Hybrids and contradictions: human resource management in the contemporary public sector

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Abstract

Public employment is a dynamic field of study, buffeted by the ever-changing and reforming public sector environment and by external events such as changing demographics and the global financial crisis. This introduction to the special edition on contemporary public sector human resources provides a broad overview of recent developments, starting with the nature of public sector reforms and proceeding with analysis of the far-reaching effects on public employment. For many western countries, this has led to a hybrid model of old and new practices, with many internal contradictions and a confusing array of accountabilities. The new arrangements led to a de-privileging of public servants through reductions in merit and tenure. They also reduced the institutional capacity of central personnel institutions to coordinate and monitor public employment and public management. The paper proceeds with a review of the implications of these changes in the face of new challenges such as skills shortages and economic pressures. This overview provides a backdrop for the variety of papers presented in the special edition.
Introduction

A ‘pandemic’ of public management reform has swept across many OECD countries in recent decades to address the perceived ills of public administration, in particular its alleged lack of efficiency and responsiveness (Pollitt & Bouckaert, 2004). Responding to changes in the structure and operations of the public service generally, governments have increasingly replaced traditional models of personnel administration and employment relations with market-based systems and performance management regimes (Brown, 2004). This has created a dynamic environment for public employment, as the traditional career service model is replaced by a hybrid model of old and new practices.

Historical Backdrop of Public Sector Reform

Ironically, the traditional career model of public employment in the English-speaking world arose from administrative reforms as a panacea for civil service problems. In the 1850s, the British government had identified problems in its civil service, including inefficiency, fragmentation, politicisation and sheer corruption, and tasked the Northcote and Trevelyan inquiry to develop a new service-wide approach to public employment (Hughes, 1942; Northcote & Trevelyan, 1854). The reform movement spread to other English-speaking countries, leading to reforms in Australian colonies (Caiden, 1965) and to the Pendleton Civil Service Act of 1883 in the United States (Van Riper, 1958). The career service model emerging from these reforms endured as the prevailing paradigm for the next 120 years or more. It featured three pillars: merit-based recruitment and selection and subsequent promotion through an internal career path; tenured employment to support independence and put public servants beyond the whims of political masters; and a unified service with a standardised framework of pay and conditions (Brown, 2004; Colley, 2011b). This employment framework was often governed by strong and independent central personnel
agencies, such as public service boards that regulated employment (Caiden, 1965; Cayer, 1975; Cohen, 1965; Drewry & Butcher, 1988; Gardner, 1993; Gladden, 1954; Goodnow, 1900). In both old and new Commonwealth countries, public or civil service commissions were tasked with ensuring probity.

By the 1970s and 1980s, changing ideologies and economic pressures led to challenges to the traditional forms of public administration and public employment. Public services were widely condemned as inefficient and unresponsive to political objectives. The career service model, which was originally designed to address inefficiency, was now seen as contributing to inefficiency.

Broader public management reforms occurred in two waves. The first wave consisted of managerial reforms, to make management more efficient through simple downsizing of civil service spending and staff numbers and the importing of private sector practices into the public sector. Private sector managerial and employment practices have not always been demonstrated to suit the public sector environment and there is a view that their adaptation has not been effected because of a desire to adopt a “best practice” model but rather to “express ideological commitment” (Stewart & Walsh, 1992). The second wave of reforms was contractual in nature, rejecting assumptions of public ownership or public employment and proposing new approaches such as corporatisation, contracting-out and privatization (Davis, 1997, 1998; Pollitt, 1990; Rhodes, 1997).

The HR Implications of Reform

In OECD countries, and especially (again) the English-speaking ones, the reforms had far reaching effects on public employment. The aims included efficiency but also control of the bureaucracy, making it more accountable in some ways but at the same time constraining its autonomy and independence. The reforms affected the processes for recruiting, promoting, training and dismissing public servants. All three pillars of public employment were eroded,
knocking public servants off their privileged pedestals and drastically simplifying the rules governing their jobs (Pollitt & Bouckaert, 2004, pp. 75-80).

Alongside these process changes, governments reformed the institutions that managed public employment. In Australia, for example, institutional capacity was reduced as strong central personnel agencies were abolished, and their functions were distributed horizontally to other central agencies and vertically to line ministries and agencies (Alford, 1993). While there have been some benefits from the devolution of human resource management (Teo & Rodwell, 2007), there has also been a loss of coordination, with overall responsibility for the monitoring of service-wide trends and the quality, cost and productivity of labour falling between the many stools (Colley & Price, 2010; Nethercote, 1989, 1996). It was this package of reforms that came to be identified as the New Public Management (NPM).

The result has been an uncomfortable hybrid model of employment relations (Gardner, 1993) with many inherent contradictions and a confusing array of accountabilities. Even the “arch-optimists of public sector reform, Osborne and Gaebler, acknowledged the difficulty of replacing traditional public sector human resource management with a new model” (O’Neill & Hughes, 1998, p. 36). The traditional bureaucratic model of employment, which assumed that performance could be ensured through compliance with ‘the rules’, has largely been replaced with a task-focused model that focuses on performance, with personnel systems supporting that goal, including the approach to rewards and recruitment, and with the perhaps unintended consequence of less secure jobs (Gardner, 1993). Devolution often occurred without the necessary complement of stronger central monitoring and auditing (Nethercote, 1996). As a result, important human resource decisions, such as recruitment and promotion, are made by agencies with little if any monitoring or review (Bach, 1999). Perhaps as a result, there is some evidence of a reversal of this trend in response to “excessive organisational disaggregation and agency autonomy” (Bach & Bordogna, 2011, p. 2286).
Public employment has also become much more political in several ways. First, public services are arguably declining in importance as a source of advice for government. Governments have sought new and often more political sources of recommendations and options (such as ministerial advisers) (Colley, 2011a). Second, devolution of selection and promotion processes has allowed scope for more political influence in appointments. Third, governments are arguably more prepared to model their ideology through their role as a major employer. A prime example of this politicization was the election of Margaret Thatcher in Britain. Thatcher increased her ministerial advisory unit, and made political appointments to ensure loyalty (Smith & Corbett, 1999). Her government also used the public service to give effect to its 'small state' ideology, downgrading the role of the state as a model employer and collective wage bargaining, and in so doing, marginalising the public sector unions (Carter, Davies, & Fairbrother, 2002).

**Contemporary Challenges for Public Sector HRM**

The new public sector human resource environment is arguably ill-equipped to deal with the attraction and retention issues faced by many public services in the early 2000s. In nearly all developed economies, skills shortages arose as changing demographics (such as the drop in birth rates and the ageing of populations and workforces) led to an increasing rate of retirement without a compensating supply of younger workers to take their place (OECD, 2007). The issue of skills shortages is compounded in the public sector where the public service workforces of many countries are already older and/or ageing faster than the general workforce (OECD, 2007). In addition, the image of public services is eroding, due in part to factors such as the outflow of strategic tasks to the private sector under new models of service delivery (OECD, 2001). Public service salaries and conditions have often fallen behind the private sector. As a result, the private sector can offer more attractive jobs and conditions, and public services struggle with the challenge of recruiting and retaining a high quality
professional workforce with the capacity to deliver effective services. In the absence of a strong central institutional capacity to monitor and manage workforce trends, agencies have been left to identify and resolve these issues on their own. Solutions often led to continued erosion of the central pillars of employment: standardised conditions were further eroded, as agencies endeavoured to respond with wages and conditions targeted at individual groups; and tenure was further eroded as agencies sought more flexible forms of staffing (Brown, 2004).

A review of reforms (Lah & Perry, 2008) suggests extensive personnel policy diffusion and institutional isomorphism among OECD nations. Similar processes have been adopted across national and sub-national governments based on ideology and copy-cat logic, often without adequate evidence that the new paradigm of public service human resources was successful or even desirable in a particular political environment (Stewart & Walsh, 1992). The managerial and contract reforms spread through western economies.

The picture was somewhat different in developing countries. Certainly the same reforms were canvassed there. But by and large, developing country governments opted to keep things as they were, believing that the Northcote-Trevelyan/Pendleton analysis of politicisation and corruption still applied to them, and outweighed the putative efficiency gains. (The rival views of Bale and Dale (1998), and Schick (1998) neatly encapsulate the developing country debate.) Thus, for example, Nepal resisted donor encouragement to decentralise, mindful that a previous World Bank-sponsored reform had allowed politicians to use Nepal's public enterprises for patronage purposes by installing their supporters (McCourt, 2001). Similarly, Sri Lanka actually recentralised its public staffing, restoring the independence of the Service Commissions so as to minimise political influence (McCourt, 2007).
Developing countries also experienced a two-decade long wave of downsizing reforms. Between 1987 and 1996, no fewer than 68 developing and transitional countries had downsizing programmes sponsored by the World Bank (Nunberg, 1997). China, the world’s most populous nation, embarked in 1998 on a reform programme designed to cut the number of its civil servants by half - in other words, by a projected four million people (Economist, 1998).

The global financial crisis (GFC) of the late 2000s has since presented further challenges. Governments across the globe are under additional pressure to cut expenditure, often leading to discontinuation of services and a reduction in the number of public servants. A prime example is Britain, as the Cameron coalition government embarks on extensive cuts to expenditure, including public service conditions and positions (Watson & Fleming, 2010). There are also significant examples in other European countries such as Ireland and Greece (Roche, Teague, Coughlan, & Fahy, 2011). While the GFC circumstances did provide many countries with some brief reprieve from the problems of skills shortages, it raises new challenges. Governments increasingly seek to impose central policies to restrain public sector recruitment and growth, but this is often difficult when agencies have previously been given extensive autonomy over human resource processes. In these circumstances, restraint is more effectively imposed through budget rather than personnel agencies, further eroding the role of central personnel institutions.

IRSPM papers

Against this turbulent global backdrop, we called for papers on ‘Contemporary Challenges for Public Sector Human Resource Management’ for the 2011 International Research Society for Public Management (IRSPM) conference in Dublin. This panel drew an enthusiastic response from contributors, and unfortunately we could only accept half the papers for the
conference and even fewer for publication in this special edition. The papers in this special edition address national, state and local government issues across a variety of countries (including Australia, UK, Malawi, South Africa, Sweden and Thailand). They also include differing levels of analysis, from organisation to agency to individual employee, and a wide range of topics, including the effects of the GFC, skills shortages, recruitment, performance, the effects of managerial changes, and the readiness of HR for new modes of service delivery. By and large the papers are about externally imposed change, HR policy responses and the challenges and difficulties encountered in implementing such responses. As with the historical recount above, there is a sense in all the papers of an externally-imposed ideological commitment to a course of action and that such commitment is rarely accompanied by any considerable forethought to the context to which it is applied and the human resource implications.

Responding to the GFC

Colley’s paper considers the effects of the GFC as an impetus for change in public employment.

Her contribution provides a case study from Australia, where the GFC has been weathered comparatively well. The study of an Australian state public service considers the workforce profile before, during and at the end of the GFC. It finds that the workforce continued to grow, but at a slower pace. Any contraction in recruitment was more linked to slower separation rates than any restraint. The workforce profile changed, with some decrease in the proportion of vulnerable employees and retention of stronger groups (such as males) who were perhaps seeking a refuge during the GFC. The study shows the challenges of trying to implement central priorities in a largely decentralised human resource environment where agency chief executives have significant autonomy over employment – comparatively few attempts have been made to guide agencies, and these have had little success. The paper
concludes that the NPM philosophy of agency autonomy may work well within a prosperous and growing jurisdiction, but may be less functional when a government desires to impose restraint.

**Responding to Skills shortages**

Tambulasi’s paper considers labour shortages in the health sector in Malawi. As one of the least developed and poorer countries in the world, Malawi faces additional challenges in attracting and retaining health professionals who often opt for better paying jobs in the private sector or abroad. Tambulasi analyses a locum programme, where health workers are encouraged to work extra hours and paid overtime allowances accordingly. While the programme has had some success in motivating employees, it faces several challenges that are perhaps endemic to contemporary public sector human resources. The programme is decentralised and administered at hospital level, and poor governance processes have led to many problems including poor administration and unethical practices such as: late payments to staff; preferential offering of work to management ‘loyalists’; and staff abuse of the programme by over-claiming the time worked. Over-working has also compromised employees’ health safety and the quality of service delivery. The paper demonstrates some of the tensions that can arise from innovative approaches that have not been carefully designed, implemented and monitored.

In a context of global nursing shortages, Brunetto et al’s contribution considers the similarities and differences in the links between public and private nurses’ satisfaction with supervisor-nurse relationships, teamwork, perceptions of role ambiguity and perceptions of their discretionary power in Australian and UK hospitals. Recent rationalisation in health services have led to flattened hierarchies, increased workloads and increased managerial control for nursing supervisors. Findings of the study point to the importance of supervisor-
subordinate relationships, teamwork and role ambiguity in relation to their impact upon nurses’ perceptions of discretionary power. Public sector nurses were found to have lower perceptions of their discretionary power than private sector nurses. The findings are significant given that past research has found that discretionary power enhances performance and is therefore of critical importance in industries experiencing staffing shortages.

**Targeting Performance**

Performance management is one of the perennial problems of public services. It is more complex than in the private sector for a variety of reasons, including the professional and autonomous nature of much public service work; the unclear or shifting objectives of some of the work; and a lack of individual control over and difficulties of measuring outcomes. A contribution to this special edition has addressed performance at the organisational and at the individual level by considering the intersection of organisational practice with individual employee’s responses. Bringselius’ paper focuses on the health care sector, which is one of the largest public sector groups in most jurisdictions.

The paper considers the effects of managerial processes on professional employees. Using a case study of the Swedish Social Insurance Agency, she analyses the challenges of maintaining employee motivation while implementing Taylorist approaches such as standardization of work and time-measuring of work processes. Surprisingly, many employees found standardization as enabling rather than coercive, and there may be a positive impact on both the status and integrity of the profession. This may depend on the involvement of staff in any continuous improvements to the standardised protocols, and the continued scope for some individual judgment. Conversely, time-measuring was demotivating for employees and provided incentives for undesirable behaviour, which may have outweighed the organizational benefits of providing evidence in budget negotiations.
The HRM Implications of Structural Change

Three papers consider HRM responses to broader changes in the structure of public services and their means of delivery.

Rohitarachoon and Hossain’s paper considers decentralisation in Thailand, which they describe as a fiscally-driven initiative imposed on traditionally centralised public administration. Their particular focus is recruitment and selection in local government. Effective recruitment and selection techniques are required to ensure governments attract a competent and ethical workforce to deliver services - conversely, poor recruitment and selection will adversely affect performance. They draw on documentary research and interviews with local civil servants to develop an understanding of the advantages and disadvantages of decentralised recruitment in different regional cultures and contexts. The study demonstrates the tensions inherent in centralised policy setting of HR practices when matched with decentralised decision making in recruitment and selection. The result has been a pendulum with HR practices now swinging back to more centralised control.

Blunt, Turner and Lindroth review the effect of patronage networks in Indonesia, in particular how, within an environment of decentralised personnel management, such networks have been able to corrupt HR practices whereby “everything is potentially up for sale: exam results, placements, positions, promotions and transfers”. Their research is a qualitative study utilising interviews undertaken in three provinces and involving 211 participants. The results of their study indicate the extent to which HRM practices have been captured by patronage resulting in persons with unsuitable qualifications and capabilities being appointed to positions. Such practices are demonstrated to have serious implications for service delivery and social justice and go towards explaining the failure of developmental policies. The study is of great interest as it demonstrates the importance of having efficacious
human resource practices in place to deliver positive social outcomes. This paper was published in International Journal of Public Administration earlier this year (i.e. 2012) and can be found online in issue 35(3).

Waterhouse and Keast consider the human resource implications of the increasing use of networks to deliver public services. As with the earlier changes to HR practices under New Public Management, public sector human resource management is in danger of not keeping pace with these new modes of service delivery. There has been a push for collaboration between agencies, but less focus on the attainment of collaborative capabilities and little consideration given to the changes needed to human resource practices to support networked ways of working. Collaborative environments and networks present challenges to traditional funding models and organisational structures, and the tendency for agencies to seek control or to empire-build. But this is even more complex for the individual, who must satisfy one set of criteria to be part of a successful network, but other criteria to be part of a successful organisation and demonstrate those behaviours that will lead to reward recognition and promotion. Using case studies of collaboration in an Australian state, this research explores the role of government in networks and proposes a model of Human Resource Management practice that would assist government in undertaking those roles.

**Conclusion**

Overall, this special edition possibly raises more questions than it answers for public service human resource management. The papers present a unique array of public sectors spanning various national and sub-national levels of government. The papers demonstrate how governments have widely identified the need to change human resource management practices to underpin and enact planned changes to the delivery of public services more generally. Many of the papers demonstrate the continued challenges of a changing
environment for the attraction, retention and management of a professional public sector workforce and the tensions that have arisen under devolved or devolving models. A common theme is that changes to public sector human resource practice are not easy to achieve. There is clear evidence of attempted isomorphism, however, the papers in this special edition demonstrate how change to the management of human resources in the public sector is shaped and constrained by individual national contexts. This finding confirms previous observations regarding the impracticality of imposing uniform public sector reforms into nations that are historically, economically and culturally different (McCourt, 2003). Developing countries have shown less willingness to engage in the rampant policy transfer that occurred in many western countries, whether due to their enduring faith in the traditional principles or a reluctance to buy into prevailing ideology. The papers support the premise suggested in this introduction’s title, that public sector HRM appears to be travelling down unproven paths.

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