.1 Introduction:

Chapter Six presented the findings of HRM systems and practices in a micro dance company. Five key themes emerged: 1) the nature and structure of HRM in the company; 2) the HRM systems and policies and practices; 3) communication issues; 4) importance of funding resources; and 5) the nature of the industry and the impact it has on the workforce. Three conclusions were drawn. First, the company is a micro firm and displayed the usual issues in relation to HRM in such organisations such as ad hoc and informal policies. Second, company survival is clearly the key issue facing management and the board, which is dominated by inadequate funding and the influences on wages, conditions of work and employment security. Third, despite all these issues, employees were largely driven by their love of dance and commitment to Dance Company.

Following up these findings, the current Chapter (Seven) examines HRM in a medium-sized performing arts company and is structured as follows. Section 7.2 provides contextual and background information on Theatre Company; 7.3 presents an overview of the organisational structure; 7.4 outlines the human resource management systems and practices; 7.5 describes the profile of the participants interviews; 7.6 discusses the interview findings from the perspectives of the functional and administration team members; 7.7 discusses the findings from the perspectives of the creative team; 7.8 discusses the overall findings; and 7.9 draws the key conclusions.

7.2 An overview of the company

The company is a medium-size theatre company established in 1976 as a not-for-profit organisation dedicated to the “development, production, and promotion of contemporary Australian theatre” (Annual Report; and Company Website). The company employs over 200 staff, with approximately 45 permanent full-time or part time employees. A further 165 members of staff are employed on casual contracts; and many of these are on fixed-term contracts, for example performers are usually
contracted for the duration of a performance. There is also a pool of seasonal casual workers and volunteers brought in for particular projects and productions. According to the company’s website, the company has “contributed to creating a repertoire of Australian plays”, many of which now take place regionally and overseas, and so the company has an extensive travelling program.

At the time of the study, the company had Commonwealth government funding through the Australian Council of the Arts triennial grants scheme and State government financial support, thereby enabling a certain amount of security in work and production. Government funding was augmented by private philanthropy, specific grants from trusts and foundations, sponsorship (both in-kind and monetary), and commercial activities such as box-office takings and management of the company bar (Annual Report, company documents, and interviews).

7.3 Organisational structure

The organisation is governed by a Board of Directors, consisting of ten members, who are mainly executives and professionals working in a range of different industries and companies (Company Website). The role of the Board in the company is to provide strategic management oversight and guidance of the company, including overseeing the organisational, operational and audit reviews; while the day to day management of the company is carried out by the Chief Executive Officer (CEO), who is also the Artistic Director (Annual Report, 2013). The Board members are all voluntary, and come from a range of backgrounds, bringing a diverse range of skills and experiences from publishing, higher education, government, law, finance, and arts management (Annual Report, 2013).

This is a high-profile company, and board membership is prestigious and highly sought after; hence, many of the members are in prominent roles and well known in the Australian community (Annual Report 2013; Interviews). As board members are not involved in the operational management of the company, they were not included in the interviews. According to company documentation, the CEO/Artistic Director has overall responsibility for decision making and the general management of the company, with the support of a range of managers and staff, who are responsible for
different areas of management. Figure 7.1 is adapted from the company’s policies and procedures manual, and depicts the organisational structure of the company, referred to hereafter as ‘Theatre Company’. It reflects a significantly more traditional structure in a larger organisation, as compared to the earlier case, and illustrates how job roles are divided, grouped and coordinated. There is no mention of the performers in this structure however, performers appear to fall under the jurisdiction of the Associate Producer and the Company Manager (interviews).
Figure 7.1 Organisational structure of the theatre company

Source: Adapted from the Company Organisational Policies and Procedures Manual.
The organisational structure comprises three functional departments, each with a dedicated manager, according to their area of responsibility. They are Production, Business Operations, and Finance. Each report directly to the Executive Producer; while the Executive Producer reports directly to the CEO/Artistic Director; and the CEO/AD reports directly to the Board. The Executive Producer has an important role in the Company, as she is not only responsible for the physical production and the technical management of the organisation but also works closely with the artistic side of the company, including the CEO/Artistic Director, in her artistic director role of planning of the stage productions, the annual artistic program, and the costs and the risks associated with all productions (Company documents and interviews).

7.4 Human resource management systems in the case company

Theatre Company does not have a dedicated HRM department or HRM manager. Instead, according to the interviewees, all HR tasks, roles and responsibilities are shared between the Finance Manager and the Finance Assistant. They carry out a range of other functions; and neither has a formal tertiary qualification in human resource management. According to the interviewees, while the day-to-day work around HR is carried out by these two staff, the ultimate HR and people-management responsibility is with the CEO/Artistic Director and/or the Executive Producer. Any serious HRM matters are directed to these managers for action (Company policy). Despite having no formal HRM manager or structure, Theatre Company does have a range of HRM policies and procedures, and provided a number of documents related to employee matters, including a staff induction manual, staff code of conduct, diversity plan, organisational policies and procedure manual, a disability action plan, and an occupational health and safety manual.

According to the interviewees, a number of HRM initiatives had been introduced in the company over the previous few years. In 2011, for example, the company reviewed its HRM policies and procedures manuals. According to the Finance Manager and the Finance Assistant, this review took place because the company found that its HRM policies and practices were out of date and needed review and redevelopment. It was not clear how this review came about and who identified the
need for the review. However, the Finance Assistant gave examples that, while the company had micro policies on such issues as the “organisation of the stationary cupboard”, it had no policies or procedures on “important issues such as cultural diversity, sexual harassment, and drug and alcohol usage”. It could be that this was more of a general organisational review rather than just a focus on HRM. However, according to the Finance Assistant, the review led to a full update of all HRM policies and procedures. In addition, there are a range of other rules, regulations, policies and processes in relation to other key areas. For example, the Box Office team had a detailed process on how to deal with ticket sales and customer complaints, and the ‘front of the house’ team had detailed policies on customers’ safety as part of the occupational health and safety policy of the company. It was not clear from the documentation provided how well integrated these policies were.

Theatre Company is characterised by a broad range of staff, both permanent and casual. These include management and administrative staff, performers, technical staff, and volunteers. In relation to terms and conditions of employment, Theatre Company has an Enterprise Bargaining Agreement (EBA), which is negotiated with the support of the employer’s association - Live Performance Australia - for the performers and technicians. For the other categories of employees, the company relies on the Live Performance Award to determine wages and conditions of their work. Furthermore, there is an element of individual bargaining in the sense that many of the performers who appear in the shows are high-profile actors who can attract higher fees negotiated by their agents. Hence, according to the interviewees, the company often pays above the award or agreement rate, depending on the nature of the production, the profile of the performer, or the market rate of the particular skill required (interviews and documentation).

7.5 Profile of the participants

The eight participants interviewed in this case study comprised five permanent staff, two casual staff – one of them fixed term - and one independent contractor. This combination and variation of participants provided different views and perspectives on how HRM is perceived and managed in the organisation. At the initial stage of the project, it was intended to interview performers as well as creative managers and
administrators; however, despite many attempts through emails and personal visits to Theatre Company, this proved unsuccessful; possibly because, for performers, any interviews would have had to have taken place in their personal time. As a result, there are no performers interviewed in this case study. In addition, the CEO/Artistic Director declined to be interviewed. However, the participants do capture a full range of the other types of employees. Table 7.1 provides a summary of the participants involved in the case company.

Table 7.1 Profile summary of Theatre Company participants

<table>
<thead>
<tr>
<th>Role/Position</th>
<th>Gender</th>
<th>Years Of Service</th>
<th>Employment Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Functional/Administration</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance Manager</td>
<td>Female</td>
<td>3 years</td>
<td>Permanent</td>
</tr>
<tr>
<td>Finance Assistant</td>
<td>Female</td>
<td>6 years</td>
<td>Permanent</td>
</tr>
<tr>
<td>Marketing Coordinator</td>
<td>Male</td>
<td>1 year</td>
<td>Casual–fixed term</td>
</tr>
<tr>
<td>Box Office Staff</td>
<td>Male</td>
<td>2 years</td>
<td>Casual</td>
</tr>
<tr>
<td><strong>The Creative Group</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive Producer</td>
<td>Female</td>
<td>1.5 year</td>
<td>Permanent</td>
</tr>
<tr>
<td>Company Manager</td>
<td>Female</td>
<td>5.5 years</td>
<td>Permanent</td>
</tr>
<tr>
<td>Associate Artistic Director</td>
<td>Male</td>
<td>4 years</td>
<td>Permanent</td>
</tr>
<tr>
<td>Freelance Artist</td>
<td>Male</td>
<td>11 years</td>
<td>Contractor</td>
</tr>
</tbody>
</table>

The participants had varying years of service and experience in the company. The Freelance Artist, who was an independent contractor, had the longest relationship with the company, which was eleven years. The Associate Artistic Director had been with the company for four years, having worked with other arts companies; while the Company Manager had been with the company just over five years at the time of the interview. In contrast, four other participants had been with the company for two years or less. Two members of the senior management team were interviewed: the Executive Producer, who had extensive international experience working overseas before joining the company; and the Associate Artistic Director. The Finance Assistant had been working in the company for six years; while the Finance Manager
had been working in the company for three years at the time of the interview. The Marketing Coordinator had been employed in the company for just twelve months while the Box Office Assistant had been employed in the company for two years.

7.6 Key findings from the perspectives of the Functional/Administration team

The key findings are presented from the perspectives of respondents as an individual narrative. In this way, the practice of HRM in the company can be revealed. The narratives have been grouped into two sections in order to gain insights about the perspectives of, first, the functional/administrative group, and second, the creative/management group. Hence, the first group is made up of the Finance Manager, who reports to the Executive Producer, and the Finance Assistant, who reports to the Finance Manager. The Marketing Coordinator reports to the Business Operations Manager and the Box Office staff member reports directly to the Assistant Ticketing Manager.

The second group comprises the Executive Producer, Company Manager, and the Associate Artistic Director; each reporting directly to the CEO. The Freelance Artist is on a casual employment contract, reporting to the Production Manager. While three members of this group are managers, they all identified primarily as creative artists or producers.

7.6.1 The Finance Manager

The Finance Manager had been working in the company for three years at the time of the interview. She is in charge of the functional team, which manages finance and resources, and includes management of the venue, the Company Bar and the front of house in general. She reports directly to the Executive Producer. She has a degree in Creative Arts, which is an unusual background for a finance manager. Until her appointment as the Finance Manager, she worked in an interstate Performing Arts Centre as an Executive Assistant to the Head of Corporate Services, which included HR, IT, and finance. She had also worked in a bank. The Finance Manager is a permanent staff member, and described her current job as being responsible for ensuring the smooth running of the theatre’s finances and providing forecasts
regarding income from ticket sales, the cost of productions, and the overheads of the theatre.

She also stated that her role is important not only for the overall financial governance of the company but also the development and implementation of policies and procedures, including HR and in particular Occupational Health and Safety, Work Cover, Equal Employment Opportunity Policy, as well as the appropriate management of all government funding and any other legal reporting requirements. Given her previous experience in a performing arts company, she felt that she had knowledge and experience regarding human resource management systems and practices. However, she commenced the discussion by describing her love and passion for the performing arts. She described “the calm and relaxed atmosphere in the company”, and in the arts industry as a whole, by comparison with her experience of the corporate environment. She stated:

I like the arts and have always felt passionate about it. I like being around creative people, the energy and the experience that it creates, which is shared.

She claimed that she is motivated to work in the company and in the arts in general because of her passion for the arts, and claimed that most people who work in the arts are motivated by their passion for artistic endeavour:

I am very passionate about the arts and I love it very much....... I enjoy it so much that I can never be bored ever. I have only had jobs that I enjoy doing. I really enjoy working with the artists and that motivates me and that is what I like about the arts.

Having described her passion and motivation she turned to a discussion of the HRM systems and challenges faced by the company. In doing so, she explained how HRM actually works in the company. As the person responsible for the day-to-day management of staff and the operationalising of HRM, she was in a good position to do so. She stated:

We have several HRM policies and procedures that enhance our management of people. For example, the company’s recruitment and
selection procedures are all formalised, including the induction and orientation of new staff. In addition, all new employees are provided with a job description.

However, she also pointed out that, despite the fact that she and the Finance Assistant carry out the operational aspects of HRM, ultimately HRM decision making rests with the Senior Management team. She noted:

Key HRM issues, such as recruitment, appointment of new staff, sexual harassment and employee grievances, are all directed to the CEO and the Executive Producer, who are the most senior in the company for any action they may consider necessary.

The Finance Manager described the new HRM initiatives and policies that had been introduced in the company:

We have in the last couple of months developed new policies and procedures for our recruitment policies, including how we advertise jobs and recruit artists from Australia and abroad. This is aimed at ensuring that the company gets a broader range of applicants with distinctive imaginative ideas in the positions we advertise.

Interestingly, she stated that many of these policies and procedures do not directly address HRM problems in the company. Instead, she claimed that these new initiatives were driven mainly to ensure organisational compliance with relevant government legislation. She acknowledged that HRM in the company tend to be compliance based, reactive, and sometimes ad hoc. She also described how the company deals with staff complaints and grievances. Despite the fact that such issues are supposed to be referred to the senior management team, in practice they are dealt with at a lower level, with the support and advice of LPA. This includes not only complaints and grievances but a raft of other matters. She commented:

We rely on LPA to help us when we are applying for artists that live in other countries that need visas and some other issues and they give us general advice. I think in general, but this is not exclusive to our company, that HRM is practiced, but not in a formalised way. HRM is ad hoc in the way it is practised, to be honest with you.
Training and development in the company was another component of HRM practice in the company. The Finance Manager claimed that, although there is a company training and development manual, in practice training and development is ad hoc, reactive, limited, and mainly compliance based. She stated:

*We do not have any formal training and development structures in place but we do put aside a budget every year for people to undertake relevant training and development, and we certainly make sure we meet all our legal requirements; but the vast majority end up doing First Aid training.*

Clearly, the Finance Manager was well positioned to identify the HRM challenges facing in the company. Like most other interviewees in this study, she commented on the fact that working in the arts is characterised by job insecurity due to casual, part-time and contract-based employment. However, she described another dimension, commenting on the difficulties of managing these types of workers and their working arrangements. For example, she stated;

*Managing those casual staff is quite difficult with many issues and problems around fairness in shifts and their overall wellbeing.*

These issues and problems appeared to focus largely around coverage of the work and the shifts. Although theatre work is not a 24/7 operation like a hospital, much of the work takes place in the evening and weekends. These antisocial hours can take their toll on staff wellbeing. The work is often intermittent with downtime between productions. Moreover, weekend work attracts different pay loadings and can be a source of tension if not seen to be allocated fairly.

She saw other problems regarding the implementation of company policy and procedures; for example, despite the existence of an EBA she believed that wages remain low in the company. Again in line with other interviewees in the study, she linked this with the lack of funding and the nature of work in the arts in general. However, she saw it slightly differently in that she felt that it led to lower quality candidates for some essential roles in the company:

*As you can see, as an arts company we can’t afford to match the wages that high quality candidates can get in other industries. As a result, we often end*
up employing younger people who have a lot of enthusiasm and a lot of passion and commitment but are not necessarily experienced.

The Finance Manager also felt that the fact that the Company could not afford the type of rewards, such as performance-related pay and bonuses, common in other industry sectors, meant that, in many instances, the company relies on individual goodwill. She commented:

*We as an organisation find it difficult to reward staff and we do not have any kind of reward scheme like other organisations do. We rely a little bit on individuals’ love, passion and commitment for the arts and the company. We are lucky that exists and that is what arts is all about.*

The Finance Manager also believed that low wages led to increased high staff turnover, with many staff staying only briefly with the company before they move elsewhere for better pay and working conditions. She explains:

*We find it hard to keep staff long enough here. Most of our staff tended to leave between two and three years to other industry sectors where they get paid more. This is an ongoing problem for us.*

In summary, the narrative from the Finance Manager provides insight into the practice of HRM policy in the case company. According to her perspective, there are a number of key features. First, in this company HRM is recognised but does not stand in its own right. The operationalisation of HR is within the portfolio of the Finance Manager, who manages all resources; however, at the same time, final decision making on important matters is supposedly with the senior management team. Second, while the company has a range of fairly new HRM policies and practices, they tend to be compliance based, reactive, and often ad hoc. The Company appears to operate a personnel management approach. Third, the compliance focus means that the company often relies on advice from LPA. Fourth, there are constant challenges in the logistics of managing a high pool of casual staff, exacerbated by the unsocial hours and the intermittent nature of the work. Fifth, low wages in the functional areas means that it is both difficult to attract qualified and experienced staff in key areas; and coupled with lack of reward systems to keep them, subsequently leading to high
staff turnover of the talented people who are recruited. Finally, the Finance Manager is clearly motivated by her passion and commitment to the arts, and accepts lower wages and poorer working conditions in doing so.

7.6.2 The Finance Assistant’s story

The Finance Assistant reports directly to the Finance Manager, and again is responsible for the operational aspects of HRM. Her Bachelor’s degree is in Biology; and, like the Finance Manager, she has no formal qualifications in HRM. However, she has worked in the arts since her graduation. At the time of the interview, she had been working with the company for six years as the Finance Assistant; and she also worked casually in the Box Office. She also assists the Company Manager in some aspects of staff welfare, including dealing with special payment arrangements, for example in relation to touring and productions, such as booking accommodation and travel. She commenced the interview by describing what she likes about working in the company and in the arts in general. She stated:

*I work in the arts industry because I love it and I have not had the impetus to leave to pursue other things. I don’t have an arts background in terms of study ... but I guess I can’t see myself working in a corporate world. I like the casualness and laid back nature ... in one respect ... I can’t see myself working in a corporate environment. It is nice to be involved in an industry that is not solely motivated by money. It is not all about profit making but, it is about the community.*

As the person whose role includes operationalising HRM in the company, it could be expected that she would be well placed to describe the nature of HRM in the company and the HRM challenges facing the company. However, this was not the case. For her, the key HRM challenge is external: that is, the lack of enough government funding both for the company and for the industry in general, which she believes affects the payment of wages and salaries. She described the funding of the arts as “a sensitive issue”; but felt that increasing government funding would lead to better production of shows and improved staff wages. She commented:
I would say there is lack of funding in the arts industry, and so the wages can be quite small compared to what you can get in other industries. A little more money is necessary in the arts industry because without money you can’t get work made or pay people. It is a problem in the industry in general terms.

In addition, she saw these issues in relation to herself: she spoke about her experiences in pay in relation to other companies, and what her friends who work outside of the arts sector earn. She believes that, if she carried out the same role in another industry sector, she would be paid higher. However, she is also aware that Theatre Company pays better than other performing arts companies, and commented:

*I think we are paid quite well here as an arts organisation. My wage has got better since I joined this company. I think this organisation pays quite well, because when I look at jobs outside this organisation but within the arts, I find they pay less compared to what I get paid here. But if I were to go and do payroll or invoicing in another company I will get paid more, I just don’t want to work in that corporate environment.*

For her, the external environment is the key driver; and she went on to describe how the lack of funding or the continual struggle for funding leads to a feeling of job insecurity in the company and in the arts industry in general. Despite this, she felt that her own job was not under threat, and explained:

*I feel my job is secure because you do need people to pay people, and that is where I come in. Whenever I go away … on return I have to fix the issues of severe problems with the pay roll … so as a person I feel my job is secure unless if the company loses funding or closes down.*

Unlike the Finance Manager, the Finance Assistant was positive about the HR policies and practices within the company, for example she commented on training and staff development in the company. Again, she saw HRM in the company in relation to herself, and claimed that there are training and development opportunities. She described how she had completed some short courses as part of her training and development, at the behest of her manager. She explained that she had attended cultural diversity training; while her manager supported her to do any training that she
wished to do. She argued that it was up to individual staff to discuss their training needs with their respective managers. However, she did not appear to be as aware of any training policies within the company as she might be, given her role in the company. She did comment on how she arranges her own training opportunities:

*If I find something interesting that I think I should do as part of my training and personal development, the company is usually happy for me to do it and my manager is supportive. I have done some training in the past and intend to do more in the coming year.*

She was less optimistic on career developments and pathways in the company, arguing that there is no career opportunity in the organisation. Again, she saw this from her own perspective:

*There is no set career pathway in this company. There is no specified pathway to up skill ... with the hope that you will become CEO or manager in the future.*

Despite her role and responsibility in HRM in the company, the Finance Assistant only mentioned one HRM challenge in the company: this was about the need to improve staff performance management in the company. In particular improving the staff evaluation mechanisms and implementing more effective and regular performance assessments for all staff. She argued that, despite the fact that the company had carried out a HRM review and introduced new policies and processes to achieve its objectives, the translation of policy into practice had been problematic. For example, in relation to performance management, she argued:

*We are not good in day to day staff management of people. We do the yearly performance reviews but I don’t think there is a lot of interest from the staff, and I think that the management just think they have to do them and therefore just tick the boxes. If someone is under performing I don’t think there is that quick response. I think we could handle performance management of staff a lot better than we do.*

In summary, first, in contrast to the Finance Manager, the Finance Assistant provides a different view on HRM practice in the company; and while they both share the
HRM portfolio, they have very different perspectives of HRM in the company. This could be due to the fact that the Finance Manager has years of experience of HRM practice in a different arts organisation. Secondly, this difference in views suggests an apparent lack of communication between the Finance Manager and the Finance Assistant, in that the Finance Assistant does not appear to be aware of the limitations of many of the policies that it is her role to implement such as training and development. Thirdly, despite her full lack of understanding of HRM policy and practice, the Finance Assistant identified staff performance management as a key challenge in the company. Finally, the Finance Assistant was clearly passionate about working in the arts and willing to accept lower wages and poor working conditions to do so.

7.6.3 The Marketing Coordinator’s story

The Marketing Coordinator reports to the Business Operations Manager; and had been working with the company for twelve months at the time of the interview. He is employed on a fixed-term contract, and paid according to the hours worked. His role involves promoting events with partners and donors to sell tickets, and managing all aspects of the theatre’s publicity and advertising material, which includes fliers, posters, press, brochures, newsletters, and websites. Despite this role being key within the company, the Marketing Coordinator does not have significant work experience; indeed, this was his first real job after graduation. He seems to exemplify the problem described by the Finance Manager, of recruiting people to key roles with little or no experience. Indeed, he commenced the interview by commenting on his lack of work experience:

*I don’t know how much people get paid in a similar position that I am. This is my first real job experience. I am happy with my pay at the moment compared to what I used to earn in retail ... I don’t know how much people in the bank get paid for example ... I would imagine most people get paid less when they first start.*

Furthermore, like both the Finance Manager and the Finance Assistant, he described his love and passion for the arts:
I have always enjoyed participating in the arts, whether it is in the theatre or film or writing ... that type of thing, and being able to work in a job that is engaging every day, and that means that work is not only just to pay the bills but something you can also enjoy and participate actively while able to raise your career.

He continued:

I am motivated by the passion I have for theatre and creativity ... kind of anything that is not just about dollars and figures, and also about giving something to the community and providing something that is entertaining or engaging. It is motivating to be a party to something that excites you and the community. If money was the motivating factor you will be looking at some other places.

Despite not having the experience to know how his job compared to the market in general, he stated that the arts industry in general is characterised by low wages and job insecurity, which he felt was an important HRM challenge in the organisation and in the arts industry in general:

The major HRM challenge in my opinion in this company, as in most of the arts industry, is wages, insecure jobs and conditions of work. Wages are fairly low compared to other industry sectors, and employment is often a contract, short-term and project-based type of employment.

Notwithstanding that he claimed that the industry is characterised by job insecurity, and that he is employed on a fixed-term contract, he believed that his job is secure at the moment. However, he did note that, in the future, his position depends on the company having the resources to employ him. He did not seem too concerned about this, perhaps because he is young and just commencing his career. He stated:

I feel I am not threatened like I will lose my job anytime soon, nor do I feel like I am going to be safe for the next ten years. I am here for the foreseeable future and so I don’t feel insecure. In any casual job though there is always this feeling you might lose your job at any time but that is part of accepting a casual job and there is no legal requirement to keep you if you are not needed.
In relation to actual HRM practice in the Company, unsurprisingly, in line with the Finance Assistant, he saw it very much in relation to himself. For example, in regard to training and development, while he had not attended any training, he was aware that opportunities exist and knew this because it was raised with him by his manager in his last performance appraisal. He explained:

\[ I \text{ have discussed this issue with my manager and there will be opportunities} \]
\[ \text{in the coming year for me to attend training. I think before then I will} \]
\[ \text{identify what it is that I would like to train and develop on.} \]

His awareness suggests that performance appraisal is taking place to some extent within the company. The interviewee also identified the lack of career pathways in the company. However, he believed that it is not unusual for arts companies not to have career development planning. Again, this comment supports the concern of the Finance Manager regarding staff turnover: the Marketing Coordinator will clearly have to look elsewhere if he wishes to progress:

\[ I \text{ can tell you without wasting time that there are no career pathways in this} \]
\[ \text{company. The organisational structure of the company is flat and that is} \]
\[ \text{how most arts companies are, especially the smaller arts companies} \]
\[ \text{anyway.} \]

The Marketing Coordinator showed some insight into staff management challenges. He argued that, despite the HR initiatives and reviews in the company, challenges persist. For example, he argued that his potential is underutilised:

\[ I \text{ guess every staff member needs to be used to their full capacity.} \]
\[ \text{Sometimes I feel like there is a lot for me to do and some other time there} \]
\[ \text{isn’t much for me. I guess I try to balance that out. I would like to see that} \]
\[ \text{my potential is being used to the fullest from a personal perspective. I feel} \]
\[ \text{like if I don’t have anything doing, that I am wasting my time and company} \]
\[ \text{resources. I would like the company to maximise my presence whenever I} \]
\[ \text{am here, because I am a casual staff member.} \]

In summary, firstly, the Marketing Coordinator personifies the HR challenges that the Finance Manager identified, in that, despite the fact that marketing is a crucial
function for the company, the low wage and insecure employment has led to an inexperienced graduate being in the role. Furthermore, the lack of security and lack of career path means that he is unlikely to stay long with the company. Secondly, while he is largely unaware of particular HRM challenges in the company, he is aware of the wider employment challenges in the industry, that is, low wages and insecure employment. Thirdly, despite these challenges, he still expressed his commitment and passion for working in the arts. From the informants’ comments, it appears that, performance reviews are being carried out in the company; however, the effectiveness of the management of staff performance and its links to improved organisational performance appear to be limited.

### 7.6.4 The Box Office Assistant’s story

The Box Office is an important part of any arts company, as it plays a vital role by selling tickets to the public for admission to events, either over the counter, by phone, or through the internet. However, Box Office staff are amongst the lowest paid in the company, and the most easily replaceable due to relatively low skill levels. The interviewee was on a casual contract, and had worked for the company for two years. Like many employees in the arts, he works in two separate jobs to augment his income. However, he saw this situation as the challenge of working in the arts:

> As casual staff, there is no consistency in my employment. The employer does not owe me and is not required by law to give me any notice if there is no work for me, and this leads to irregular income. This week I might have a job to earn some income, next week I have nothing; but this is also very common in the arts in general and any other casual work, I must say. But we like what we do that is the thing about it.

More surprising, despite the challenging environment, overall he feels his job is secure:

> It is secure in the sense that I know I will get jobs and insecure in the sense that I don’t know how much work I will get. I don’t feel I am in danger of losing my job, but how many hours am I able to get in a fortnight. Overall, I will say my job is not secure and that is why I have two jobs, to make sure
there is some sort of income coming in to look after the family and things, you know [laughs!].

Furthermore, he felt that the company pays well in terms of his experience in pay in relation to other arts companies. He noted:

*I have worked in some other arts companies doing exactly what I am doing here. I can say this company pays well. I have only worked in arts companies and could not compare wages, but to say the least, I am happy with my pay here. Wages might be higher elsewhere but I haven’t tried working outside the arts, to be honest.*

As a casual staff member, he claimed that he does not have access to any form of training and development in the organisation, nor is there any career path. He expressed some insight into the challenges of staff management in the company, and the lack of clarity and overlapping of roles:

*There are people who take on other people’s responsibility and roles. I am not sure why there is ... I am not sure if they are trying to gain experience in the area or what but this could lead to too much work ... I am not talking about people that are working in the box office, I mean in the administration and management.*

However, he did not appear to aspire to such roles himself, so it begs the question of why he would work in the arts. He answered this question by describing the sense of freedom and creativity in the arts:

*Well, I like being part of the event that is happening in the theatre and the general atmosphere that it brings. I like the creativity aspect of things and I also like the freedom that art brings which allows me to express myself.*

He described his motivation for working in theatre:

*I am motivated by the atmosphere, as you can see, and the people around me. Above all, my motivation is derived from the love I have for artistic endeavour.*
In summary, the Box Office Assistant is one of the lowest paid, lowest skilled, easily replaceable employees in the company, who needs to work two jobs to make ends meet. However, his passion for the arts means that he accepts this status and believes that it is the price to be paid for working in the industry. Despite having worked in the company for two years, he is very much marginalised from the HRM systems and processes.

7.6.5 Summary findings from the Functional/ Administrative team

The interview with administrative/functional group of employees identified three key issues. Firstly, despite the introduction of a raft of new HRM policies and practices in the company, which may not have been be well communicated across the organisation and understood by employees towards improved organisational performance. For example the Finance Manager was aware and talked a range of fairly new HRM policies and practices in the company but the Finance Assistant was unaware of the new polices and unable to describe the nature of HRM in the company and the HRM challenges facing the company. Secondly, while wages were considered to be low and employment opportunities limited in comparison to other industries, all of the interviewees expressed their commitment to the company and the industry in general. Furthermore, this commitment came with an acknowledged personal cost in terms of low remuneration, job insecurity and limited opportunities for career development.

Thirdly, the interviewees identified a number of challenges faced by the company in relation to the management of staff. Some of these challenges were related to lack of funding and resources, but others were related to managing a largely casualised workforce. These challenges included: the logistics of shift work arrangements; roster problems heightened with large numbers of casual staff; managing staff performance; the recruitment and retention of highly skilled, experienced staff in key areas; and the possible exclusion of some casual staff from opportunities such as training and development.
7.7 The Creative/Management team

Section 7.7 focuses on how HRM is perceived and managed in Theatre Company from the perspectives of the Creative/Management group. This group is made up of the Executive Producer, Company Manager, Associate Artistic Director, and the Freelance Artist.

7.7.1 The Executive Producer

According to company documentation and interviews, the Executive Producer and the CEO/Artistic Director have overall responsibility for HRM in the company. The Finance Manager, the Production Manager and the Business Operations Manager report directly to the Executive Producer. Furthermore, the Executive Producer stated that she also works closely with the Artistic Director regarding planning and costs of productions. Hence, she has a pivotal role within the company. The Executive Producer had been working in the company for less than two years at the time of the interview, having previously worked in the arts overseas. She was clearly passionate about working in the arts:

Working in the arts allows me to participate and contribute in our culture and to share my experiences with the community. I like the endeavour ... in that you can have a social outcome [laugh] ...

I can tell you it is the culture of shared endeavour that motivates me. It is a fulfilling and exciting environment and people are generally very good at what they do.

The Executive Producer saw low wages and salaries as the key issue within the arts in general and the company in particular:

Uncompetitive wage rates are our biggest challenge in this company and in the industry in general terms. We are constantly competing with other industry sectors that pay particularly well. This, you could also argue, is because of not enough government funding in the arts.
She was particularly concerned about poor wages because of her experience overseas. She believed that Australian performing arts companies do not pay well compared to their overseas equivalents:

When I was working overseas in New York I was highly paid. When I moved to England I was also paid just about the same. I took a pay cut to work here. If I am offered a job, say in the health sector that pays more than what I am getting here I would think about if it will meet my needs, and I mean social needs, before I could make up my mind.

She also described the nature of employment in the arts industry in general, such as casual work, part-time employment and project-based employment:

The actors and freelancers that we employ are pretty much casual and there are times they could be out of work for a long period of time.

However, despite her overseas experience, her overview of the industry as a whole, and her supposedly key role in responsibility for HRM in the company, she displayed only a limited understanding of the actual practice of HRM within the company. For her, fund raising and bringing in money were the key issues and her key challenges. When pressed on HRM challenges, she spoke about the informal and ad hoc nature of training and development in the company. She argued that, although there is little training and development other than on the job training, individuals can discuss with their line managers to undergo a particular training program. She also noted the compliance-based approach to training and development, arguing that OHS and First Aid training courses are available. She did not appear to consider that this individualised reactive approach to training was a problem; indeed, she saw training and development practice in the company in relation to herself, as opposed to staff in general:

[laughs] ... not within the organisation ... I pursue some training opportunities outside the organisation. Usually the organisation covers the cost and sometimes I bear the cost depending on what it is. It would be up to my discretion on what sort of training I want and when I want it ... then I will discuss with the CEO.
This individualised approach to training and personal development, even at very senior management level, could be one of the major obstacles to the advancement and institutionalisation of good human resources management in the Company. Based on the interview responses, employees take personal measures outside of the company to enhance their skills and expertise, rather than working with management to make this part of company policies and practices. It was not clear whether this was the norm or explicitly encouraged within the company; however, this is certainly an area that needs improvement through greater engagement on the issues between staff and management.

Similarly, in relation to career advancement in the company, the Executive Director noted that there are limited opportunities for career development; but argued that it is not unique to this company but common in most arts companies, and therefore did not consider it a problem:

*Unless people move kind of horizontally there is very little opportunity for career pathway, and it is typical in organisations like this because it is not big enough to have many departments. We do not have a career path that is planned and/or designed for someone.*

In summary, the narrative from the Executive Producer is most insightful in regard to the practice of HRM within the company. Firstly, despite the fact that according to company policy and interviewees, she, along with the CEO/Artistic Director, is ultimately responsible for major HRM decision making, she expressed only limited knowledge about HRM within the company. Most of her comments were around general people management challenges in the industry as a whole. Secondly, when she did comment on an HRM function, for example training and development, she saw it as an individualised, reactive activity. Thirdly, she did not see this individualisation as a problem; instead, she saw it as a feature of the industry. Finally, like all the interviewees before her, she was prepared to accept lower wages and poor conditions because of her love of the arts.
7.7.2 The Company Manager

The Company Manager is employed on a permanent contract and is a member of the senior management team, reporting directly to the CEO/Artistic Director. She also works closely with the Artistic Director to determine which performers they wish to recruit for their shows and which creative individuals they wish to employ. These include costume designers, set lighting experts, and composers. The Company Manager also coordinates the casting and auditions of performers, and is the company’s first point of contact for artists. In this sense, she plays an important role in recruitment and selection of artists and performers.

She had been working in the company for five and a half years at the time of the interview; and she was enthusiastic and keen to share her views on HRM challenges in the company. Like every other interviewee, she was passionate about working in the arts industry:

> I like the arts and have always been passionate about it. I like being around creative people, the energy and the experience that it creates, which is shared even though it can be very different for each individual.

Despite her enthusiasms for the sector like the other interviewees, she felt that the major challenge in the company and in the industry as a whole is low wages and salaries. She described this from her perspective, and attributed this to the lack of sufficient funding in the sector. She commented that she is constantly struggling to make ends meet with wages and salaries having remained comparatively low in the arts by comparison with the other industry sectors of the economy:

> The fundamental challenge I would say is money... especially now that I have two babies I feel it much more than I use to. It is always tight! I would like to be paid more for the work that I do to be honest with you. Overall, I have been working in the arts a little over ten years, yet people who work in other industries earn double what I earn. It is because of the lack of funding in the arts I would say.

She claimed that her younger siblings earn more money than she does despite the number of years and her experience in the workforce. She comments:
I have been paid more when I have worked in other organisations. I took a pay cut to come and work here. The entry level wage for my sister who works as a quantity surveyor is what I am on now as we speak. Since she graduated and gained experience her earnings double my income.

Despite the fact that she is a member of the senior management team and clearly has an HR role in relation to recruitment and selection of artists and performers, she had little to say about HRM practices and systems in the company. Similar to the Executive Producer, she saw HR challenges largely in relation to herself. For example, she stated that she felt her job in the company to be secure:

*I think it is secure because there is so much work ... if I am bored all day I will be worried. The company has as good reliable funding as you can get in the arts. Small-to medium-sector arts organisations can lose their funding just like that, but this organisation is more secure.*

She did, however, comment on the nature of training and development in the company, describing it as informal, ad hoc, and reactive in nature:

*We do not have training and development opportunities in this organisation. I have not been to any training or developmental programme since I joined this company, other than OHS, which is mandatory by law. We don’t have such training opportunities aimed at developing the skills and potentials of staff like most other organisations do. We basically learn from each other.*

The Company Manager also commented on the lack of career opportunities in the company:

*There is no career pathway in the organisation. Maybe if you are a marketing assistant you could become a marketing manager and/or a Box Office assistant can become a Box Office manager; other than that no other job here has a logical progression. However, the company does not have Marketing Manager or a Ticketing Manager designate.*

In summary, the narrative by the Company Manager demonstrates three things. Firstly, she clearly has an HR role, for example recruitment and selection of artists,
and as highlighted in a previous section, the HR aspects of organising travelling shows, which she carries out with the support of the Finance Assistant. Secondly, despite the fact that she sees HR challenges in relation to herself, for example in regard to low wages, she can also identify some problems with the practice of HRM within the company, for example the limitations of the training and development policy. Thirdly, despite the personal cost she is committed to working in the arts.

7.7.3 The Associate Artistic Director

The Associate Artistic Director is also a member of the senior management team and employed on a permanent full-time contract. At the time of the interview, he had been working with the company for four years; however, prior to that he had been a guest director in the company, employed on a contractual basis. His role involves stage direction, and the recruitment and management of artists and contractors in Australia and overseas. Like all other interviewees, he was passionate about working in the arts:

_What I like about the arts is that it brings me closer to the community and the sharing of the culture that it embodies._

_I have great passion for arts and love what I am doing and that motivates me, and also being able to share that with the larger community._

Despite being a member of the senior executive team, the Artistic Director struggled throughout the interview to identify the HRM practices within the company. However, like all the other interviewees, he did comment on the precarious nature of employment in the company and in the arts in general:

_A lot of people work on short-term contracts … especially if you are an artist … and if you work in the Box Office a lot of them are casual, so there is no guarantee of work. The nature of our work is a problem and a challenge, I should say._

Like many other interviewees, he stated that, despite these challenges, he feels his job is secure. This is largely due to the recurrent funding that the company receives:
I have never felt my job is under threat nor thought about losing my job. We do receive the funding we require to continue our production, and as long as we continue to receive funding I would think my job is secure.

The Associate Artistic Director did raise a key challenge in relation to the recruitment and selection of performers and artists in the company: He explained that, unlike traditional recruitment and selection processes, selection of artists and performers is mostly not based on academic qualifications as such, but instead is based on a range of factors such as individual experience and the expression of imaginative ideas. This is much more subjective than many recruitment and selection processes:

Selecting the right people is very important but it is difficult because the people we select provide the identity for the company. We don’t employ people because of their academic qualifications or training they have had, but because of their ideas, imagination and their potential on what they can do.

In summary, the interview with the Associate Artistic Director again demonstrates that, firstly, despite being a member of the senior management team, his knowledge of HRM in the company is limited. Secondly, again, he is more passionate about his work in the arts than about making money. However, he also feels secure in this company due to its more solid financial situation, based on government funding. Thirdly, he raised an important issue regarding the different sorts of recruitment processes required for different groups of employees within the company.

7.7.4 The Freelance Artist

The Freelance Artist had been working in the company as an independent contractor for eleven years, as a sound designer. Interestingly, he is the longest serving member of the company. However, he is not actually an employee; instead, he is an independent contractor employed on a project-by-project base. He stated that he holds multiple jobs, and when he is not working in this company he is working in other companies, working on sound design and radio production. He argued that he did this work because he has a passion and commitment for the arts, and that he likes working
in the company and in the industry because it allows him to enjoy a variety of jobs as he moves from project to project:

I am very grateful that I have found for myself a niche in this area. I do a lot of theatre work ... like in the theatre industry, and I very much enjoy the variety as every project has its own challenges. It feels comfortable, as this is something that I really like and will not trade it for another job.

Moreover, he stated that the arts have provided him with the means and opportunity to say something and to communicate with the wider society:

I have something to say, I have something to express and I have a means to assist other people to express what they had to express. On the fundamental level, if I can go back, being a four-year old and dream about what I want to do, I would be a footballer, because they earn good money and they are adored by the public; but fundamentally, I am the same as a footballer, I entertain. At the end of the day that is what I have in common with the Australian Football League. That is what I share with my sporting heroes.

However, he still has to earn a living; and he commented that, despite his long years of service in the company, he is still in reality “on the casual pay roll”. Wages and conditions in the industry in general was something that he felt strongly about. He described how, like many other artists, he has to balance many jobs to sustain his family, pay bills and meet other financial obligations:

My income is absolutely a problem. I have to maintain a number of jobs across a number of industries just to be fine and able to pay the rent and look after myself. I am not getting anywhere. I can’t afford a home of my own, I can’t get a loan because I am a freelance employee and I don’t satisfy the income test that most banks place on their loans these days. How would you feel without any financial stability or safety net in your work?

Working in many arts companies, he was able to compare wages and conditions between Theatre Company and other companies. He believed that Theatre Company does not pay the lowest wages in the industry, but he argued that there are other arts companies that offer much higher remuneration. He acknowledged that what
determines how much he gets paid is how much the company has budgeted for the project and not the actual time or the resources he would need to complete a task:

*The wages and conditions in the arts are low, and within this company the wages are low. Because I contract to different companies I know what my value is on a particular project. What determines how much I get paid is the budget for the project and not what I am worth. For example, identical roles performed at different companies are worth different amount of money because that is what the company has budgeted for. I have people that do exactly what I do in other industries and their wages are much higher than mine.*

This financial situation, coupled with the need to work multiple jobs, has another impact on contractors such as himself. He identified long working hours as a key challenge, claiming that he often works up to 12 or more hours a day. This comment raises a serious occupational health and safety issue for arts companies. If a contractor is working across companies in the same day, each company has no record of the amount of work that the person has carried out in the other company. Hence, the potential exhaustion factor is invisible and possibly unnoticeable, unless something goes wrong. Added to this is the fact that many of these contractor roles are in the technical areas of sound and lighting, where the individual is in contact with sophisticated electrical equipment. The potential for serious injury is significant.

*Long hours are another problem. I work for as long as I have to. Sometimes I start work at 7am and finish midnight. I do that over and over again. As a contractor, I work for as long as I need to. There is no consideration for overtime or the time I need to be a human being and think clearly on what I am doing.*

Added to these stresses are the stresses of precarious employment:

*My job is not secure at all because I am only a contractor and at the end of that contract there could be nothing for me, you know [laughs!]. There is no compulsion for any of the companies to have me back or to extend my contract or to continue to use me. It is possible that at the end of my contract, I may never come back again. On the fundamental level, I have no security in my job.*
Interestingly, despite being a contractor, the Freelance Artist stated that the company has provided him with training and development opportunities. Indeed, he felt that training and development is an integral part of Theatre Company and that it is available for all staff. This appears to be in contradiction with what a number of other interviewees have stated in regard to training and development in the company. However, it could be that different individuals have different interpretations and expectations of training opportunities. For some, training is in regard to compliance around such issues as occupational health and safety – for a technical role such as the Freelance Artist, free access to such training would be essential. For others, training and development is about individual opportunities. From an HRM perspective, training and development should link to the strategic needs of the company. From the perspective of the Freelance Artist:

_I would say yes, because I have taken some opportunities along the way to attend some workplace training, safety training and some other related training. They are very good at that and allowing me to do that, given that I am a contractor and not on full-time employment with them._

Finally, like all other interviewees, the Freelance Artist saw little opportunity for career development in Theatre Company; but like everyone else, he also linked this to the arts industry in general:

_There are no opportunities for career enhancement in the arts and especially in such small- to medium-size arts organisations like this company._

In summary, the Freelance Artist interview casts light on how HRM is practised in the company. Firstly, despite being the longest serving member of the company, he is still a serial contract employee working from one contract to another. Secondly, like the other interviewees, he is very passionate and committed to his artistic endeavour and enjoys what he does. Thirdly, despite his passion and commitment to the arts, he feels that low wages remain a challenge in the company and in the arts in general. As a result, he works in two or more jobs to make ends meet. Finally, an implication of multiple job holding is very long working hours. This raises an occupational health and safety issue, which is invisible to the companies that he works for.
7.7.5 Summary findings from the Creative/Management team

The creative/management team identified three key important HRM issues in the company. Firstly, HRM is not seen as important in the company’s operational management; instead, raising funds to maintain artistic endeavour is considered far more crucial as it is a means for survival. There was also an apparent lack of knowledge and understanding of the importance and value of HRM in the company. Secondly, while low wages and conditions of work are considered to be low in the company and in the industry in general, there are also no career development opportunities for employees. Despite all these issue, participants expressed their passion for, support of and commitment to the company and the arts industry in general. Thirdly, the participants highlighted a number of challenges faced by the company in relation to staff management. These include managing a large pool of casualised workers, and the lack of sufficient government funding and resources. Others include the recruitment and retention of highly skilled staff, training and staff development, and managing staff performance. These challenges inherently make conditions of work insecure and challenging for artistic endeavour.

7.8 Discussion of findings

The purpose of this chapter was to explore human resource management practices in a medium-sized theatre company. This section discusses the five key themes emerging from the narratives of the eight interviewees, in line with the research question. Five key findings that emerged are discussed below. These comprise: the nature of HRM in the company; HRM systems, policies and practices; HR and communication in the company; funding challenges; and the nature of the industry and its impact on the workforce.

7.8.1 The nature and structure of HRM in the company

The first theme in the case company relates to the structure and nature of HRM. In common with many medium-sized enterprises, Theatre Company does not have a dedicated HRM department or HRM manager. The role of HRM is largely delegated to the Finance Manager and the Finance Assistant, neither of whom has a formal
tertiary qualification in human resource management, and both of whom carry out a range of other functions in the company. This suggests that the value of HRM is largely taken for granted in the company, or not considered a priority management issue, which is common to comparably-size firms and funded organisations. Furthermore, the explicit focus of responsibilities of the relevant HRM portfolio on finance might constrain their ability to implement more modern HRM strategies and practices. During the study, it was also found out that while the day-to-day administration of HR is carried out by the Finance Manager and the Finance Assistant, in theory the ultimate HR and people-management responsibility in the company resides with the CEO/Artistic Director and/or the Executive Producer. However, there was no evidence of this in the interviews, and the Executive Producer, in particular, expressed very little knowledge and awareness of HRM practices in the company. Hence, there is little evidence to suggest that HRM in this company is strategic or linked to company overall strategy. Instead, the current HRM practice in the company reflects a personnel model of compliance. Indeed, there is a greater emphasis on raising funds for artistic endeavour than on people management in this company which is perhaps understandable within such a financially challenged sector.

7.8.2 HRM policies and practices in the company

Despite having no formal HRM department, Theatre Company has a range of written HRM policies and procedures, and a number of documents related to employee matters, in the form of an organisational policy and procedure manual. However, there was no evidence to suggest that the policies within these manuals are either integrated with one another or integrated into the company’s overall strategy. In addition, some policies are not written down. For example, according to documentation, the recruitment of the functional and administrative staff is done through the more traditional means of advertising in newspapers and on the Internet. On the other hand, the recruitment and selection of performers was carried out much more informally, through agents, word of mouth, or through the knowledge and networks of the creative team.

There were also conflicting views about some HRM practices in the company, for example in relation to training and development practices. Some staff believed that,
while there were training and development opportunities in the company, as stated in the organisational manual, in practice the training was ad hoc, informal, and often reactive. Other staff felt that training opportunities were limited and mainly compliance based rather than developmental, for example focusing on OHS and First Aid training courses.

There were some issues that everyone agreed on, for example all interviewees agreed that wages were low despite the fact that the company had their own Enterprise Bargaining Agreement for certain groups of employees. This could be due to the fact that the majority of employees were covered by the Industry Awards. Similar to Dance Company, Theatre Company regularly sought support and advice from Live Performance Australia on a range of industrial relations matters, including support with the negotiation of the Enterprise Agreement. Finally, despite being a medium-sized arts company, everyone agreed that there were limited career paths in this company for both employees and managers.

7.8.3 Nature of HRM and communication in the company

The different opinions in the section above demonstrate that there was clearly an issue regarding effective information sharing and communication in this company. There was a lack of consensus among the interviewees on HRM practices, and different interpretations of how HRM is managed in the company. Despite the rhetoric that HRM was the responsibility of the most senior managers, this does not appear to be the case, and the senior managers expressed only limited interest in or knowledge of the value of good HRM practice. In reality, HRM was seen as an administrative function, managed by finance people with relatively little knowledge of the area. This confusion was added to by the complex organisational structure of the company, with unclear or cross-reporting relationships.

7.8.4 Funding and resources issues

Another issue identified in the case study was the continuous struggle for funding in the arts industry, and the impact this has on staff and on the ability of organisations to adopt effective HRM practices. Despite the fact that this was a reasonably well-
funded and secure organisation, there was a general belief that increasing government funding would lead to improved staff wages, better working conditions, and more employment opportunities due to the expansion of production. Indeed, all the interviewees commented on the impact of limited funding and resources on their financial wellbeing and security.

7.8.5 Nature of the industry and impact on the workforce

The final key issue emerging from the case study was in relation to the nature of the industry and the impact it has on the workforce. All interviewees commented on the insecurity of work in the industry in general; even though many of them felt that their job was secure in this company. As stated in Section 7, all the interviewees also commented on low wages and poor conditions. However, despite these insecurities, all interviewees were committed to working in the arts sector. While this is not so surprising for the creative team, who are largely tied to the Arts sector because of the nature of their work, it is surprising for the functional team, who do have the ability to move to other industries.

Finally, an important issue was raised in relation to managing the performance of individual staff. In such a casualised industry, many basic HRM functions, such as performance appraisal, become difficult to manage, as the staff work short-term contracts. This situation also creates problems for other functions, such as training and development, and the overall staff management. For example, the logistics of managing large numbers of casual staff in relation to rosters takes time and resources, and also adds to the communication difficulties in the company.

7.9 Chapter conclusions

The research questions in this study relate to the nature of human resource management policies and practices in the organisation and HRM challenges faced by company in their HRM practices. Five key themes emerged from the case study to answer the research questions. First is the nature and structure of HRM in the company. The second issue is around HRM policies and practices in the company. The third issue emerging from the case study is the challenge around limited
government funding in the arts in general. The fourth issue is about HRM and communication in the company. The fifth challenge is the nature of the industry and its impact on the workforce.

Three conclusions can be drawn from the findings. Firstly, this medium-sized organisation displayed features of an HRM system common to firms of this size. HRM was clearly seen to be a function subservient to finance, and there was no designated HRM manager or department. Furthermore, the company’s HRM policies, procedures and the individual functions were not linked and integrated with each other. Overall, this study showed that there was a general lack of appreciation of the value of institutionalised good HRM practice, coupled with limited understanding of these issues by most managers.

Secondly, although this company was relatively financially secure and well-resourced, there were still large numbers of casual staff, due to the short-term nature of much of the work and the focus on productions. Managing such a large pool of casualised staff – many of whom were extremely valuable to the company and, indeed, had worked with this company for many years - was a huge challenge. This was further complicated by the fact that people management was given such little importance within the company, leading to a lack of awareness at the most senior level that this could be a problem.

Thirdly, there was an overwhelming sense of commitment to the performing arts industry by all participants, not just the creative staff. They were committed to Theatre Company because it allowed them to work in the industry, and had a certain sense of prestige. Their commitment to the industry overrode their own needs for financial and employment security.
CHAPTER EIGHT: CASE STUDY THREE: MUSICAL PERFORMING ARTS COMPANY

8.1 Introduction

Chapter Seven presented the results of the second case study, a medium-size theatre company, from which five key themes emerged. These are: nature and structure of HRM in the company; HRM policies and practices in the company; HRM and communication in the company; funding in the arts; and the impact of funding on the workforce. Three conclusions can be drawn from the findings. Firstly, this medium-size organisation displayed features of an HRM system common to firms of this size. HRM was clearly seen to be a function subservient to finance; and there was no designated HRM manager or department. Furthermore, HRM policies and procedures, and the individual functions, were not linked and integrated with each other. Secondly, although this company was relatively financially secure and well-resourced, there were, nevertheless, large numbers of casual staff, due to the short-term nature of much of the work and the focus on productions. Managing such a large pool of casualised and contract staff – many of whom were extremely valuable to the company, and indeed had worked with this company for many years - was a huge challenge. This was further complicated by the fact that people management seems to be given such little importance within the company, leading to a lack of awareness at the most senior level that this could be a problem. Thirdly, there was an overwhelming sense of commitment to the performing arts industry by all participants, not just by the creative staff. They were committed to the company because it allowed them to work in the industry and had a certain sense of prestige. Their commitment to the industry overrode their own needs for financial and employment security.

The purpose of Chapter Eight is to examine the third case study, a large musical performing arts company with a significant history, located in a capital city, with branches across Australia. The chapter captures the participants’ understanding of HRM systems and practices in the company and their perceptions of their relevance. Secondary data for this case company were drawn mainly from the company website,
its annual report, HRM policy and procedure documents, and primary data from in-depth interviews with four senior managers of the company. This allowed HRM practices in the company to be teased out from those whose work pertains largely to managing people in the company. It is the narratives of the individual participants that shaped the findings of this chapter.

The chapter is structured as follows. Firstly, it provides contextual information on the musical company, including background information about the company and its organisational structure. Secondly, it outlines the human resource management practices in the company. Thirdly, it introduces the profile of the participants involved in the case study. Fourthly, it presents the key findings in the case study from the perspectives of the participants. These comprise the narratives of the HRM Director, the General Manager Orchestra, the Senior Artistic Manager, and the Company Manager. The chapter concludes with a discussion of the key themes that emerged from the case study, and draws conclusions regarding HRM practices in the musical company.

8.2 An overview of the company

The case company is a large musical company based in a state capital city and, according to the company’s annual report, is one of Australia’s largest and busiest performing arts companies (Annual Report, 2014). The company works in collaboration with the Australian Broadcasting Company (ABC) to broadcast live and recorded performances on radio, TV and in cinemas (Company Website). The company does not rely on government funding as its main source of income. It generates about 70% of its own income revenue through box office sales, corporate sponsorship, private philanthropy, earned income, and contributions. Government grants account for only 30% of the company’s overall income (Company Annual Report 2014). The company employs around 400 permanent staff, and well over 1,000 casual and seasonal staff, including guest artists (Annual Report 2014). Employees include singers, instrumentalists, repetiteurs, language coaches, directors, conductors, designers, electricians, mechanists, props technicians, dressers, make-up technicians and other production staff, stage managers, store-persons, carpenters,
welders, tailors, sewers, wig-makers, painters, writers, ticket sellers, and administrators, across a number of sites (Annual Report 2013).

8.3 Organisational structure

The company, hereafter referred to by the pseudonym ‘Musical Company’, is a company limited by Guarantee and governed by members of a Board of Directors who have the overall responsibility for the governance of the company and its ongoing viability. Board members are elected by company members, with the responsibility to formulate, implement and review company strategic policies (Company Website). The company is a high-profile arts company with a great deal of tradition and prestige, and hence, board membership is highly sought after. Board members are usually voluntary, unpaid, and come from a diverse range of backgrounds, bringing a variety of experience from higher education, arts management, corporate and regulatory affairs, senior management, corporate finance, the legal profession, and small business (Annual Report, 2014). In addition, the board provides oversight and governance of the company’s activities, especially in relation to financial and legal reporting requirements; as well as interacting with key industry stakeholders, and establishing the overall strategic development of the company (Annual Report, 2014).

The organisational structure of the company, as in many large organisations, is characterised by functional units, with each reporting directly to the CEO, who in turn reports to the Board. It is this structure that underpins how power and accountability operates in the company. Overall, the CEO has the managerial responsibility for the whole company, with the support of functional or unit managers. Figure 8.1 depicts the company’s organisational structure. Similar to case study two, there is no mention of the performers in this organisational structure given that their job is mainly project-based. However, performers appear to fall under the jurisdiction of the Associate Producer and the Company Manager.
8.4 Human resource management in the case company

In contrast to the two earlier cases the Musical Company has a formal HRM department headed by a dedicated full-time HR Director. As part of the Executive Team, the HR Director reports directly to the CEO. The HRM administrative structure of the company is lean, consisting of the HR Director, a HR Coordinator, and a Learning and Development Coordinator, each with specific role in the management and implementation of HRM systems in the company. The company has a wide range of sophisticated HRM policies and procedural manuals in place, which are made available on the company’s intranet. Musical Company’s documentation describes the role of the HR Director as an in-house consultant acting in a supportive and advisory capacity to the line managers, who carry out the day-to-day administrative functions in their respective business units (Company HR Manual).

According to the HR Director, HRM in the company is devolved to line managers, with the purpose of encouraging involvement, greater ownership of decision-making, and delivery and implementation of HR polices in their respective business units. This involves the devolution of transactional HR functions such as training and development, occupational health and safety, employee induction, staff performance
management, and recruitment and selection, to the line managers, which allows the HRM unit to be more strategically focused. To enable devolution of HRM to the line managers, he explained that the company placed all its HRM policies and procedures on the staff intranet, thereby allowing all staff access to all policies and procedures, and increasing the HRM profile as a result. These policies include the occupational health and safety policy, the staff induction manual, policies on bullying and harassment, parental and maternity leave, incident management policy, drugs and alcohol, and a range of other policies and procedures such as the travel policy.

8.5 Profile of the participants

Although the number of interviewees (five) in the case study is relatively small, the original intention was to interview a wide range of people across the company's sites. The HR Director who supported the project suggested a number of key potential interviewees, including the Artistic Director, the Chief Executive Officer, the Operations Manager, and the Director of Corporate Events, as well as a group of performers. However, despite many attempts through email and telephone call, the performers declined to participate in the study, explaining they were too busy or not interested in the project. It may be that as performers their focus is on their art rather than support activities such as HRM. As a result, only four managers (all permanent employees) who agreed to participate are included in the study. Table 8.1 provides the profiles and summary of the participants involved in the case study.

Table 8.1 Profile summary of case study three participants

<table>
<thead>
<tr>
<th>Role/Position</th>
<th>Gender</th>
<th>Years of Service</th>
<th>Employment Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>HRM Director</td>
<td>Male</td>
<td>3 years</td>
<td>permanent</td>
</tr>
<tr>
<td>General Manager</td>
<td>Male</td>
<td>6 years</td>
<td>permanent</td>
</tr>
<tr>
<td>Orchestra</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Artistic Manager</td>
<td>Female</td>
<td>7 years</td>
<td>permanent</td>
</tr>
<tr>
<td>Company Manager</td>
<td>Female</td>
<td>21 years</td>
<td>permanent</td>
</tr>
</tbody>
</table>
While the number of interviewees was small by comparison to the size of the company, the combination of these four senior managers gave insight into the development, adoption and implementation of HRM practices within a large performing arts company. It also gave an insight into the industry context that impacts on the company, from a senior management perspective which is the main focus of this thesis.

8.6 Key findings in the case company

The findings reported here capture the understanding and perspectives of each of the interviewees in regard to the HRM systems, policies and practices in the company. It also outlines the HRM challenges inherent in the company, which hinder effective HRM and people management practices in the company. Each narrative is unique and tells the story of HRM practices in the company from a different perspective.

8.6.1 The HR Director’s story

The HR Director described himself as being passionate and committed to the arts. The HR Director was an experienced human resource professional; and prior to joining the company, had worked in the public service for over 15 years, largely in HRM roles, but also in policy and planning. He had also been an occupational health and safety consultant, prior to his years in the public service. Consequently, he demonstrated a very good understanding of HRM, and was able to articulate the importance of HRM and his belief in how HRM contributes to the effective and efficient management of people in the company. The HR Director considered himself as an in-house consultant acting in an advisory capacity to the line managers, who he saw as the key players in the delivery and implementation of HR policies across the organisation in their respective business units. He believed that line managers have the ultimate responsibility for the implementation and performance of HR programs and policies, reflecting current HRM theory and the practice of similar size organisations in other industries. He argued that, overall, HRM has a strategic importance in the company and contributes to overall performance:
HR is important in the company as it contributes especially in the area of people management. It assists us in having effective organisational performance, both at the individual and business unit levels, which is linked to the company’s strategy.

Moreover, he saw communication as a vehicle through which this success takes place:

HR plays an important role in facilitating company communication and providing information to people about the direction of the company, which keep people engaged with the activities in the company.

Clearly, this company was well advanced in its range and scope of written HR policies and procedures. In addition, according to the HR Director, new policies were developed when deemed necessary. The availability of these policies to all staff was also seen as an important part of the HRM process. He explained:

We have our own set of HRM policies and procedures developed over time. There is a great emphasis on having our policies on the intranet so they are more available to people. In the last few years, I have done a lot of work in the area of designing new policies and procedures ...like the travel policy, which clarifies travel entitlements given that the company travels a lot around Australia and overseas for shows.

Furthermore, the HR Director argued that it is not only the presence of well-developed HRM policies and systems that is important in the company but also how these HRM policies and practices are implemented. He stated that the role of the HRM department in the company is to develop HRM policies in partnership with the line managers, as the responsibility for HRM implementation lies with them:

In this company line managers have various HRM and people management responsibilities such as OHS, performance management, learning and development and specialist recruitment, as it is their responsibility rather than HR department.

Nevertheless, the HRM Director identified a number of challenges in relation to HRM in the company. The first was in relation to industrial relations matters:
Our industrial relations management is very important in the overall HR management of the company. For that reason, I would say that our biggest challenge is managing the Enterprise Bargaining Agreements and also the application of the Award provisions in the company.

According to the HR Director, the case company has a number of EBAs for the performers and musicians, technical staff, and managerial and administrative staff. The EBAs are underpinned by the relevant industry Awards. He then described how the company negotiates its own agreements with the Media Entertainment and Arts Alliance (MEAA), while also relying on the Employer’s Association for advice and support: He explained:

We have our own arrangements but we do consult with Live Performance Australia for advice, and especially where we do not have the expertise required ... as we have a close working relationship with them.

He argued that managing industrial relations is such a complex area that the company needs this external support.

Secondly, he spoke about the difficulties of operationalising HRM in the company. In common with many large companies in other industries, this performing arts company has a formal HR structure headed by a specialist HR professional, and a raft of formal policies and procedures. As stated, its espoused strategy is to devolve these policies to the line managers, in which arrangement the HR professionals are business partners working with the managers on HRM issues to help achieve company goals. However, the size of the company and complexity of the industry has led to challenges. For example, he believed that the recruitment process in the arts sector is unique. He argued that many of the positions in the company, such as wardrobe, lighting and sound engineering, wig making, and set design, involve creative endeavour. There are also positions that require specific technical skills, such as the lighting and sound engineering. He stated that one key challenge was how to find potential applicants, given that the traditional advertising methods for these positions are not always successful in the sector. He elaborated:
Our greatest challenge is where to advertise our positions and to make people aware of the positions that are available. For example, recruitment for a chorus master requires a different approach versus the recruitment of a wig maker or an orchestra musician... and they all involve different recruitment strategies ...supported by the HR department.

Similarly, he saw the implementation of training and development to be problematic. He argued that, despite the fact that training and development was seen to be an integral part of the company and that the company had formalised training and development policies in place, in practice training remains an ad hoc, reactive and informal activity. He observed that, while a number of professional development programs were provided for staff, they do not always attend. He gave two reasons for this. First is the challenge in such a large company, with extensive operational requirements, of finding suitable times and places for such training to be carried out. The second reason is the casual nature of employment of many staff and the challenges inherent in managing a large pool of casual workforce. Given that some of these casual staff hold multiple jobs, organising training becomes difficult, as they are often engaged in work activities elsewhere. He explained:

*The difficulty of organising training and development in a very busy operational environment is that it is very hard to get people together in a classroom situation. We provide all sorts of coaching to our staff, which is part of their professional development, but getting staff, especially casual staff, to attend is a logistics challenge.*

He added:

*[He laughs!]... it is difficult because we are very busy with complex schedules all the time ...with rehearsals and.... or performers and people find it difficult to attend. A lot of the orchestra and performers are largely casual staff and are only here when they have activities but are unavailable when they have no activity here ...and they are a large part of the organisation.*
Given the challenges in providing training, he described how the company had introduced alternatives to conventional classroom-based training in order to enable staff participation, by creating online opportunities. He explained:

*Our only solution to solving the problem was the introduction of online training so that people can do it at their leisure time at home. A lot of compliance-based training is done that way in many organisations, which is aimed at encouraging people to participate in training at their convenient time wherever they might be. We also do a broad range of training such as IT and system training, voice training and dance training as part of our learning and development strategies.*

However, the challenges in providing training was exacerbated by the fact that many casual staff do not have access to the company internet, and as a result are disconnected from the information systems and online training opportunities. He elaborated:

*...that is an issue and something we are working at the moment, to make these policies available to all our staff. A lot of our technicians and orchestra don’t work on the premises and do not have our email account. They are mainly casual staff, and this is a big challenge and a priority for us.*

Given the challenges and lack of engagement by the casual staff in terms of participation in any organised training, the HR Director explains that they mainly rely on on-the-job training to increase their skill levels. He explains:

*A lot of casual employees do not participate in the structured training programmes we offer but instead they tend to rely on learning on the job to maintain and to improve their skills. This is partly because they are not paid to attend training.*

The third HRM challenge was the lack of HRM capabilities of some of the line managers, and their inability to manage the staff in their business units. He argued that HR capability is important in the design, effectiveness and implementation of any HRM system. He described these HR capabilities as the utilisation of business knowledge to facilitate HR issues, and the ability to coordinate and manage HR
matters. Interestingly, despite the company’s HR strategy being based around these concepts, he did not believe that most of the line managers in the company had the necessary skills required to do their jobs. He stated:

A lot of people have come through the ranks and they are not necessarily the best people managers and so that is a challenge. When they are not effective and struggling it becomes a challenge for the company to bring them up to speed and try to develop them as better people managers.

There was some confusion from the HR Director about what the company did to ‘bring these staff up to speed’, and if the company had provided any specific training to upskill those line managers so that they are better equipped to deal with HRM issues and challenges. It is possible that the line managers relied on on-the-job training to increase their skill levels. If this is the case, then such an approach undermines the espoused strategy in the company. It can be questioned that, if the managers are not clear on how to put the HRM policies into practice, then how could a devolved strategy work?

In summary, the narrative provided by the HR Director paints a picture of the HRM system and processes in a large company. Like many large companies, the case company has a formal HR department headed by a specialist professional. The HR Director has a ‘seat at the table’, in that he is part of the senior executive team. The company has various sophisticated formal HRM policies and procedures, which are available on the company’s intranet. HRM practice in the company is a reflection of the business partner model, in which line managers carry out HRM at the operational level, supported by the HRM team.

8.6.2 The General Manager Orchestra’s story

The General Manager Orchestra (GM) is a member of the senior management team and reports directly to the CEO. He described his background as a musician and a performer. He had worked in the company for six years as a musician before taking his current position after his retirement from active music performance. He stated that, following his retirement from music, he studied for a Diploma in HRM to prepare himself for a management role. His diploma became the vehicle for him to move into
his current role in the company. He described his role as an HRM specialist, and stated that sometimes his role overlaps with that of the HR Director. He stated that he deals with the day-to-day administrative personnel issues such as OHS issues, rostering and scheduling of staff, overseeing the payroll for his area, and handling staff grievances. He also described his wider management role as including planning, and the management of the orchestra’s budget. He described his motivation for working in the company and in the performing arts sector:

_The arts for me is my love... my background ...and I was a performer, so what I get to do in the arts in my role is to use all of my knowledge in the industry that I care about very deeply and I am very passionate about... and that is what I like about it. For me it is not just a job, it is combining a job with a passion._

_I really think that a fantastic society like Australia needs an active arts industry and an active culture because people are hungry for different experiences and different ways at looking at things. I feel I am part of that, so I am motivated to work in the arts industry because I want to help to see it flourish and nourished in our community._

The GM Orchestra felt that many people in Australia believe that art is a luxury which belongs to the rich and famous. He argued that it is this belief in the general community that undermines the amount of government funding that is invested in the arts. In turn, it is this under-funding that leads to a continuing struggle to find enough money for production and staff wages. He explained:

_The problem is the lack of appreciation of how intrinsic it is to our society, therefore it is not highly valued amongst government funders or private funding, so we have to work very hard to get a level of arts activities in our country that other countries take for granted. The problem is that the arts in general is underfunded and seen as not a priority in Australia by the politicians._

The GM stated his view about the nature of work and employment in the performing arts. Similar to other interviewees, he believed that the arts industry overall is characterised by low wages. However, he had a positive view of wages in this
company, arguing that, in comparison to many other companies, the company pays competitive wages due to the Enterprise Agreement. He stated:

*There is a trade off in the arts ...to do what we love doing. From the performer’s side this company is one of the leading arts companies ...so the performers are paid at a competitive rate. I am talking to you as a manager who knows the pay rates and how competitive they are across the country.*

However, on a personal level, he commented:

*I know that my personal pay situation is much lower than someone in a senior management position in the corporate world or even in the public service ... or pretty much anywhere for that matter. I do get worried sometimes but not always ... because I am doing what I love doing and I am enjoying it.*

The GM Orchestra also spoke about the increasing employment insecurity in the arts in general, which he again attributed to the lack of sufficient government funding in the arts. At the company level, while he believed that his job was secure, he felt that there are some members of the Orchestra whose positions were not so secure. In some cases this could be due to their lack of ability and performance. He argued that this is particularly the case if the budget is tight and companies are looking to cut costs – they will then look to whom they can move on. He explained:

*Government funding affects job security in the arts and production ...and as a result when there is not enough funding companies look at other ways to deliver the product with less people and resources. There are lots of orchestras around Australia and around the world that are dealing with this issue of how to continue to meet the artistic demands with an increasing cost base.*

Like many other interviewees, the GM commented on the increasing casualisation of work in the company and in the industry in general. He argued that casualisation of work affects not only the artistic endeavour but also impacts on staff salaries, as many staff hold multiple jobs to survive. He stated:
The problem is the high level of casualisation of employment in the industry in general, which makes it difficult for most artists to make a living from their work. If the artists can’t make a living from one job they take two or more jobs, and that takes away their ability to be high performance practitioners, and that is a very major concern across the industry sector and not only in this company.

The GM then described HR challenges inherent in the company. First of all, he saw some problems in relation to training and development in the company. While he saw training and development as an integral and important part of the competitiveness of the company, he saw it as having been reactive and compliance-based rather than strategic and developmental. Furthermore, similar to the HR Director, the GM stated that the company has a training and development policy for all staff but believed that it was difficult to involve casual staff members. He elaborated:

*We do have training and development opportunities in this organisation. There is specialist training provided for each of the business areas and also there is generic training such as compliance training for sexual harassment and health and safety. The challenge is about getting the casual staff members to participate.*

The GM then spoke about the issues around the lack of career pathways in the company and in the arts in general. The GM argued that, although there are no formalised career pathways in the company, people can still move between roles from time to time, such as he did. He explained:

*We do not have a formalised career pathway in this company. From time to time you find someone moves into the management ranks. For example, the manager who manages the technical crew has a background in technical crew. Another example, the former CEO of this company was a musician at one point of his life, and so most people who work in this business have good knowledge and a background in the business.*

Given the HRM challenges in the company, he spoke about the need to improve on the management of staff, which he considers to be very important. In particular, he identified a number of issues in relation to communication. For example, he argued...
that, given that all HRM policies and procedures are on the company intranet, there is an expectation that all staff members, including casuals, are expected to have internet access and computers to log on to view those policies. He believed that this expectation led to problems. In addition, he also believed that the senior management team needed some reorganisation, to prevent the current overlap of job roles, which led to confusion and mixed messages being sent out to staff. Furthermore, he saw a lack of transparency in the communication processes in the company, and problems in the manner in which messages were distributed to staff. He argued:

*The problem is ...as an organisation ...is how are we going to reach out to those performers who do not sit in front of a computer ...given we have all our policies on the intranet. All I am saying is that we could improve our overall communication with staff and also improve some of the organisation of their work, and it is very difficult when people are under resourced.*

However, overall the GM was happy in his work, and recognised and acknowledged the collegiate support he received from the senior management team and the fact that he is given extra resources when he needs it. He also identified aspects of HRM policies that are valuable to him. He explained:

*The company’s policies and procedures gives me access to sick leave and flexible working hours and also counselling if I need it ...while the team provides administrative support when required. I work extremely long hours under extreme pressure, you know, and so when I ask for resources or something to help me do my job it gets provided to me.*

In summary, the narrative of the GM Orchestra is an interesting one, as he brings further insights into how HRM is perceived and practised in the case company. Clearly, he understood HRM and the challenges inherent in the company. The case company has various sophisticated HRM policies made available on the company’s intranet. Despite the size of the company and the various rafts of HRM policies, the GM Orchestra identified various HRM challenges in the company, including: communication between the HRM Department, business units and employees; lack of employment security; lack of staff training and development issues; staff management; and the lack of funding and resources. There is also confusion due to
the overlap of roles, which exacerbates the communication issues in the company. Another issue is the difficulty in managing a highly casualised workforce, which also make communication challenging.

8.6.3 Senior Artistic Manager’s story

The Senior Artistic Manager is a member of the company’s senior management team. She had been a member of the company for twenty-one years, in a number of different roles. For example, she commenced her career as a singer, and after fourteen years she broadened her career to be promoted to Senior Artistic Manager. She has a very important role in the recruitment and selection processes such as contracting directors, principal singers, conductors, designers and choreographers. Indeed, as she put it, “anybody that is involved in the creative process of a performance”. In addition, she stated that her role included ensuring compliance of the organisational policies and procedures, ensuring that lines of communication are open across all the business units, and making sure that the organisational policies are well understood. She described her motivation for working in the performing arts:

I like everything about the arts and it means everything to me. I love it and I am very passionate and very committed to it and that is why I have done the same job for 21 years.

I can express myself and enjoy a variety of work and most importantly enjoy the community atmosphere ...[Laughs!] ... twenty one years is a motivation to be in the arts.

She acknowledged the importance of HRM, especially in relation to the company’s strategic direction, but argued that, despite the size and nature of HRM in the company, HRM practices remain largely compliance based, and are primarily aimed at meeting the relevant legislative requirements. She elaborated:

Our HRM system is influenced by the industry although we are one of the industry’s largest employers in the performing arts in Australia. HRM in this company provides guidelines on recruitment, employment conditions and industrial relations.
She described her involvement in the various human resource management processes. For example, she outlined her involvement in the recruitment and management of principle solo artists and specific categories of voices required for the performance. Her involvement in the recruitment and selection of performers is not surprising, given that the role of HR management in the company is devolved to the line managers. She explained:

*I would get instructions that we need to find someone. I will be given a list of names and I will contact those artist agents directly, both locally and overseas, and start negotiations to engage that particular artist for that role. I am involved for that particular individual’s recruitment and management.*

The Senior Artistic Manager went on to describe a number of key HRM challenges in the company. Firstly, she described the challenge in relation to the training and development of staff, which she explained is mainly informal, ad hoc, and reactive in practice. She gave the example that, while the company provides in-house training for the pianists, as well as vocal and language training for singers, it is usually on a need-by-need basis. She explained:

*We do not engage in a lot of training but we do have in house training for principal singers and those are people who are engaged on a longer-term basis for up to twelve months. We make sure they have access to vocal and language training. We also have a number of pianists who work for the company and these pianists are also involved in training as well.*

She saw a particular challenge in getting casual staff members involved in training activities, arguing that that they might actually be working in another company when the training is scheduled, a problem mentioned by several other key informants.

The second key HRM challenge that emerged was in relation to how people-management problems were resolved in the company. For example, she outlined how grievances are handled by the line manager and with the support of the HRM team in a partnership model. If the matter could not be resolved, a union representative from the MEAA could become involved. She believed that, in such an eventuality, it was important that everyone worked together to resolve the issue so that it did not end up
in external litigation. This is a typical example of a business-partner model in action. She explained:

We have good working relationship with the employees and the union. Sometimes if there is a problem you deal with it, and if you can’t then you take it to a member of the more senior management team. I have never seen a situation where legal representation was required or going to court ...since I have been here all matters are resolved inside the company.

She agreed with the GM Orchestra that communication in the company is a big challenge, which needs to be improved. She argued that the company needed to strengthen inter-departmental communication, and highlighted the importance of communication as well as maintaining an efficient flow of information in the company. She explained:

Communication is the biggest challenge in this company. We are a complex organisation and communication is always difficult between various units.

Like the other interviewees she reported that the major challenge in the company and in the industry as a whole is the issue around low wages and salaries. She attributed this to the lack of sufficient government funding in the sector. She believed that an increase in government funding to the company would not only increase staff earnings but would also help to upgrade the ageing infrastructure in the company. She argued:

If we had the funding to better support the infrastructure that we require such as software and tailoring of computer systems to help us with our scheduling, it would be marvellous, we don’t have those resources at this time. If we are to improve our communication systems we will definitely improve our human resources management system to ensure consistency in the messages they send out to the staff.

She also pointed out that many artists are struggling to make ends meet while remaining passionate about what they do. She elaborated:

Wages and salaries are issues and a challenge in the arts industry compared to other industry sectors. Obviously you need money to pay bills and to look after your family. But when you are relying on government
funding and answerable to funding bodies and you are constrained by the funding bodies to support you....

This is a similar assertion to that made by the GM orchestra, which is surprising given that musical company pays well compared to other arts companies and that the company does not rely to the same extent or degree on government funding for its survival, but instead has seventy per cent of its earnings coming from more commercial activities.

In summary, the narrative of the Senior Artistic Manager shows a committed and passionate manager who loves her work despite the challenges in working in the arts industry. These challenges include low wages, communication difficulties among business units, and the challenges in managing a high number of casual staff. The lack of comprehensive organisational HRM system, including professional recruitment, selection, performance appraisals and regular feedback, training and development, career planning, reward systems and inter communications are also challenges for her. However, she sees these as issues across the arts sector.

8.6.4 The Company Manager’s story

The Company Manager is also a member of the middle-management team. She has a background in the performing arts, and has worked in this company for over 14 years as a musician, suggesting that there is an opportunity for career development in Musical Company. She had also previously worked in publicity and marketing for a record company, before joining Musical Company. She described her love and passion for the performing arts:

What I like about working in the arts industry is the opportunity to get involved with the artists in their creative journey. It is inspiring, uplifting and there is a sense of personal fulfilment that you are giving something to the community and the country at large. It is really an interesting area to work; I am sure if you try it you will understand what I am talking about.

She believed that the contribution of the arts to the society in general is also a motivating factor. She claimed:
I am motivated by my love of the arts. I am passionate and committed to the arts and the desire to be creative. I have always enjoyed it and I always look forward to going to work each morning. I used to work as a musician and I know how much it means to me. The contribution of the arts to the community, the state and the country at large is enormous, and that is enough to motivate anyone.

The Company Manager appeared to have limited knowledge and understanding of HRM systems and processes in the company. She struggled to identify HRM practices in the company, but she could identify HRM challenges inherent in the industry. For her, pay was a fundamental issue:

Surely pay is an issue here and across the whole industry sector. We are paid lower wages comparable to other industry sectors. This is a problem for all of us who work in the arts. Most of my friends that work in the commercial world earn twice more than my income. Notwithstanding...I still love my job [she laugh!]

She argued that people who work in the arts are passionate and committed artists who love what they do and are not in the industry for the money. She believed that, if someone is motivated by money alone, then the arts industry is the wrong place to be. She stated:

If you want to work in the arts for the money then don’t go to the arts, they don’t pay that well, as you know. People that work in the arts do it for love, passion and commitment they have for the industry, and not for the money.

She also spoke about the lack of government funding in the arts, which she believed affected wage, work conditions and the production of artistic work. She argued that increasing government funding would lead to improved staff wages and conditions of work across the arts industry sector. She argued:

I would say our biggest challenge, which is fundamental to our survival, is the lack of enough government funding in the industry. As you are aware, we are an organisation that relies on government funding and donations for our productions and staff wages...a decrease in government funding has a huge impact on the artists.
Despite the fact that she had worked in this company for a considerable amount of time, she did not appear to be aware that in Music Company only thirty percent of funding came from government sources. Furthermore, she did not appear to be aware that this company paid higher wages than many others in the sector.

The Company Manager explained that, despite numerous policies and procedures and training manuals, staff training in practice remains ad hoc and reactive, mainly to satisfy the legislated requirements. She admitted that she had not attended any formal training since joining the company, but had attended other informal training. She explains:

> We have series of in-house training such as life work balance, health and safety training, voice training for the Orchestra. We have started our online training on sexual harassment, and everyone had to log on to do their training.

The Company Manager also raised the issue of career pathways. Although the company does not have a formalised career pathway, in practice three of the staff interviewed had progressed from various positions within the company, from being a performer to being a manager, and the Company Manager is one of those people. However, she felt overall that:

> Although we are a large company we do not have a set of career pathways in this company. We do not have any specified pathway and this is not uncommon in the arts.

She also identified employment insecurity as an issue, despite the fact that she believed that her job in the company was secure. She felt that there were some people whose jobs are not so secure, especially those in casual and part-time employment. She explains:

> I feel my job is secure because I believe I am doing a good job. There are people whose jobs are always under treat such as those on casual, part-time, and those on project employment. They can have a job for a week and the next three weeks they have no jobs, and this has a financial impact on them and their families.
In summary, the narrative of the Company Manager paints a different picture of HR systems and practices of a typical large organisation to that of the earlier participants. Despite the fact that there are clear HRM policies and procedures in the company and that HRM is devolved to the line managers, the company manager showed limited knowledge and understanding of HRM in the company, which casts doubt on the effectiveness of the implementation and communication of the HRM business model in action.

8.7 Discussion of findings

The purpose of this chapter was to explore the human resource management practices and systems in a large performing arts company and the challenges that might hinder effective HRM practices in such a company. Five key issues emerged, which were: the nature of HRM in the company; HRM systems, policies and practices; HR and communication in the company; the nature of funding; and the nature of the industry and the workforce. These issues are discussed below.

8.7.1 Nature and structure of HRM in the Company

The first theme emerging from the case study was in relation to the nature and structure of human resource management in the company. This company has a formal HR Department managed by an experienced HR director who is a member of the senior executive team. This can be described as HR having a seat at the decision-making table. Furthermore, the model of HRM in the company can be described as an HR Business Partner model, where the majority of HRM practices are devolved. In this approach, the role of the HR team is as an in-house consultant providing advice to the business-unit managers and helping them to solve their people-management problems. In this model, the role of HRM is to add value to the partnership rather than to focus on the day-to-day functions.

8.7.2 HRM systems, policies and practices in the company

A focus on the HRM systems and processes in the company paints a different picture to the other companies presented in the previous chapters. Musical Company has a
full range of sophisticated HRM policies and procedures available to all managers and staff on the company’s intranet. However, there was no evidence that these policies and procedures were vertically or horizontally integrated with each other or had a strategic focus. Instead, it appears that many of them, for example training and development and occupational health and safety, were compliance focused. Furthermore, there was a clear lack of understanding of HRM policies by the two Business Unit Managers, and each with a different interpretation of HRM leading to ad hoc application. These policies were also often complex, for example different approaches to recruitment and selection for different groups of performers and other staff. As a large company, Musical Company did have its own Enterprise Agreements and relationships with the trade union. However, the company still drew on the expertise of the industry association when necessary.

8.7.3 HRM and communication in the company

The issue of communication was a clear theme emerging from the interviews. While this is not unusual in large companies, it was noticeable even with this small number of interviewees. There was poor vertical communication between the HR Department and the Business Units; and poor horizontal communication between the different business units, exacerbated by the lack of engagement or understanding with company HR policies and procedures. The two line managers differed in how they understood and implemented the HR practices; which difference might translate into confusion in employee perceptions of HR practices in the company. There was little, if any training of line managers in their business partner role. There was no distinctive HRM message, and no apparent consensus, even amongst this small group of interviewees; which will likely lead to inconsistent messages. Furthermore, the large numbers of casual staff employed in this company which is in fact the rationale for the intranet approach make this communication strategy even more unreliable.

8.7.4 Funding and resources in the arts industry

Another issue emerging from this case study relates to perceptions of lack of government funding in the arts and the impact of this on employment security. In reality, this company relies far less on government funding compared to other arts
companies. However, there was still a feeling of vulnerability on the part of certain interviewees. This could be due to the fact that other forms of funding, such as sponsorship and donors, are still often relatively short term, and the nature of the work and the focus on annual productions of a number of different shows still creates a feeling of instability and precariousness.

8.7.5 Nature of the industry and impact on the workforce

Finally, the nature of the industry, and the nature of the work and their impact on employees and the company, was a key issue. The company, like other arts companies, has a large number of casual employees, for reasons already stated. These employees often live a precarious existence. From a company perspective, these casual employees are also difficult to engage and manage. It is more difficult to provide training and development, more difficult to manage performance, and then there are a range of logistical challenges. However, despite these challenges, all the interviewees spoke about their passion, motivation and commitment to the arts in general and Musical Company in particular.

8.8 Chapter conclusion

The purpose of this chapter was to explore HRM systems and practices in a large performing arts company. The overall research questions in this study relate to the nature of human resource management in the performing arts industry, and the challenges faced by companies in their HRM practice. Five key themes emerged from the case study presented in this chapter. First was the nature and structure of HRM in the company. The second theme focused on HRM policies and practices in the company. The third theme was around communication in the company; and the fourth was on government funding in the arts industry. The final theme was in relation to the nature of the industry and its impact on the workforce.

Four conclusions can be drawn from these findings. The first is that, while this is a large organisation with a designated and experienced HR Director in a position of authority, a formal HR Department, and an espoused HR strategy, in practice there was little evidence that HR was strategic. There was no evidence of vertical or
horizontal integration, or of linkage of HR functions; rather, these functions appeared to be compliance based; and there were differences of understanding amongst the interviewees. It can be concluded that larger size and greater resources does not automatically lead to better HRM practices.

The second conclusion follows from the first: there appear to be significant communication issues in this company, and the lack of training and development of managers on HRM issues, and the reliance on the intranet and online training to disseminate policy and practice and information to employees represent considerable problems. While this is not unusual in large organisations, this problem is exacerbated in this company by the large number of casual employees, many of whom are of high value to the company.

The third conclusion relates to the industry context. Despite the fact that this company does not rely to the same extent as in the other cases on government funding, there was still an overall sense of financial and employment insecurity emerging. The nature of the work in the performing arts sector is by its very nature short term and project based. Employees move in and out of arts companies, and the emphasis is therefore on complying with regulation and doing the right thing rather than with any sense of longer-term commitment and development. Finally, despite the challenges of working in the arts and the personal cost to employees, both in terms of financial and employment security, all the interviewees in this case study expressed their passion and commitment to the arts in general. This company gives them the opportunity to work in the industry in which their passions lie.

The next chapter will compare the findings of the three cases in the context of the overall research questions and the literature. The chapter will draw on the literature to cast light on the similarities and differences in the cases. In this way, it will provide greater insight and increase our understanding of human resource management practices in the performing arts sector.
CHAPTER NINE: ANALYSIS & DISCUSSION

9.1 Introduction

The aim and objective of this thesis was to explore HRM practices in performing arts companies in Australia. To do so, Chapters Six, Seven and Eight examined HRM practices in three performing arts companies, and the findings were summarised under five common themes in each chapter. Each chapter also contained a number of conclusions. The emerging themes were: the structure and understanding of HRM in each of the companies; their HRM policies and practices; communication issues; industry context, in particular funding and resources; and the nature of the workforce. These chapters focused on performing arts companies of different sizes: a micro arts company; a medium-sized company, and a larger company. The purpose of choosing different company sizes was to capture varied perspectives on HRM practices in the companies. The objective of Chapter Nine is to compare these findings and conclusions across the three organisations, thereby highlighting similarities and differences between the companies and to assess the significance of these findings in light of literature evidence.

The chapter is structured as follows. Section 9.2.1 provides a cross-case comparison and a discussion of the cases in relation to the structure and understanding of HRM in the three case companies. Section 9.2.2 compares and discusses HRM policies and practices in the case companies. Section 9.2.3 compares and discusses HRM and communication practices in the case companies. Section 9.2.4 provides a cross-case study analysis of the companies with regards to the issue of funding and other resources in the arts industry. Section 9.2.5 discusses the nature of the workforce and the impact it has on HRM practices in the industry. Section 9.2.6 concludes the chapter.
9.2 Cross-case comparison and analysis of emerging themes

9.2.1 The structure and understanding of HRM in the case companies

In Case Study 1, a micro dance company, HRM was informal and ad hoc in practice. Like many micro companies, the case company had no formal HRM system and structures in place, and the HRM function was part of the General Manager’s overall role and responsibilities. In this sense, although there was a HRM function, it was invisible, because it was contained in the day-to-day work of the General Manager. In Case Study 2, a medium-sized company, while HRM was recognised as a senior management responsibility, in practice it was an operational function that was placed in the finance department, and was the finance manager’s responsibility.

The understanding and application of HRM in both companies reflects a personnel management or administrative approach based on both a welfare tradition – wanting to do their best for their employees, or a compliance approach – making sure that the company complied with relevant legislation such as Industrial Awards and Agreements (Guest 1987; Ulrich 1997). Both companies carried out key HRM functions such as formal recruitment and selection of employees, training and development, occupational health and safety and employee relations (Beer et al. 1984; Ulrich 1997). However, in both cases, HRM practices were largely ad hoc, informal and relationship-based. They were not regarded as an important component of the company’s broader management strategy. While the General Manager in Case Study 1 expressed some understanding of the value of HRM, the overwhelming priority in this micro company was survival and the struggle for resources. In Case Study 2, while the Finance Manager had some understanding of HRM functions, the flat structure of the company meant that, again, HRM functions were secondary to finance and resources.

Case Study 3, the larger musical company, was quite different: it had a HRM Director, who headed a dedicated HRM department and was a member of the Senior Executive team, often described in the literature as having ‘a seat at the table’ (Ulrich 1997). The structure of HRM in this company reflected a Business Partner model, where expert HRM advisers work closely with line managers in the development and
implementation of HRM in the company. In this sense, the company appeared to adopt a strategic HRM approach.

Clearly, there were differences in the structure and understanding of HRM in the three cases, and much of this can be attributed to organisational size. The larger the organisation, the more important the issues of managing people become. This is not to say that human resource management issues were not important in the smaller companies; but they had limited resources and other more immediate priorities such as financial resources.

These findings support literature evidence which argues that organisational size is a strong predictor in influencing the adoption of HRM practices (Ng & Maki 1993; Wagar 1998). For example, Panayotopoupou, Bourantas and Papalexandris (2003) argue that, in small firms, human resource management is mainly administrative, as the primary concern of the organisation is a focus on short-term economic factors. In contrast, large firms give more importance to effectiveness, which is achieved by gaining competitive advantage through human resources. Moreover, many studies that have examined the issue of organisational size (Batt 2002; Panayotopoupou, Bourantas & Papalexandris 2003) suggest that the positive impact of human capital on firm performance is more pronounced in large organisations than in small firms. The findings in the present study are also consistent with evidence that suggests that HR practices in smaller firms are predominantly ad hoc and opportunistic rather than based on systematic and strategic considerations, and that managing human resources in SMEs is more difficult and different from larger firms (Cardon & Stevens 2004; McEvoy & Buller 2013).

Furthermore, the literature suggests that small firms are less likely to have an HR manager (Cardon & Stevens 2004), and that responsibility for HRM is more likely to rest with generalist managers (Harney & Dundon 2007). This is largely due to costs associated with HRM specialists and resource allocation (Klaas, McClendon & Gainey 2000; Messersmith & Guthrie 2010). As small companies have limited resources and are not able to afford HRM expertise (Bayo-Moriones, Alberto & Cerio 2001; de Kok & Uhlane 2001; Klaas, John & Thomas 2000), they are more likely to have informal and underdeveloped HR practices (Messersmith & Guthrie 2010; Patel
& Cardon 2010; Storey et al. 2010); hence, people management practices in small companies are more likely to be relationship-based (Barrett & Mayson 2007; Cardon & Stevens 2004; Heneman, Tansky & Camp 2000; Kotey & Slade 2005; Matlay 1999; Mazzarol 2003). The findings of the present study further confirm current evidence in the literature that the larger the organisation, the more likely HRM is formally handled (Cardon & Stevens 2004; McEvoy & Buller 2013).

9.2.2 HRM policies and practices in the case companies

All three case companies studied, irrespective of organisational size, had some form of HRM practices in place, even though these were often not recognised as such within the overall management structure. As already stated, in Case 1 these practices were ad hoc and informal, largely based on compliance, and unclear to everyone in the company except the GM. HRM in the company sits within the portfolio of the company manager who perform varieties of managerial and operational functions. In Case 2, and in common with many medium sized companies, there were a large number of organisational policies and procedures, some clearly related to HRM, and other more general organisational policies. In this company, HRM did not appear to be regarded as an important component of the company’s broader management strategy. However, Case 3 appeared to have a more strategic approach to the management of staff. It had a formal and seemingly influential structure, with the HR Director in a major decision-making position. The company also has an extensive range of formalised HRM policies and procedures available on the company intranet. Furthermore, the implementation of HRM in this company was largely devolved to the line managers, supported by the HRM team.

In each company, most common policies and practices discussed related to four key areas, which were: wages and conditions; recruitment and selection; training and development; and career development. In relation to wages and conditions, Case 1 relied completely on the modern award; Cases 2 and 3 had a mixture of the modern award, Enterprise Bargaining Agreements, and individual bargaining involving agents. All the companies relied heavily on the industry employer’s association, Live Performance Australia, to advise them on industrial relations matters, including support for bargaining, advice on policy development, and managing difficult issues.
There were also similarities in relation to the recruitment and selection of employees in each of the cases, in that each company had different strategies for different types of employees, suggesting a differentiated HR architecture approach (Lepak & Snell 2007). On the one hand, the administrative and functional staff in each of the case studies were recruited through a traditional approach of open advertising, formal selection, and interviews. On the other hand, recruitment for performers in all the cases was more nuanced, and a variety of methods was employed. For example, recruitment could be relationship based, or by utilising a ‘talent spotting’ approach or through theatrical agents. These types of recruitment practices for artists in particular were not formalised or captured in any of the case company policy, but instead were part of industry practice. Indeed, Cardon and Stevens (2004) argue that the majority of recruits in small companies come from the personal networks of the owner manager.

There were also similarities in the practice of training and development in the cases. All companies provided some form of training and development opportunities. Case 1 had no formal training and development policy unlike Cases 2 and 3. In practice, training was largely linked to compliance around issues such as occupational health and safety and First Aid, or more technical training such as writing successful applications for funding. Training also tended to be ad hoc and informal. This led to conflicting views in all the cases about training and development opportunities available to staff and training and development was articulated quite differently by each interviewee.

While evidence suggests that training and development is given less importance in small firms, because of the relatively high costs and investment associated with the process (Gilbert and Jones 2000; Kotey and Slade 2005; Cardon and Stevens 2004; Storey 2004), it cannot be assumed that small firms do not provide training. It might be that such training is present but is informal, and based around learning on the job. Indeed, informal and unstructured training has been reported to be more prevalent among small firms and it can be argued that informal on the job training and development can be as effective as more formal training and development (Storey 2004, Wiesner and McDonald 2001; Gilbert and Jones 2000; Kotey and Sheridan
2001). However, in this study, even in Case 3, the large organisation, training and development was also largely found to be unstructured.

Similarly, in all the cases, there was confusion regarding opportunities for career progression. There were no formalised career development or talent management policies, and no career ladders were found in any of the cases. Despite this, in Case 1 one interviewee hoped to progress within the organisation; and in Case 3 two interviewees had already progressed from artist to manager; however, it was not clear whether this was through an internal process.

As has already been stated, Cases 1 and 2 carried out a personnel management approach to the management of their staff, with a focus on compliance and welfare. An analysis of their policies and practices supports that contention; and to an extent this can be linked to organisational size which, as already stated, is an important factor and predictor in the adoption of HRM policies and practices and their level of sophistication (Koch & McGrath 1996). Cassell et al.(2002) argue that HR practices in small firms is often reactive, rather than proactive, holistic or systemic, and that these practices are ad hoc and informal (de Kok & Uhlaner 2001; Wiesner & McDonald 2001). Certainly, the findings in the present study support such assertions; and the informality and compliance-based nature of HRM practices in Cases 1 and 2 confirm the empirical evidence on HRM practice in small firms.

Case Study 3 is a different matter, however. This is a larger company with HR expertise and resources, and HR appears to have a prominent role in the decision-making. However, in relation to a key HRM function such as training and development, the study shows evidence of an ad hoc approach, as in the other two cases. Clearly, it could be argued that firm size is not the explanation here. As noted above, while Case 3 has a large number of HRM policies, all available to staff through the company intranet, it is clear from the findings that these policies are not horizontally or vertically aligned with either company strategy or with each other (Delery & Shaw 2001b; Pereira & Gomes 2012). Furthermore, there is also a clear lack of awareness and understanding from the line managers regarding the value and operational aspects of HRM. Whether this is due to lack of training provided to line managers on the people management aspects of their role (Bowen & Ostroff 2004), or
unclear signals and messages coming from top management on the importance and value of good HRM practices, is not clear (Bowen & Ostroff 2004). Therefore, while on first glance the HRM structures appear to be strategic, in practice there is little evidence of this.

Despite the size of this organisation (Case 3), it was the most difficult company in which to find interviewees willing to participate in the study, particularly amongst line managers, who claimed that they were too busy or knew very little about the topic of HRM. Evidence suggests that the business partner model depends on engaged line managers (Hutchinson & Purcell 2003); and there are a number of reasons as to why line managers do not engage in HRM issues. These include unclear and inconsistent messages from the top (Stanton et al. 2010), lack of training and support (Bowen & Ostroff 2004), lack of awareness and understanding (Bowen & Ostroff 2004), and competing priorities (Pereira & Gomes 2012). There was evidence of all of these reasons in Case 3.

Another finding is that all the companies were practising some form of differentiated HRM architecture, in that they had different employment practices for different types of employees. These differing practices were largely applicable to the core and peripheral workforce. The managerial, functional, and administrative staff were largely employed on a continuing basis, due to the companies having access to more secure funding, usually through the Australia Council. The performers and some technical staff were casual employees, employed on fixed-term contracts based around a production or project. Lepak and Snell (1999) suggest that companies make rational choices on their HRM employment practices for different groups of workers depending on their strategic value and uniqueness. Workers on short term contracts often have the least strategic value to the organisation. This is clearly not the case in the performing arts where the performers, who arguably have the most strategic value, whose labour is unique and who provide competitive advantage are the ones on short term contracts and are peripheral to the organisation. This is in direct contrast to other groups of employees for example, the Box Office staff in Case 2. While their work was generalist and fairly low value, and technically they were easily replaceable, in reality their employment while casual, was far more continuous than that of the highly-valued performers.
One of the explanatory factors for the contradiction described above is that the companies investigated are mainly project-based. As the literature demonstrates (Cunningham 2006; Oakley & O'Connor 2015), in project based organisations work is irregular, contracts tend to be short-term, and there is little job protection. Furthermore, these organisations are characterised by a predominance of self-employed or freelance workers, and career prospects are uncertain and often foreshortened (Flew 2012; Gill & Pratt 2008; Kong 2011; Watson 2012). Project based organisations are common in the performing arts (Christopherson 2004; Davies & Sigthorsson 2013; Flew 2012; Hodgson & Cicmil 2006). Productions of work are, by their very nature, temporary projects such as the production of specific plays and concerts (Bakhshi and Throsby 2009; Scott 2003). Projects also tend to run in cycles, with periods of ‘crunch time’ followed by slower periods (Australia Council of the Arts 2003).

Obviously, there are consequences of project-based models of work and employment for human resource management. The findings in this study support the literature that project-based organisations in the performing arts sector face unique challenges in HRM management as a result of the unstable and temporary nature of the work processes as well as the employment and working conditions (Bredin & Söderlund 2011; Huemann, Keegan & Turner 2007).

This is an industry where, the majority of the performers or artists are hired on short-term and/or fixed term contracts, which means that at the end of their contract they disengage with the company. They may also ‘engage’ with the company again at some later stage an even more reason for the companies to ‘manage’ them well but the short term focus of the company might not lend itself to longer term thinking. Moreover, Cheng, Dainty and Moore (2006), argue that the challenge in implementing HRM systems in a project-based organisation is more acute because temporary teams and geographically dispersed employees render the coherent implementation of new systems and procedures problematic. Furthermore, Spelthann and Haunschild (2011) argue that HR management when practised in a project based organisation faces challenges due to the discontinuous nature of project-based work.
HRM theorists often view this aspect of management from the perspective of the organisation not the individual employee. In the performing arts, as Kong (2011) argues, performing arts workers tend to move from portfolio to portfolio, with frequent changes of employment and periods of self-employment. Moreover, because many artists and performers are hired on short term contracts in different companies with different HRM practices, they may not see HR policies and practices as relevant to them (DeFillippi and Arthur 1998). This is the case even in the large company and helps understand some of the findings in this study.

9.2.3 HRM and communication practices in the companies

A key finding from comparing the case studies was the poor communication across all the companies, irrespective of size. For Case 2, this situation can be explained by the position of HRM in the organisational structure, leading to a general lack of consensus and awareness of the role of HRM or agreement of its value. Clearly, there were enormous differences in understanding and perspective between the three key players, i.e. the Executive Producer, the Finance Director, and the Finance Assistant, who all had some responsibility for HRM operations in the company. HRM was not a priority in this company, and each of the key players had other more pressing issues to deal with.

While it is known that communication is often more difficult in larger organisations such as Case 3, in theory the structure and strategy of this organisation assumed and relied on good communication within the departments and among staff. However, the practice was different, and there was lack of clarity at the top of the organisation, and different understandings within and between groups; which led to different messages being sent out, and a lack of consistency and consensus on human resource issues. Moreover, there was an overlap in roles, which in turn exacerbated communication issues in the company. There was also a lack of training of line managers in their HRM role; and there was a reliance on the intranet, despite the fact that a large number of staff in the company could not access the intranet.

Case 1 was perhaps the most surprising, in that, while claims were made about open communication in this micro company, there was a clear lack of communication
between key players. This was largely due to the close relationship between the CEO/Artistic Director and Company Manager, who worked together on a day-to-day basis, and did not see the need to share much of their discussion with others. The Board Chair would be brought into the discussion where it was deemed necessary, but the Choreographer was largely excluded except for decisions around the ‘art’. This finding demonstrates that there can be in groups and out groups in the smallest of organisations; and in this organisation this could be due to the paternalistic welfare model of HRM – the Company Manager wished to ‘look after’ the dancers and make sure that they got their correct entitlements; but they did not appear to be involved in decision making and forward planning on the nature of the company itself. This is not unusual in micro companies run by an entrepreneur whose ownership and direction of the company is accepted by the employees (Cardon & Stevens 2004).

Bowen and Ostroff (2004) argue that a strong HRM system in a company is characterised by its distinctiveness: that is, the visibility of the HR system, the understandability of the policies and practices, and its relevance to the day-to-day work of staff. The HRM system should also be consistent with clear messages on the desired behaviours to flow through the organisation, and based around consensus, with agreement on what is important and what is rewarded within and between groups. The findings of this study indicate weak HRM practices in each of the companies studied. Even in Case 3, which is a large company, the HRM system lacked visibility, and there was little evidence that the interviewees in any of the cases really engaged with and understood the company HR policy and procedures. Bowen and Ostroff (2004) argue that effective HRM practices shape the nature of an organisation’s relationship with its employees and their collective attitude, which in turn affects employees’ discretionary behaviour and organisational overall performance. However, there was no evidence in the cross-case analyses to suggest that their HRM systems were having this effect. Indeed, quite the opposite, as in practice each case had a weak HRM system.

9.2.4 Funding and resource issues in the arts industry

Across the three cases studied, all participants commented on the precarious nature of funding, and how that impacted on the arts in general and on the work of the company
in particular. Cases 1 and 2 were particularly reliant on government funding; however, even in Case 3, which received only 30 per cent of its funding from government sources, interviewees believed that insufficient government support was a problem. All companies generated additional income from philanthropy, sponsorship, individual donations, and box office and ticket sales. However, this funding was every bit as precarious as government funding, and meant that the overall strategies of all three companies tended to be relatively short term.

The question of security of funding dominated each case study, with every interviewee blaming the precariousness of funding as the basis for poor wages and conditions across the industry. Even one of the largest arts companies in Australia was not immune to this situation, and even here there was little room for increased rewards and improved remuneration. While each company was a recipient of triennial Arts Council support, which gave some level of security for three years, this support alone did not cover the cost of the productions. Hence, triennial funding gave greater security for administrators but not necessarily for performers. Because of this, participants believed that both greater and more predictable funding would assist the production of their shows and lead to better wages and working conditions of all staff.

The project-based nature of productions led to short-term planning and thinking, and to a reliance on a casualised workforce of performers and technical staff. Project-based employment highlights an underlying challenge associated with working in the arts sector (Cunningham 2006). As has already been stated, all of these issues are interlinked, but they clearly impact on the practice of HRM in the performing arts.

**9.2.5 Nature of the workforce and impact on HRM practices.**

The nature of the workforce also had a clear impact on an organisation’s HRM practice. As has already been stated, the precarious nature of the funding in the arts, plus the short-term project-based focus of the work, leads to a highly casualised workforce and poor wages and conditions (Banks 2007b; Hesmondhalgh 2007). However, much of this workforce is largely highly talented and of strategic value to the companies. The performing arts sector would not exist without their commitment to their artistic endeavours. Furthermore, in all the case companies, all of the
interviewees demonstrated their unreserved and continued passion and commitment to working in the arts, despite the poor wages and working conditions and the insecurity of work and employment in the sector as a whole.

This finding supports a number of studies examining work and employment in the arts sector, which characterise employment in the industry as casualised, short term and often part time (Cunningham & Higgs 2010; Throsby 2010b; Throsby & Hollister 2003). Moreover, Hesmondhalgh and Baker (2010) argue that, over the last twenty years, there has been increasing casualisation and use of short-term contracts in the arts sector. Other studies have found that the average income for most people working in the arts sector is much lower than other professions, and that many artists worldwide struggle to make ends meet (Abbing 2002; Alper & Wassall 2006; Cunningham & Higgs 2010; Kong 2011; Throsby & Zednik 2010). However, as pointed out by Coffey (2007), the performing arts sector still attracts high numbers of highly talented workers. This would suggest that employees have a great sense of intrinsic motivation to pursue this career, rather than being motivated solely by external factors.

Given this situation, the following question arises: what does this mean for HRM in arts companies? All the case companies struggled with managing large numbers of casualised staff. Case Study 2 reported problems with managing performance, and all the cases found the provision of training and development to casualised staff a challenge. Furthermore, Case 3 found that a reliance on the intranet for communication of policies and practices did not work for many casual staff who could not access the information systems. Similarly, if employees are working in more than one job, they are less likely to be available to take up training and development opportunities, are less likely to be engaged with and identify with one company, and are less likely to access career opportunities with one company. This is particularly the case with performers as evidenced that few performers were available for interview for the present study.

Given the low financial rewards for many artists and the need to augment their creative income from other sources, the labour market for many artists is characterised by multiple job holding. Some authors argue that the majority of artists
have up to three different jobs, corresponding to three separate labour markets, such as their creative work, work in areas that are not part of their core creative work, and those who work in the non-arts labour market such as taxi drivers or waiters in restaurants (Kong 2011; Throsby & Hollister 2003; Throsby & Zednik 2011). As a result, Throsby and Zednik (2011) argue that most artists end up holding multiple jobs. Ellmeier (2003) argues that multiple job holding contributes to the lack of clarity in career pathways among creative workers, and thus highlights the need for them to constantly acquire new skills to market themselves. In this sense, creative workers see training and development as an individual endeavour rather than an organisational responsibility. The findings of the present study support Ellmeier’s contention.

In addition, for those workers who have the more permanent roles within the organisations because of government triennial funding such as managers and administrative staff who largely come from the functional backgrounds, HRM, Marketing and finance even though they work in other industries they identify with the performing arts sector and choose to work in organisations where they earn less pay and have poorer working conditions. This is largely unresearched area and they share the same level of passion and commitment as identified in the literature in regards to creative workers. There is also the second group which includes the producers, artistic directors and some managers who were previously performers – for this group the organisations are providing a career path. All of these workers have greater job security but they still earn less than they could earn in other industry sectors.

9.3 Discussion and conclusions

The previous section presented a comparison of five common themes across the three cases. The conclusions from each case study can also be summarised into three key areas impacting on HRM in the performing arts sector. The first area relates to company size. Case Study 1, the micro organisation, displayed the usual features of HRM practice in such environments, and supports the empirical evidence suggesting informal, ad hoc and relationship-based approaches to the management of staff (Cardon & Stevens 2004; Messersmith & Guthrie 2010; Patel & Cardon 2010; Storey et al. 2010). Case Study 2, the medium-sized company, again displayed features
common to companies of this size and at this stage in growth. HRM was a function subservient to finance, HRM functions were not integrated, and overall the character of HRM closely reflected a personnel model of compliance HRM (Guest 1997; Ulrich 1997). Case Study 3 despite being a larger organisation with a designated HRM department and a range of policies and procedures, in practice there was confusion amongst key players and a focus on compliance. The overall conclusion is that, while size is important (Cardon & Stevens 2004), being a larger company with more resources does not necessarily lead to strategic HRM practice (Stanton et al. 2010).

This leads to the question of what else influences HRM practice. In the present study, the second key conclusion is that the industry effect was a major feature. Even the larger company, which in theory had a sophisticated HRM system, in practice was heavily influenced and shaped by the nature of the work and the industry/sector. Although each company had an administrative base of various sizes and complexity, the artistic work itself is project-based. Project-based work is short term and focused on the end result.

For the smaller companies, in particular, survival was the key issue and directly influenced wages and conditions and employment security. The precariousness of funding arrangements in all companies, and the short-term nature of the artistic work, undermined the stability required for a long-term strategic approach to the management of staff. Hence, policies were generally reactive and not well understood or even valued.

Also linked to the nature of the industry was the impact of managing large numbers of casual staff who were often not engaged in the company. While not unique to the performing arts, managing large numbers of casual but essential and highly talented staff was an ongoing challenge for all of the companies; but again, the lack of resources gave them little room to move in terms of reward and career development, leading to talented workers often moving on out of the organisation and sometimes out of the sector. Within the companies investigated, there was an acceptance that this situation is just the nature of work and employment in the sector.
The third key conclusion relates to the lack of career pathways for creative workers within arts organisations, and the need for recognition by policymakers of the overall impact that this has on the industry as a whole. Limited resources in turn limit the scope that individual companies have in relation to career development policies, talent management strategies, and succession planning. In turn, this is exacerbated by the dominance of small and micro companies in the sector. The highly competitive nature of government funding exacerbates this situation – arts companies are lean and those who wish for a long term career generally have to move in and out of organisations.

Finally, the passion and commitment of all of the interviewees in this study was evident. Everyone expressed their commitment to the arts and their love of the industry, and the sense of prestige that working in the performing arts gave them. Unfortunately, this altruism often worked against their own best interests, as they were willing to sacrifice their long-term employment and financial security in order to follow their dream.

This chapter has compared the findings in the three cases, drawing on the literature to identify similarities, differences, and new insights. Overall, it has been demonstrated that some unique features of the performing arts industry context influence the sophistication of HRM policy and practice in a specific company. The next and final chapter revisits the research questions and identifies the major theoretical and practical contributions of the thesis.
CHAPTER 10: CONCLUSIONS AND IMPLICATIONS

10.1 Introduction

The aim of this thesis was to explore HRM practices in performing arts companies in Australia. The purpose of this chapter is to revisit the key research questions in light of the findings of the study, the empirical literature evidence presented in Chapter 2, and the underlying theoretical framework and key theories outlined earlier in Chapter 3. Through this synthesis, the theoretical contribution of this thesis will be identified. To reiterate, the specific research questions of this study were:

1. How is HRM structured and operationalized in performing arts organisations?
2. How does the industry context impact on HRM processes and practices in performing arts organisations?
3. How and why does the nature of the performing arts workforce impact on HRM practice?

This chapter is structured as follows. Firstly, summary findings from the key stakeholders will be revisited and discussed in relation to the literature, followed by comparing the case studies. Secondly, the conclusion summarises the thesis and offers theoretical and practical contributions, limitations of the research, recommendations for future research and a self-reflection.

10.2 Summary of key stakeholder perspectives

The findings from the key stakeholder interviews provided a useful starting point for the study, and valuable insight into the Australian performing arts sector from a range of perspectives. The sources of these perspectives included the CEOs and HRM Directors of two large performing arts organisations, two officials from relevant government arts departments, two managers of small performing arts companies, an official with employment relations responsibilities from Live Performance Australia – the employer’s association, and an official from the Media, Entertainment and Arts Alliance – the major trade union in the industry. Together, the contributions of these
key stakeholders to the study, in terms of their understanding about how HRM is perceived and people are managed in the performing arts sector, was invaluable.

The results of the stakeholder interviews identified four key themes that they believed acted as constraints in the adoption and implementation of HRM systems and practices in the performing arts. These included, firstly, the precarious nature of employment, which is short-term and production focused, leading to project-based employment, and the constant struggle for funding. Secondly, the continued reliance on often limited government funding, supplemented by philanthropy, sponsorship and Box office takings, leading to short-term and long-term financial insecurity. Thirdly, limited resources and the high levels of casualisation led to poor overall wages and poor conditions of work due to breaks between work, as people often work more than one job to survive. Fourthly, despite these difficult conditions, the stakeholders argued that many highly motivated and committed performers and other personnel choose to continue to work within the arts sector and holding a range of jobs, sometimes as employees, sometimes as independent contractors.

This self-motivation, however, can also contribute to self-exploitation, and has longer-term negative impacts on artists and the performing arts sector in general which include poor wages, lack of opportunities for career development, and continuous insecurity of work. Finally, organisational size emerged as another determinant factor influencing HRM strategies and practices, especially given the domination of the sector by small, often micro and medium-sized organisations. The stakeholders believed that training and development and career opportunities were limited in these small-sized organisations compared to more sophisticated HRM practices such as succession planning.

Further analysis of these themes identified by the stakeholders demonstrates complexity in the sector which was summarised into three conclusions. The first conclusion was that these themes are clearly linked, in that the sources of funding and the project-based nature of the work leads not only to employment insecurity but also to financial insecurity. Moreover, moving from one job to another in different companies undermines the ability of the employee to build up satisfactory retirement and other benefits, as well as hindering career development. In addition, multiple job
holding can lead to extremely high workloads for substantial periods. However, low wages, poor conditions and employment insecurity do not necessarily prevail across the sector. For example, in film and television, wages are higher and conditions better. Similarly, in larger companies there is likely to be improved employment security for managers and administrators. Unfortunately, for performers and many technical staff, even in these sectors the work is likely to be short-term and project-based employment.

The second conclusion is related to performing arts workers themselves and the reasons they join and stay in an industry/sector that leads to such a precarious existence. Clearly, there is a mixture of individual motivation and passion, commitment, altruism, and love of the work that they bring and the culture and expectations of work in the arts. Unfortunately, this individual passion and commitment can undermine the capacity of individuals and groups of performers to negotiate with their employers, meaning that only those who are in high demand can command higher salaries and benefits. Literature shows that this enthusiasm, commitment, passion and love that workers show for their job, helps ensure that even casualised, insecure and often exploitative as these labour markets are, they are continually oversupplied with labour (Eikhof & Haunschild 2007; McRobbie 2007). Some authors have argued that the crucial requirement for any artistic profession is passion, pleasure, freedom, and a high degree of dedication and commitment towards their artistic endeavour, and that this is what drives creative workers rather than monetary gains or security (Austin & Devin 2009; Davidson 2004; Eikhof & Haunschild 2007). Arvidsson, Giannino and Serpica (2010) in their study of creative workers in the Milan Fashion industry, reported deep passionate attachment to their work among the participants. Gill (2007, p. 13) reported ‘extraordinary passion and enthusiasm’ that people have for their work and the many different elements of this passion: ‘the sense of autonomy and opportunity, the playful and pleasurable nature of the work, and the opportunity for community and political activism’.

The third conclusion focused on organisational size. All the informants believed that size played an important role in the adoption of comprehensive HRM practices in performing arts organisations and that the larger arts organisations had the resources to do this.
10.3 Case studies comparison

The findings from the stakeholders helped shape the investigation into the HRM systems and practices and the key challenges in the three performing arts case study companies. In these cases, five key issues emerged: 1) the nature and structure of HRM in the companies, 2) HRM policies and practices in the companies, 3) HRM and communication challenges in the companies, 4) funding and resource constraints, and 5) the nature of the industry and its impact on the workforce.

The conclusions from each case study were summarised into three key areas impacting on HRM in performing arts companies. The first conclusion is that while size is important, being a large company with more resources does not necessarily lead to strategic HRM practice. There is a great deal of literature suggesting that strategic HRM practice needs to be more than just structure and rhetoric (Guest 1998; Legge 2005; Walton 1985). The point here is that the stakeholders believed that the large companies where carrying out more effective strategic HRM practices due to their dedicated resources. However, this study partially supports the contention that size is an indicator of strategic HRM in that while the smaller companies are in line with the literature (Cardon & Stevens 2004; McEvoy & Buller 2013), the large company showed no evidence of strategic HRM practice.

The second conclusion from the case studies was in relation to the question: what else influences HRM practice? Clearly this study has demonstrated the importance of industry effect, funding sources, nature of the work i.e. project based and short-term contract, motivation of the workforce and how these impacted on all the companies studied irrespective of company size. Moreover, a casualised and precarious workforce was not only a problem for individual workers but also for the organisations in which they work and this is exacerbated in the two larger organisations that had greater numbers of casual workers.

The third conclusion from the cases was one that was also raised by the key stakeholders. This was in relation to the lack of career paths for workers within arts organisations, and the need for recognition by policymakers of the overall impact that this has on the industry as a whole. Scarce and precarious resources limit the scope
that individual companies have in relation to career development policies, talent management strategies, and succession planning. Again, this is exacerbated by the dominance of small and micro companies in the sector. However, these challenges are beyond the scope of even the larger organisations. The lack of internal career paths does not only affect performing artists but also managerial and administrative workers. Finally, the strong passion of all of the interviewees in the cases studied was evident. This was noted by the key stakeholders, but highlighted further in the case studies. This finding is also supported by previous studies on creative workers (Arvidsson, Giannino & Serpica 2010; Austin & Devin 2009; Cunningham & Higgs 2010; Eikhof & Haunschild 2007).

However, it was not just the creative staff who expressed their commitment and passion for the arts, but also the managerial, functional and administrative employees. Some of these staff had been performers in their previous jobs but a significant number had no performance or creative background and came from functional areas such as marketing, finance or general management background. These were people who had the skills to work in other industries not just the arts and yet they stayed in this precarious sector.

10.4 Understanding the findings

At this stage of the thesis it is important not just to focus on what was found but also to understand the meaning of these findings. Revisiting the research questions in the light of the literature can cast light on the significance of the research findings.

RQ (1) How is HRM structured and operationalized in performing arts organisations?

As stated in chapter 5, the key stakeholders believed that the practice of human resource management in the performing arts sector was a challenge for a number of reasons, one of which was the size of the organisation. The performing arts sector is dominated by micro organisations focused on survival with limited resources. However, they also believed that larger organisations were able to practice more sophisticated HRM practices due to being better resourced and more stable. In reality,
the case study investigations found that HRM is a challenge throughout the sector, despite the size of the organisation. The overall findings of the study show that the nature of HRM practices in the performing arts sector takes the primary form of a traditional personnel management approach characterised by short-term, reactive, ad hoc and mainly administrative and compliance-based HRM practices (Beer et al. 1984; Guest 1987; Mossholder, Richardson & Settoon 2011; Walton 1985). Even the large company, which appeared to have a strategic HRM structure, in practice operated on a compliance-based model of HRM; and there was no clear evidence of a link between strategy, HRM practice and performance. It needs to be said that as argued in chapter 3 section 3.4, most of the early studies linking strategic HRM and organisational performance where based on large private sector companies whose long term planning had a focus on competitive advantage and profit maximisation (Boxall 1992; Paauwe 2009). Research in industries such as the public health sector have found that the HRM performance link is much more tenuous (Stanton et al. 2010). This is due to a range of factors including different organisational goals where, instead of profit maximisation, the goal is to provide a service within finite resources and a complex web of powerful key stakeholders (Akingbola 2013; Stanton et al. 2010). The performing arts sector is even more challenging, public hospitals are stable institutions able to plan for the long term, resources while tight are available and employment is mostly full time and continuous (Stanton et al. 2010). As demonstrated in this thesis, performing arts organisations even large ones have none of this security making strategic human resource management practices challenging. Furthermore, in project-based organisations such as performing arts companies, it shows that HRM practices in general face many challenges, and these challenges impact not only the small to medium size companies but also on the larger organisations.

In this study, despite the HR constraints, the key goal of the management team in each company was relatively simple: how to raise and manage funds and resources for their artistic endeavours, while at the same time ensuring compliance with employment regulations regarding the conditions of work and employment for their employees. Compliance-based approaches view the labour force as a cost not an asset (Boxall & Macky 2009; Hauff, Alewell & Hansen 2014; Walton 1985). Furthermore, compliance-based systems are characterised by lower than average wages, standardised rules and procedures, and the provision of minimal training and
development (Alleyne, Doherty & Greenidge 2006; Arthur 1994; Lepak & Snell 2007). What is interesting in this study is that these companies did not see their employees as a cheap labour force to be exploited, even though in practice it could be argued that they are exploited. Rather, they saw compliance as a way of protecting their workforce to make sure that they received their rightful wages and fair working conditions. There was a sense of commitment to the industry and the workforce within it, from all managers and administrators.

However, not only was there no evidence of strategic HRM practice, there was also no evidence of best practice or best fit HRM in any of the cases. HRM practice was largely what companies felt that they could afford, and complied with legal requirements i.e. what they needed to do, rather than the best fit for the situation (Delery 1998). HRM policies and practices were not vertically or horizontally aligned (Delery & Doty 1996); and there was no evidence of high performance work system (Boxall & Macky 2009; Leggat, Bartram & Stanton 2011). In each case, even in the Company with dedicated HRM resources, HRM was invisible, and the organisational climate did not appear to value HRM practice or even have a shared perception of the role of HRM (Bowen and Ostroff 2004). As Bowen and Ostroff (2004) argue, a strong HRM system transmits clear messages to employees regarding what skills, behaviours and attributes are valued and rewarded. There was no evidence of this taking place. Furthermore, even in the micro organisation, messages and signals were confused and communication problematic. There was no distinctiveness regarding HRM in the organisations, very little consensus on what HRM was or its value to the company even amongst the key players, and no consistency of practice within each organisation (Bowen and Ostroff 2004).

Communication in all the cases was a challenge irrespective of organisation size. This demonstrates that, even in small performing arts organisations, a lack of formal communication processes can lead to the exclusion of some. As Bowen and Ostroff (2004) argue, open communication harnesses employees’ sense of belonging and of being valued. In turn, this can lead to greater employee job satisfaction and motivation to achieve company goals. In this study, motivation appeared to come from individuals and their personal commitment to the artistic work and the industry, rather than from the organisation.
It could be argued that there was some evidence of a contingency approach to HRM in the three cases, in that the companies did what they could with the resources available to them; and there was some evidence that they practised a form of differentiated HR architecture (Lepak & Snell 1999), in that they had different HR strategies for different groups of workers. For example, recruitment and selection of performers and technical staff – peripheral workers was largely different from that of the managers and administrators - the core workers. However, in contrast to Lepak and Snell’s (1999) model, the peripheral workers in performing arts i.e. the artists are the ones that contain strategic value. Lepak and Snell (1999) advocated a differential investment strategy for different categories of employees suggesting that greater investment be made into those workers of strategic value usually the core workforce. The findings of this study suggest that the differentiated practices in performing arts companies are due to funding and industry constraints rather than deliberate strategy.

RQ (2) How does the industry context impact on performing arts companies’ HRM

The findings from the present study show that the industry effect is a key determinant in the adoption of HRM practices in the performing arts sector. The industry context determines not only the kinds of employees and the nature of the work, but also influences the key goals of organisations and identifies what is valued within these organisations (Datta, Guthrie & Wright 2005). One of the contextual factors in the performing arts sector evident in these findings is the importance of government policy and the reliance on government funding and other short-term and often precarious funding sources. Members of all organisations in the study described these funding sources as an important contextual factor, a fact that is recognised by many other researchers (Cunningham & Higgs 2010; Hesmondhalgh & Baker 2008; MacNeil, Lye & Caulfield 2013; Throsby & Zednik 2010). What these other researchers do not comment on, however, is the impact that precarious funding has on HRM structures and practices in performing arts companies.

Another contextual factor that impacts on HRM practice is the nature of work and employment in the performing arts sector. Firstly, precarious funding often leads to precarious work characterised by casualised, part time and contract work; which in
turn leads to multiple job holding and, often, low wages. Secondly, the nature of work in the arts is short-term production and project-based employment, which, again, leads to casualisation and precarity. Many studies have described the nature of work in the creative industries and how this leads to a complicated employment pattern of casual employment, self-employed contractors, and freelancing (short-term employment) (Cunningham & Higgs 2010; Throsby 2010a; Throsby & Hollister 2003). Some researchers argue that casualisation in the arts is increasing (Campbell 2000; Hesmondhalgh & Baker 2010). Authors agree that this has a detrimental effect on arts workers, with little job protection, and constant unpredictable employment patterns, which impacts on career and earnings (Banks 2007a; Blair 2003; Centre for International Economics 2009; Cunningham & Higgs 2010; Gill 2007; Hesmondhalgh 2007; Menger 2006; Morini 2007; Throsby & Hollister 2003; Ursell 2000; Willis & Dex 2003). However, what is also evident from this study is that it is not only the performers that are prepared to sacrifice job security in order to satisfy their intrinsic motivators but also the managerial, functional and administrative staff.

In addition to the issues already mentioned above, other organisational challenges influenced by the industry effect were identified. These include the human capital challenges of managing an organisation dominated by a high large number of casuals but essential employees. Such operational challenges can include job rosters, payment systems, inductions and transition issues. Other issues include the difficulties of providing essential training around occupational health and safety to casual and part-time workers. Furthermore, performance management and appraisal of casual staff was problematic; as was communication in general. These challenges impacted on the overall adoption of HRM practices in the case organisations and while not uncommon in a range of industries, the scale of casualization and the types of casual workers in the arts sector reinforced the focus on cost, compliance and welfare.

The findings of the study also demonstrate that, despite a lack of HRM sophistication, the industry context influences performing arts organisations in using different HRM strategies in managing different groups in their workforce. This supports Lepak and Snell’s (1999) argument that companies use different HR systems to manage different employee groups. For example, in the present study, all the companies utilised different recruitment and selection strategies for different groups. Moreover, due to
government funding, managers and administrators in Cases 1 and 2 had more employment security than performers and technicians had. Hence, in practice, the organisations did not adopt the same approach to HRM for all their employee groups. It could be argued that, in effect, they are practising a contingency approach based on the constraints that they work within; as research suggests that organisational context is a critical factor in the determination of HR practices (Clinton & Guest 2013). Certainly, the contextual factors faced by performing arts organisations impact not only on organisational strategy but also on HRM practice. These contextual factors include organisational size (Cardon & Stevens 2004), funding and resources, (MacNeil, Lye & Caulfield 2013), as well as the nature of the workforce (Cunningham & Higgs 2010; Throsby 2010b; Throsby & Hollister 2003).

Finally, the cross-case analyses show that many of the HRM issues raised in this thesis are beyond the scope of individual arts organisations. For example, career pathways and succession planning are almost impossible in micro organisations. Furthermore, the cost of providing training and development is often burdensome for the micro and small organisations that dominate the industry. This finding has been identified previously by previous researchers such as Throsby and Zednik (2010) and Cunningham and Higgs (2010). However, this thesis has demonstrated that such problems are not just related to size but that the nature of the industry with limited resources and focus on short term projects also contribute to non strategic HR focus.

RQ (3) How and why does the nature of the PA workforce impact on HRM practice?

The performing arts sector contains large numbers of passionate and committed individuals, who often identify with the sector rather than a particular organisation (Ceylan 2013; Whitener 2001). The present study found that, despite the precarious nature of work and employment in the sector, all the interviewees expressed their commitment and passion to their work. This finding supports other empirical studies (Arvidsson, Giannino & Serpica 2010; Austin & Devin 2009; Eikhof & Haunschild 2007). However, a key finding in this study was that these talented, passionate, and intrinsically motivated individuals were not only the performers and creative staff but also the managers and administrators. Not even one of the interviewees appeared to be
motivated by money. Although the majority of interviewees expressed dissatisfaction with their financial status and the terms and conditions of their employment, they remained committed and passionate to working in the arts and building a career within it. Clearly, as Bridgstock (2005) argues, artists have other measures of occupational satisfaction and success than just monetary reward. However, although a number of authors agree that artists are committed to their work (Cunningham & Higgs 2010; Throsby & Zednik 2010), this study suggests that this also applies to the arts workforce in general.

Having self-motivated employees has an important implication for HRM practice in any organisation. Literature evidence on commitment-based HRM systems considers employees as an asset rather than a cost, and espouses practices such as reward, engagement and participation to encourage employees to identify with the goals of the organisation (Ceylan 2013; Whitener 2001; Zacharatos, Barling & Iverson 2005). Employees who identify with an organisation are more likely to commit to that organisation and in turn make a greater contribution towards its success (Meyer & Allen 1991). However, what happens if the employees feel more committed to the actual industry and see their career in the industry rather than the organisation? While it could be argued that other industries such as academia and the health sector have similar challenges, arts organisations do not have the necessary resources to provide better rewards, career paths and talent management strategies to encourage such employees to commit and remain. Moreover, while in theory commitment-based HRM practices should appeal to this highly motivated workforce, in practice they might not be desirable by project focused companies as it might not be in their best interest. It could also be argued that organisations are not ‘committed’ to the performers as illustrated by the HRM practices used in the case studies because the performers lack commitment to them.

Overall, the findings of this study suggest that HRM systems and practices in this complex arts sector tend to be more transactional, functional, compliance and paternalistic. They are heavily influenced by the industry context, the nature of the work and the features of the people who work within it.
10.5 Theoretical contribution of this thesis

This thesis makes four major contributions. First of all, it challenges the underlying premise of the application of strategic HRM theory to all organisations in all industries. The Harvard model introduced in Chapter 3 is a useful lens through which to view organisations in the performing arts sector in that it puts HRM into a context (Beer et al. 1984). It also recognises the interests of different stakeholders, both inside and outside of the organisation (such as company shareholders, senior managers, employer associations, government, community and trade unions), and how their interests can impact on management objectives. However, this approach and the empirical studies that follow it are based on underlying assumptions.

It is assumed that companies actively and consciously make policy choices in relation to their HRM practice and that these choices are strategic, rational with a long term view and measured in terms of outcomes through feedback loops (Beer et al. 1984; Guest 1987). In fact, as demonstrated in this thesis, HRM choices are often reactive, contradictory and short term. In some organisation HRM practice is seen as irrelevant or of lesser importance to other more pressing matters such as financial survival. Compliance might be less of a strategy and more of a necessity. Such situations are often influenced by the industry context and this thesis suggests that prescriptive HRM theories might be less relevant in a complex sector with many different drivers such as performing arts.

The second contribution of the thesis is that it extends the literature on industry context (Beer et al 1984, Datta et al 2005) by demonstrating how various elements of funding, regulation, nature of the work, and characteristics of the workforce, come together with a complexity that directly impacts on HRM practice and the decision making of practitioners. One particular feature of the performing arts is that all the participants saw themselves as part of an industry rather than just a company. The workforce moved in and out of companies either for career development opportunities or for artistic opportunities. Commitment to the company was not necessarily a major driving force. While it could be argued that a number of industries such as health or education are made up of professionals whose dedication is more to their profession rather than current employing organisation, in the performing arts the short term and
transitory nature of the work exacerbates this situation. Furthermore, in this study the industry effect was greater than the effect of organisational size on HRM practice. While HRM in smaller companies were found to be ad hoc and informal, the large company- despite having formal HRM structure, did not show evidence of strategic HRM practices (Beer et al. 1984; Datta, Guthrie & Wright 2005)

Third, the study also extends the work of Bowen and Ostroff (2004), on the ‘strength of the HRM system’ by applying it in three organisations of different sizes in one sector and demonstrating the interrelatedness of distinctiveness, consistency and consensus. The features of the industry context as described meant that in each of the three companies studied, HRM was not seen to be relevant to many and was not particularly well understood. This lack of understanding was reflected in a lack of consensus and agreement on the application of the different HRM practices in each Company. In turn, this led to lack of consistency and undermined understandability and perceived relevance. In this way, by focusing on three organisations of different sizes but employing similar types of people, in similar types of work, with similar constraints, it is possible to see the features that not only undermine ‘the strength of the HRM system’ but also challenge traditional strategic HRM theory.

Fourth, this thesis both supports and challenges Lepak and Snell’s (1999) HRM architecture model which argue that a firm’s HR ‘architecture’ is used to identify HR practices, employment modes and employment relationships for different employee cohorts, based on the degree to which their human capital is strategically valuable and unique. It supports it to the extent that the three companies explored in this thesis were clearly carrying out different HRM practices for different groups of workers and were applying differentiated human capital investments. However, Lepak and Snell’s (1999) work is based on traditional HRM assumptions which assume that employers make a choice on their employment modes strategically based on perceived value and uniqueness of employees. It assumes that it is largely the ‘core’ employees that are valued and are invested in through commitment based HRM practices and that the peripheral employees who are brought in and out of the organisation on short-term contracts are of less value and easily replaced hence a ‘cost focused’ HRM strategy is a rational choice based on economic motives.
As have seen in this thesis, these assumptions are not borne out in the performing arts. First, arts companies do not always have a choice over employment modes when funding is tight and the work is project based. Second, arts employers often do not have the resources to invest in their ‘core’ workforce or even feel the need to as these employees are often self-motivated or they believe that poor employment conditions are a feature of the arts not just the company. Third, in the performing arts, it is often the peripheral employees who hold the strategic value such as the performers and technical staff without whom the ‘show’ would not go on. While some of these workers are easily replaced due to an oversupply of labour in some areas, others are unique and it is their individual reputation or skill set that brings competitive advantage to the company for a short period of time. Audiences will pay to see certain performers. In that sense the performers are not just contributing to core business they are the core business. Furthermore, these artists will often choose to work in the theatre or in bespoke dance companies for a short time because of their love for the art, whereas they will earn their money in the more lucrative and more highly unionised film and television. In a sense the industry as a whole is a dual sector – each reliant on the other and the workforce moves between the two sectors hoping to build a career and make a living.

Finally, the study challenges simple cost-focused or commitment-based HRM approaches. All the three case companies explored in this thesis practised some form of cost-focused approach to HRM, because they had to do so due to limited resource availability. However, where they could, they did enter into above Award Enterprise Agreements supported by the Employers’ Association Live Performance Australia and there was evidence of higher paid individual contracts for some artists. The overall sense of the managers and administrators involved in pay and employment conditions was of them trying to do the right thing by their staff so that their employees were not disadvantaged and that regulations were not breached.

10.6 Practical contribution of the thesis

The practical contribution of this study is threefold. Firstly, while the issue of casualisation in the performing arts sector is well documented (Cunningham & Higgs 2010; Gollmitzer & Murray 2011; Throsby & Zednik 2010), this study draws
attention to the impact of managing staff at the organisational level. Because organisations are so focused on survival and the struggle for resources, there needs to be an industry approach to training, in a range of areas including leadership, management, and human resource management that is more than simply a focus on compliance. Such training would have a developmental focus. This training could be provided by government agencies, universities, consultants or employer or trade unions. It would need to be low cost and problem based – working with companies on their key issues with a view to lobbying governments for increased resources where appropriate.

Secondly, the performing arts workforce also needs access to affordable training and development in a range of issues that is industry focused, not just organisationally focused. Such training should be linked to career development, and create opportunities for creative workers. This training would need to be not only low cost and relevant but would need to be accessible perhaps in the form of workshops and seminars. These would also provide networking opportunities so that performers would see value in getting involved.

Thirdly, while this is not a policy thesis, government funding policy dominated the conversations and interviews. From the perspectives of the interviewees including government participants, the current funding models for the arts in Australia are clearly not sustainable if the performing arts sector is to reach its potential as a thriving sector in the creative industries. As stated early in chapter 2 section 2.2 of this thesis, the performing arts sector makes an enormous contribution not only to the cultural life of a society but also to economic growth. Despite all the evidence and all the rhetoric outlined in chapters 1 and 2 of this thesis Australian government policies directly impact on the management of arts companies and appear to hinder that growth. Indeed, in 2016 the current Liberal Coalition Federal Government cut funding to many smaller arts companies and Dance Company (Case One) lost its triennial funding status thus jeopardising its future.
10.7 Limitations of the research Study

Like every research undertaking, this research study has limitations. Firstly, the study involved only interviews with selected key informants and three case studies, which are not necessarily representative of the performing arts sector as a whole, and may not be generalizable to all performing arts organisations. Hence, the study was exploratory and the findings represent a snapshot of current HRM practice in the Australian performing arts sector.

Secondly, only 24 interviews were conducted for this study. The findings gathered from such a modest number of respondents are not generalisable to represent the entire performing arts sector. These interviews where largely within case study contexts, supported by other evidence from company policies and documents. Moreover, the interviewees represented different viewpoints from policy makers, to managers and employees.

Thirdly, of these 24 interviewees, none were solely performers; even though two interviewees still performed as well as carrying out other roles, and three interviewees had been performers in the past. Hence, the views and perspectives of the performers are largely missing in the study. This gap can be explained by three major factors, (a) the thesis focused on HRM in arts companies, hence the company was the unit of analysis and it became clear in the research process that performers did not necessarily identify with the company, (b) is that performers are paid for what they do and have multiple roles, time is money and time spent in an interview is time not being spent for more relevant tasks and (c), clearly HRM was not seen to be of relevance to them. The researcher struggled to find interviewees in the large Musical Company with people for whom HRM was supposedly a part of their role it is not surprising that performers who are further removed from organisational practice should be reticent about giving up their time.

10.8 Further Research

The limitations of this study point to future research potential regarding HRM and people management in the performing arts sector. Firstly, a quantitative industry
study, which captures the views of Senior Managers and HRM practitioners, similar to that of Bartram, Stanton and Leggart (2007) in the health industry, could help to generalise the findings across the industry. This could be carried out with the support of the employers’ organisation. Secondly, a survey of the experiences of performers could capture the missing performer voice in the study either through some form of snowball sampling (Sudman 1976) or with the support of the union. Thirdly, an in-depth case study involving both qualitative and quantitative methods in a number of large performing arts companies could cast further light on HRM practice in the performing arts. In the micro and smaller companies the findings supported the literature to a large extent with regards to HRM practices in SMEs, whereas the differences found in the large company could be explored further.

10.9 Concluding remarks

This chapter has further discussed and summarised the findings of this research study. These discussions helped to answer each of the research questions. The conceptual framework that guided this study has been revisited, significant findings highlighted, study limitations identified, and future research directions also provided. This chapter also summarised the implications and contributions of this research. The study has focused on HRM systems and practices in companies in the performing arts sector, and in doing so, the findings showed that the HRM systems and practices in this sector take the form of a personnel management approach characterised by short-term, reactive, ad hoc, and mainly administrative and compliance-based HRM practices. The situational constraints that hinder the adoption of HRM in the sector were identified. Overall, while there is a dearth of in-depth research on HRM in the performing arts sector, this thesis has provided a snapshot to help improve the understanding of how HRM is perceived and practised in this sector and the inherent challenges that constrain HRM adoption and practice in the sector.

10.9.1 Self-reflection

I did not commence this PhD study because I had a great passion for the performing arts sector or because I had personal experience of working in the arts. Indeed, it was a sector that I knew very little about. I commenced the study because I was interested
in strategic HRM theory and practice, and in particular I was interested in exploring the link between HRM and performance. I chose the arts sector for two reasons. Firstly, because it appeared that a study of HRM in the performing arts sector in Australia was a Greenfield area in that there seemed to have been very little empirical investigation. Secondly, I was encouraged by one of my supervisors who did have knowledge of the sector and connections within it and who felt that my assumptions in regard to strategic HRM practice might be challenged in such an esoteric sector and may thus lead to a greater theoretical contribution.

Certainly, my own personal lack of prior knowledge of how the performing arts works especially in the areas of work and employment practices, government policy and company structure, made me ask many questions throughout the research process. Moreover, I had to challenge many of my underlying assumptions and expectations in regard to the application of HRM theory and practice. On the one hand, this was a problem because I had to delve deeper to find out basic knowledge and some of that knowledge was not what I was expecting. On the other hand, this was beneficial because I took nothing for granted and this assisted me to develop greater insight on the theory and current practice of human resources management in the performing arts sector in Australia.
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APPENDIX 1

KEY INFORMANT INTERVIEW QUESTIONS
FOR
STAKEHOLDERS IN THE PERFORMING ARTS INDUSTRY IN AUSTRALIA:

Research Study: PhD
Name of Student: Stanley C. Opara
Name of the Supervisor: Prof Pauline Stanton
Associated Supervisor: Dr David Fan
School of Management and Information Systems
Faculty of Business and Law
Victoria University.
Key Stakeholders Interview Questions

1. What is your role within the organisation?
2. How many employees are employed in this organisation?
3. How many years have been working in the organisation?
4. Is HRM viewed as strategic within your organisation?
5. What are the HRM issues you perceive facing the Performing Arts Australia?
6. Why is HRM important in the management of Performing Arts?
7. What are the employee and HR relations issues within the organisation?
8. Do you see changes in the way HR is managed in the PA in the next ten years?
9. Do you agree that HRM can enhance organisational effectiveness?
10. Do you have your own award/agreement?
11. To what extent are Australian PA monitoring HRM and linking it to organisational performance?
12. What is the relationship between HRM and performers in the PA?
APPENDIX 2

Semi-structured case study questions

1. What is your role in this organisation?
2. How long have you been in this organisation and what did you do previously? Do you have a background in the Arts?
3. How many HR staff do you employ and what are their roles? How is HRM structured in this organisation?
4. What are the HRM challenges that you face in your organisation in the areas of:
   — Recruitment
   — Performance
   — Training and development
   — Staff management
   - Other
5. What new initiatives/policies have you introduced over the past five years in regard to these challenges?
6. How is HRM practiced in your organisation?
   - Do you have your own Enterprise Bargaining Agreement or do you follow the Industry Award?
   - Do you have your own set of HRM policies and procedures? If so how were they developed?
   - Do you have a succession plan in place for key staff?
   - Do you rely on Live Performance Australia for help/advice and support? If so in what key areas?
   - Other comments?
7. In your view does the HRM strategy contribute in any way to the performance of the organisation? If so how?

8. From your own experience have you anything else to add about managing people in the arts industry in general and this organisation in particular?
CONSENT FORM
FOR PARTICIPANTS
INVOLVED IN RESEARCH

INFORMATION TO PARTICIPANTS:

You are invited to participate in a research study conducted by Stanley Opara, who is a doctoral student from the School of Management and Information System at Victoria University, Melbourne. The research title is “Relationship between Strategic Human Resource Management and Performance in the Public Sector: An empirical Study in the Performing Arts (PA) Industry in Australia. The objective of this research project is to explore the relationship between strategic human resources management (SHRM) and performance in the industry. This project is under the supervision of Dr. Karen Manning and Professor Pauline Stanton of the School of Management and Information Systems at Victoria University, Melbourne Australia.

There are no known risks if you decide to participate in this research study, nor are there any costs for participating in the study. Your participation in this study is entirely voluntary. You are being asked to participate in this study because you are one of the key stakeholders involved in the management of Performing Arts in Australia.

The interviews will be semi structured and based upon your experiences of being key stakeholder involved in the management of Performing Arts. The interview questions will be exploratory in nature and focus on the HRM policy choices, Stakeholders interest and situational factors that may have constraints in the management of strategic HR in the performing Arts. All interviews will be recorded with a tape recorder and transcribed. You’re expected involvement would be to provide answers to the questions the research will ask you. It may take up to one hour thirty minutes to finish the questionnaires. Please note that your participation is entirely voluntary and that you may withdraw your participation at anytime if you feel uncomfortable or distressed. All information obtained in connection with this study will be anonymised, with all names people and organisations. The audiotapes that we make will not be used by anyone outside the study. The tapes will be destroyed three years after the end of the study.
CERTIFICATION BY SUBJECT

I.......................................................... ............................................................................................................

of................................................................................................................................................................

................
certify that I am at least 18 years old and that I am voluntarily giving my consent to participate in the
study:

Doctor of Philosophy being conducted at Victoria University by Dr Karen Manning:

Please tick the box as an indication for consent to have the interview recorded

I certify that the objectives of the study, together with any risks and safeguards associated with the
procedures listed hereunder to be carried out in the research, have been fully explained to me by Mr Stanley Opara and that I freely consent to participation involving the below mentioned procedures:

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I certify that I have had the opportunity to have any questions answered and that I understand that I can withdraw from this study at any time and that this withdrawal will not jeopardise me in any way.

I have been informed that the information I provide will be kept confidential.

Signed:
Thank you in advance for participating in this study. I know how important your time is, and I greatly appreciate your support and cooperation in furthering this research endeavour. Any queries about your participation in this project may be directed to the researcher Dr Karen Manning by **Tel:** 3 9919 5331 or **Email:** Karen.Manning@vu.edu.au

If you have any queries or complaints about the way you have been treated, you may contact the Ethics & Biosafety Coordinator, Victoria University Human Research Ethics Committee, Victoria University, PO Box 14428, Melbourne, VIC, 8001 phone (03) 9919 4148.

[*please note: Where the participant/s are aged under 18, separate parental consent is required; where the participant/s are unable to answer for themselves due to mental illness or disability, parental or guardian consent may be required.]
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<th>Professor Pauline Stanton</th>
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Dear Professor Stanton,

Thank you for resubmitting your application for ethical approval of the project entitled:

**HRETH 12/93** Managing people in the arts industry: an empirical study of the Performing Arts industry in Victoria, Australia

The proposed research project has been accepted and deemed to meet the requirements of the National Health and Medical Research Council (NHMRC) ‘National Statement on Ethical Conduct in Human Research (2007)’, by the Chair of the Business & Law Human Research Ethics Committee. Approval has been granted from 30th July 2012 to 29th July 2014.

Continued approval of this research project by the Victoria University Human Research Ethics Committee (VUHREC) is conditional upon the provision of a report within 12 months of the above approval date (by **30th July 2013**) or upon the completion of the project (if earlier). A report proforma may be downloaded from the VUHREC web site at: [http://research.vu.edu.au/hrec.php](http://research.vu.edu.au/hrec.php)

Please note that the Human Research Ethics Committee must be informed of the following: any changes to the approved research protocol, project timelines, any serious events or adverse and/or unforeseen events that may affect continued ethical acceptability of the project. In these unlikely events, researchers must immediately cease all data collection until the Committee has approved the
changes. Researchers are also reminded of the need to notify the approving HREC of changes to personnel in research projects via a request for a minor amendment.

On behalf of the Committee, I wish you all the best for the conduct of the project.

Kind Regards,

Dr Nick Billington
Chair
Faculty of Business and Law Human Research Ethics Committee