Managing Human Resources in light of New Public Management Ideals: Corroboration from an Australian Public Sector Organization

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Abstract

Since 1980s the Australian public sector has been dominated by the New Public Management (NPM) ideals and introduced private sector management practices. The NPM ideals created changes to the structure, processes and human resources of public sector organizations with the objective of getting them to run well. Against this background the wide-ranging reforms and NPM ideals related to human resource practices in the Australian public sector offer a context for the present study. The present study intends to explore in-depth how human resource management practices, one of the important management control tools are implicated in an Australian public sector organizations and its wider organizational setting. A Government Department in the Australian Capital Territory (ACT) has been adopted as a field of investigation for the purpose of this exploration. The qualitative research approach was adopted and data was collected in the case study tradition. The main data sources were archival official documents and interviews. The primary interview method used in this study was unstructured and open-ended. In addition, the researchers used direct observation to supplement and corroborate the archival documents and interview data. Empirical evidence collected on the organizations suggests that implementing human resource management practices in the researched Government Department were a response to pressures from NPM reform initiatives in Australia. The objectives of implementing these human resource management practices in the researched organization were to facilitate goal congruence between the organizations and the people within it. By enhancing our understanding of human resource management practices within this public sector organizations, this research will provide a better understanding of the human resource management control mechanisms of the public sector organizations in the context of implementing NPM ideals.

Keywords: Management control system, human resource management, new public management, public sector, Australia, structuration theory

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การจัดการทรัพยากรมนุษย์ตามแนวคิดการจัดการภาครัฐแนวใหม่: ความร่วมมือขององค์กรภาครัฐในออสเตรเลีย

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บทคัดย่อ

ตั้งแต่ทศวรรษที่ 80 เป็นต้นมา ภาครัฐของออสเตรเลียได้นำแนวคิดการจัดการภาครัฐแนวใหม่ (New Public Management – NPM) มาใช้และยังนำไปใช้กับการบริหารจัดการในภาคเอกชนอีกด้วย แนวคิดการจัดการภาครัฐแนวใหม่ก่อให้เกิดการเปลี่ยนแปลงโครงสร้าง กระบวนการทำงาน และการจัดการทรัพยากรมนุษย์ในองค์กรภาครัฐเพื่อปรับปรุงการทำงานให้ดีขึ้น การปฏิรูปภาครัฐด้วยแนวคิดการจัดการภาครัฐแนวใหม่ในประเด็นที่เกี่ยวข้องกับการจัดการทรัพยากรมนุษย์ของออสเตรเลียจึงเป็นที่มาของการศึกษาในครั้งนี้ ทั้งนี้ มีวัตถุประสงค์เพื่อศึกษาเชิงลึกว่าการจัดการทรัพยากรมนุษย์ซึ่งเป็นหนึ่งในเครื่องมือสำคัญต่อการขับเคลื่อนการดำเนินงานได้ถูกนำไปใช้ในองค์กรต่าง ๆ ในภาครัฐของออสเตรเลียอย่างกว้างขวางและเป็นระบบ โดยศึกษาจากหน่วยงานในเขตปกครองพิเศษออสเตรเลียนแคพิทอลเทร์ริทอรี (Australian Capital Territory: ACT) เป็นการศึกษาเชิงคุณภาพโดยศึกษารวบรวมข้อมูลจากกรณีศึกษา แหล่งข้อมูลหลักได้จากเอกสารและการสัมภาษณ์แบบไม่มีโครงสร้างซึ่งเป็นแบบปลายเปิด นอกจากนี้ ผู้วิจัยยังได้มีการสังเกตการณ์เพิ่มเติมอีกด้วย ข้อมูลเชิงประจักษ์รวบรวมจากหน่วยงานต่าง ๆ ซึ่งมีการนำแนวคิดการจัดการภาครัฐแนวใหม่ไปใช้กับการจัดการทรัพยากรมนุษย์ในองค์กร เป้าหมายของการจัดการทรัพยากรมนุษย์ตามแนวทางนี้คือ ช่วยให้มีความสอดคล้องระหว่างองค์กรกับการบริหารคนในองค์กร งานวิจัยชิ้นนี้จะทำให้เข้าใจการจัดการทรัพยากรมนุษย์โดยสร้างความเข้าใจเกี่ยวกับกลไกการกำกับดูแลการจัดการทรัพยากรมนุษย์ในองค์กรภาครัฐในบริบทของการจัดการภาครัฐแนวใหม่

คำสำคัญ: ระบบการควบคุมดูแล การจัดการทรัพยากรมนุษย์ การจัดการภาครัฐแนวใหม่ ภาครัฐ ออสเตรเลีย ทฤษฎีปฏิสัมพันธ์สองทาง

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Introduction

Orthodox public sector administration was characterized in terms of administering the legislated functions of government organizations. It was an authority-based administrative approach that was incorporated by a bureaucratic structure and process model originally laid down by Max Weber. Over the last three decades worldwide and specifically, in the Australian public sector, this approach has been supplemented by the managerialist model with a focus on outputs and effective utilization of human resources (Parker & Guthrie, 1993; McKay, 2003; McPhee, 2005; Halligan, 2009). The New Public Management (NPM) ideals created the changes to the structure, processes and human resources of public sector organizations with the objective of getting them to run better. The present study is about the exploration of human resource management practices in the context of NPM initiatives. A Government Department in the Australian Capital Territory (ACT) has been adopted as a field of investigation for the purpose of this exploration. This study will investigate how human resource management control practices have been implicated in the new organizational environment within this Government Department.

Background of the Study

NPM is the commonly used label for the ambition of government organizations in many countries to run the public sector in a more businesslike manner (Hood, 1991; 1995; Jansen, 2004). During the 1980s and 1990s the term NPM was used to denote a number of reforms that were carried out by several countries in the world (Sahlin-Andersson, 2001). Maor (1999) observed that NPM has shown a remarkable degree of consensus among the opinion makers of various countries about the desired nature of change.

Rondeaux (2006) claimed that new public management reforms involved substantial changes in both organizational and human resource management and a new frame of values including respect, communication, integrity, efficiency and personal development. Kellough and Nigro (2005) studied the transformation of civil service systems. They found that a new performance management and pay-for-performance plan was introduced and authority for personnel was significantly decentralized. They explored the impact of public service reform on the attitudes of employees. They observed generally negative views toward the array of changes in the personnel policies. Worrall et al. (2000) measured the extent of organizational change affecting managers and also explored the scale and impact of organizational change on managers in the public sector, the (former public)

utilities and the private sector. They suggested that there was a greater need to re-educate politicians and senior managers in the public sector to be able to understand the human implications of the management styles and their actions. They mentioned that public sector managers also needed to be better trained to implement change without destroying their colleagues' morale, motivation, loyalty or sense of job security. Doyle et al. (2000) conducted a survey to explore the experience and perception of organizational change. They recommended that establishing specific organizational learning mechanisms could contribute significantly to improvements in both the process and outcomes of the organizational change implementation process.

Salauroo and Burnes (1998) studied organizational change in the public services. They examined the pressures for change, resistance to change, management or leadership style adopted in managing change and finally they assessed the degree of success. On the leadership style, Salauroo and Burns (1998) suggested either transactional leadership or transformational leadership. Transactional managers confine themselves within existing policy, structures and practices and they concentrate on optimizing the performance of the organization through incremental changes. On the other hand, transformational leaders change their followers' behavior and beliefs and unite them under a new vision of the organization's future. Moll and Hoque (2000) argued that in the public sector, change had significant behavioral implications on the employees of government, such as reduced employee morale and employee resistance.

Crawford et al. (2003) studied new public management environment in New South Wales, Australia. They observed that public organizations worldwide were under pressure to increase efficiency and improve service delivery. They argued that NPM reform initiatives forced public organizations to adopt business management models borrowed from the private sector. Therefore, organizations required new strategic management. These strategies were translated into changing organizational structures, capabilities, culture, people and processes.

Carlin (2006) argued that by the late 1980s a remarkable consensus had formed within the Australian State and Commonwealth public services concerning the ongoing reforms in the existing public management framework. These mechanisms forced the Australian public sector to transform. The study further argued that in Australia, by the 1990s, an almost unchallenged orthodoxy in favor of public management reforms had arisen. Carlin (2006) observed that the impetus towards the achievement of a new model

for public management was guided by the principles of improving efficiency and productivity by utilizing human resources in a well coordinated way.

Therefore, according to new public management philosophy, management in the public sector is not different from management in the private sector. Since the 1980s the Australian public sector has been dominated by the NPM principles and introduced private sector management practices. Against this background the wide-ranging reforms and NPM ideals in the Australian public sector offer a context for the present study. Hence, the present study intends to explore in-depth how human resource management practices are implicated in an Australian public sector organization and its wider organizational setting. By enhancing our understanding of human resource management practices within this public sector organization, this research will provide a better understanding of the management control mechanisms of the public sector organization in the context of implementing new public management ideals.

The Research Questions

The management control system has primarily been developed in an accounting-based framework which has been unnecessarily restrictive (Otley et al.1995). Again, Abernethy and Brownell (1997) argued that accounting information is limited to the exercise of control based only on just outputs, ignoring its potential role as a form of behavioral control. They further argued that cultural and personnel forms of control contribute to organizational effectiveness. In the public sector, market based mechanisms are absent and the accounting based control mechanism will not work properly. In this sense, it is also argued that the human resource management system can be an effective management control mechanism in the public sector organizations.

The present study will seek answers of the following research questions:

How have private sector human resource management control technologies become embedded in the selected public sector organization? Specifically,

(1) How has the researched organization adopted private sector oriented human resource management practices within their organization?

(2) In what ways are human resource management practices linked to the organizational actions of the researched organization?

(3) How have human resource management practices contributed to and shaped new organizational culture within the researched organization?

Research Method, Data Collection and Data Analysis

The present research explored in depth the evolution of human resource management practices in the context of new public management initiatives in Australia. A Governmental Department in the Australian Capital Territory was selected for the purpose of the exploration. The qualitative research approach was adopted and data was collected in the case study tradition. By using qualitative research methodology, this study is something like naturalistic inquiry (Guba & Lincoln, 1981) which has provided a thick description (Geertz, 1973). The main data sources were archival official documents and interviews.

Any research involving human and animal subjects requires ethical clearance from the relevant institution (Hoque, 2006). The present research, as it involved human subjects, was approved by the Committee for Ethics in Human research at the University of Canberra, Australia. It followed the general conditions determined by the university policy and the *National Statement on Ethical Conduct in Research Involving Humans* (National Health and Medical Research Council, 1999). To understand the purpose of the research project, each of the participants was provided with a *Participant Information Form* which included the project title, details of the researcher and the supervisors, project aim and benefits, general outline of the project, participant involvement, confidentiality, anonymity, data storage system, ethics committee clearance and queries and concerns about the research project. Each participant was also provided an *Informed Consent Form*. Before conducting the formal interview the participant was required to sign the Consent Form stating that the participant understood the information about the research. Both the *Participant Information Form* and the *Informed Consent Form* were approved by the Committee for Ethics in Human Research, University of Canberra, Australia. Participation in this research was voluntary.

The primary interview method used in this study was unstructured and open-ended. In this study snowball sampling technique was used. This technique identifies respondents who are then used to refer researchers on to other respondents. The interview proceedings were tape recorded with the consent of the participant. For safety reasons, back-up notes were also taken and checked and compared when the transcriptions were made. The interview tapes were transcribed later word for word. Key interview transcripts were fed back to the respective interviewees to establish the validity of the interview data. In addition, the researcher used direct observation to supplement and corroborate the archival documents and interview data.

In qualitative inquiry, data collection is not an end. It requires analysis, interpretation and presentation of findings (Patton, 2002; Irvine & Gaffikin, 2006; Merriam, 2009; Hesse-Biber & Leavy, 2010). In this study, the researcher analyzed data using the approach provided by Miles and Huberman (1994) which includes data reduction, data display and conclusion drawing and verification.

Theoretical Framework for the Study

The present study has adopted Anthony Giddens's Structuration Theory. Structuration theory explores the connection between individual and social system that shape our social reality. Giddens's structuration theory is concerned with the relationship between the actions of agents and the structuring of social systems in the production, reproduction and regulation of social order. As human resource management practices are socially constructed Giddens's structuration theory can be used to obtain a better understanding of human actions and to explore how management control devices are implicated in the wider social context through time. As Conrad (2005) mentioned:

> *"Structuration theory affords a way of making sense of the social processes which have helped shape management control. It can contribute to an analysis of the changes which have taken place in an organizational level and at a wider societal level, which have led to the emergence of new social systems."*

Giddens (1979: 64) claimed that every social system has structures. Structure refers to the structuring properties which are the 'rules and resource, recursively implicated in the reproduction of social systems' (Giddens, 1979: 64). Giddens et al. (2011) argued that social structure is not like a physical structure, such as building, which exists independently of human actions. Giddens et al. (2011) further argued that human societies are always in the process of structuration. They are reconstructed at every moment. Giddens (1979: 64) mentioned:

> *"The modalities of structuration are drawn upon by the actors in the production of interaction, but at the same time are the media of the reproduction of the structural components of systems of interaction"* (Giddens, 1979: 81).

In a social setting, actors produce and reproduce structures but at the same time are also guided by them. Giddens (1976; 1979; 1984) identified structure in its conventional sense as referring to the structuring properties of any social system. Structures are the codes, rules, blueprints or formulas that shape social behavior. Agency, in contrast, depicts social life as actively constituted by individuals who subjectively produce shared understandings which guide them in social settings. According to Giddens (1976; 1979; 1984) action and structure normally appear in both the sociological and philosophical literature as antinomies. Giddens (1976; 1979; 1984) argued that action and structure presuppose one another, but that recognition of this dependence, which is a dialectical relation, necessitates a reworking both of a series of concepts linked to each of these terms, and of the terms themselves. Structures guide individuals' behavior in contexts of co-presence, and they are available to agents as a blueprint for action.

Giddens (1979) suggested that within the processes of structuration there are three dimensions of social structure: signification (meaning), domination (power) and legitimation (morality). Signification is the *rules or aspects of rules*. These are *codes* or modes of coding. Domination involves *authorization* and *allocation*. Legitimation is the modes of normative *regulation*. When people act, they draw from these structures. Agents in their actions constantly produce and reproduce the social constructs. Giddens mentioned that all human interaction is inextricably composed of structure of meaning, power and moral framework. These three dimensions are only analytically separable properties of structures (Giddens, 1979: 97) and are inextricably linked in reality. In every dimension there are modalities through which interactions are made and the main processes of human action during interaction are: communication, the exercising of power and sanctioning of conduct.

Findings and Discussion

It has been observed that the researched Government Department has adopted private sector models of human resource practices and accountability relationships prompted by the new public management initiatives of the Australian Federal and the ACT Governments. The specific findings on human resource practices are presented here:

Recruitment and Selection

Malmi and Brown (2008) argued that the impact of culture on behaviour is institutionalised through belief system. Organizations recruit individuals that have particular type of values which match with those of the organization. Recruitment and selection is a management control tool and is a major human resource control mechanism in the researched Department. Recruitment activities help the researched Department to increase the pool of candidates that might be selected for a job. Departmental internal documents indicate that to meet the demands of the economic rationality of the new public management the Department expanded their recruiting activities to build and retain a diverse workforce (DHCS, 2007a). This attitude is consistent with the findings observed by Lavigna (2002) within the US state Government of Wisconsin that the researched Government Department modernised its recruiting activities. This reform has resulted in faster hiring, well-qualified job candidates, a more diverse workforce, and better ways to reward and retain talent.

Documentary evidence of the Department also suggests that a person is recruited in the Department under the *Pubic Sector Management Act* (ACT Government, 2007). There are different types of recruitment in the organization. Recruitment may be internal to the Department or external. The Organizational Services Unit of the Department provides strategic advice in relation to recruitment matters. The Department completes ACT Public Service Request to Advertise Position form and forwards it to the Shared Services Centre Recruitment Services. One of the junior staff of the department described the selection process as follows:

> *"Our selection process usually goes through internal advertising for a temporary position or external advertising for people to apply that meet the selection criterion and the basis is usually the key points actually required for a position. The positions are created and advertised by the Department and the Shared Services process the applications. A shared service is a new concept to the Department and to make the selection process easier Shared Service is our partner who handles the processing side of the selection process."*

The shared services centre is a private sector concept. The idea of the shared service first emerged in the private sector in the late 1980s. Since then it has been emulated by the public sector (Walsh et al., 2008). Shared services functions have included professional knowledge based services such as staffing, organizational development and communication

functions (Ulrich, 1995). Shared services involve multiple agencies sharing common corporate service through a dedicated shared service provider (Queensland Treasury, 2002). Field observations indicated that the researched Department participates in the shared services arrangement for their administrative efficiencies. This observation supports the findings of Walsh et al. (2008) that public sector in Australia has moved to adopt shared services to facilitate a process of innovation and improvement in the quality and cost-effectiveness of services. Recruitment and selection process in the researched Department is presented in Figure 1 below.
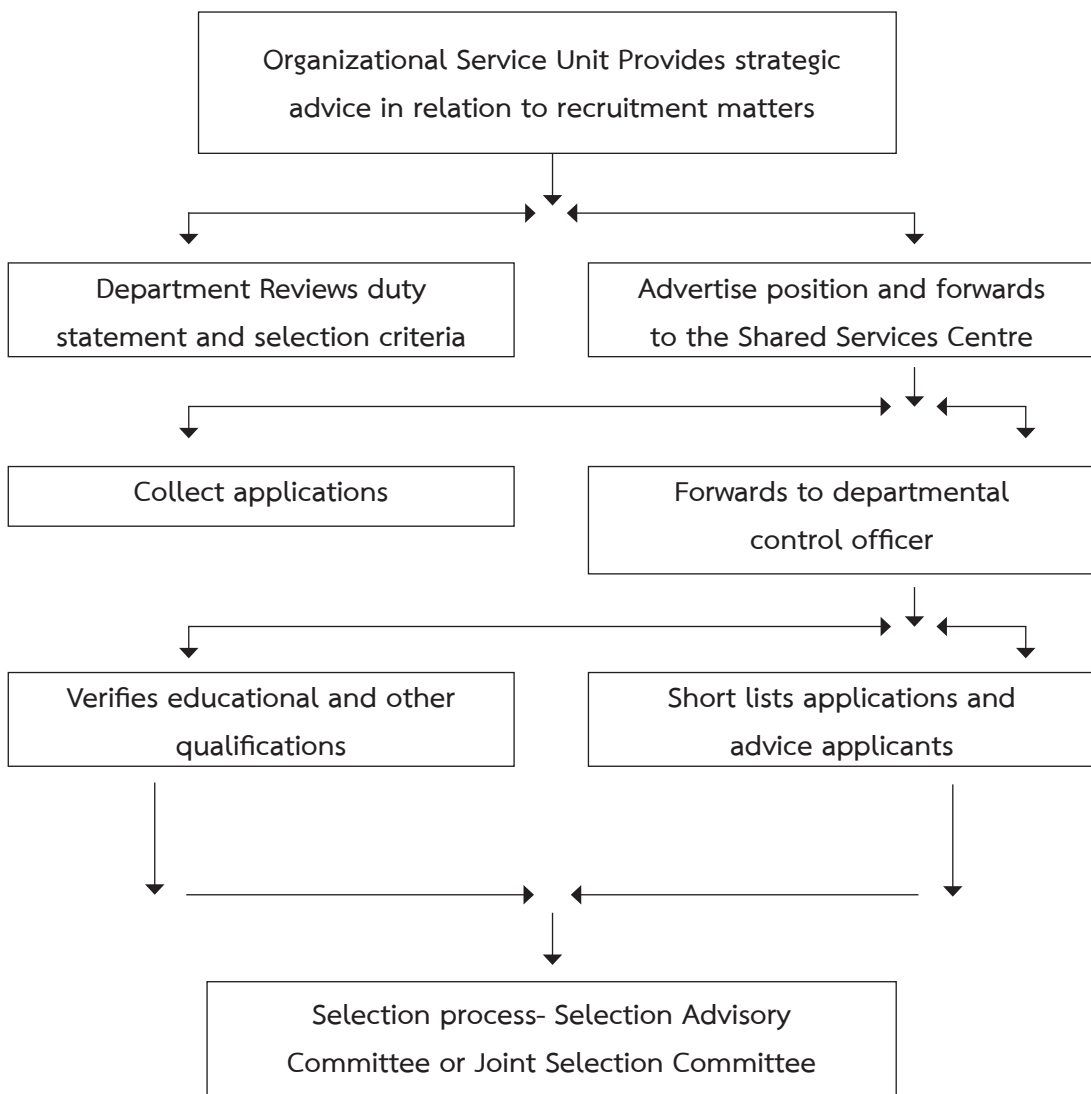
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┌─────────────────────────────────────────────────┐
│   Organizational Service Unit Provides strategic │
│    advice in relation to recruitment matters     │
└─────────────────────────────────────────────────┘

┌──────────────────────────┐   ┌──────────────────────────┐
│  Department Reviews duty  │   │ Advertise position and   │
│ statement and selection  │   │ forwards to the Shared   │
│         criteria         │   │     Services Centre      │
└──────────────────────────┘   └──────────────────────────┘

┌──────────────────────────┐   ┌──────────────────────────┐
│   Collect applications   │   │ Forwards to departmental │
│                          │   │     control officer      │
└──────────────────────────┘   └──────────────────────────┘

┌──────────────────────────┐   ┌──────────────────────────┐
│ Verifies educational and │   │ Short lists applications │
│    other qualifications  │   │   and advice applicants  │
└──────────────────────────┘   └──────────────────────────┘

          ┌─────────────────────────────────────┐
          │  Selection process- Selection       │
          │  Advisory Committee or Joint        │
          │  Selection Committee                │
          └─────────────────────────────────────┘
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Figure 1. Recruitment and Selection Process in the Department
Source: Developed by the authors from the Department's Union Collective Agreement

The Department selects and hires those people who are most likely to perform well on the job. To select the best candidates the department conducts a merit selection process. According to the *Public Sector Management Act 1994* (ACT Government, 2007) employment matters shall be exercised with merit principle. Merit principle for recruitment and selection in the Department is consistent with the findings observed by Colley (2001) that the merit principle is a foundation of new public sector recruitment, and is the vehicle to overcome patronage and inefficiency. Mulgan (2000) argued that in appointments to positions in private sector companies, shareholders and members of the public at large are not concerned to see that individuals are appointed on grounds of merit rather than through family influence or ties of friendship. In the Department, it is evident that as a public organization, the Department is accountable to the public. There is a continuous scrutiny and monitoring from the media and public. According to the *Public Sector Management Act* (ACT Government, 2007) all positions in the Department are opened up to external recruitment which is based strictly on merit.

In the researched Department, the senior executive service concept was introduced. According to this concept the executives are now on contracts based on performance like the private sector. It is based on notions that management functions are essentially similar across the public sector, and that the personnel practices of the private sector are generally appropriate for the public sector (Mulgan, 2000). The main reason for adopting this private sector practice is to improve performance. The Department hires efficient senior executives from local and overseas (CSD 2010-2011: 104). This idea is also similar to the findings observed by Mulgan (2000) that the public sector now competes to attract and retain employees from a changing external labour market. Promotion criteria were changed from seniority to relative merit against key selection criterid, in order to appoint the most efficient applicant.

Tenure is one of the most fundamental conventions of the career service concept. Based on his experience one of the senior executives of the Department observed:

> "I remember when I joined the public service the notion of being a public servant was that you were there forever. But the scenario has changed. We are all contracted now. I am now on a five year contract and every year there is a performance review which is a part of my contract."

The reason for adopting this type of contract is also to improve performance. This attitude is consistent with the findings observed by (Webb, 2010) that public management reform initiatives diluted the historical traditions of the public service including a tenured career, promotion based upon qualifications and seniority, and united public employment terms and conditions.

Giddens' structuration theory is concerned with the relationship between the actions of agents and the structuring of social systems in the production, reproduction and regulation of social order. In the researched Department, the role played by actors and their interaction with the structure and social processes have been identified. The recruitment and selection process in the Department can be viewed as the domination structure (Giddens, 1979; 1984). Management of the Department uses it to allocate resources and exercise power to legitimate employment. In the Department the newly appointed staff perform duties and responsibilities assigned by the manager of each area. In performing duties the new staff is required to comply with the duty statement and this is the basis of performing his or her functions. The duty statement is considered a key tool for the human resource management system within the Department. This Duty Statement is discussed next.

Duty Statement

What is actually happening in public sector management is a new pragmatism. This new pragmatism therefore might underpin better functional matching, allowing public managers to select the sector for example, public, private, or not-for-profit that best undertakes activities to do so (Malmi & Brown, 2008; O'Flynn, 2007). This is also evident in the researched Department. The managers of the Department adopted many of their management tools from other sectors mainly from the private sector.

In the first week the supervisor discusses the duty statement and major tasks/roles with the new staff. According to this statement the supervisor also discusses the duties and expectations within the workplace. Organizational documents revealed that the duty statement is kept up-to-date to reflect the profile of the position and it is placed on employees to ensure they reach required benchmarks in the performance of their functions. To ensure effective control, updating the duty statement is done in consultation between the Manager, occupant of the position and the Human Resources Section of the Department.

The duty statement is considered as a human resource management tool used as a key cultural control device within the Department. Organizational documents suggest that the duty statement provides information regarding the job. It includes the position number, position classification or level of the job. It is an outline of the Department, business unit and the business area. It specifies the duties and responsibilities that are to be performed for the job. The Department tries to implement their values, norms and beliefs by this statement. It is the allocative resources (Giddens, 1979; 1984) to the employees. It is the facility through which the managers of the Department draw upon the domination structure in the exercise of power (Giddens, 1979; 1984). It is evident that in line of the new public management ideals the Department implemented duty statement within the organization. This control mechanism has brought economic logic and establishes accountability systems within the organization.

According to Giddens (1976; 1979; 1984) to study the structure of society is like studying the anatomy of the organism; to study its functions is like studying is the physiology of the organism. The duty statement is the physiology of the Department. In the Department, the role played by actors and their interaction with the structure and social processes have been identified. The duty statement in the Department can be viewed as the domination structure (Giddens, 1979; 1984).

In addition to the duty statement employee training and development is an important resource to develop culture within the Department which is discussed next.

Training and Development

Public sector employees have a commitment to social development and the pursuit of the public interest (Sinclair, 1991). Parker and Bradley (2000) argued that public sector employees may have values and motives that are different from private sector employees. Parker and Bradley (2000) further argued that public sector organizations can adopt cultural characteristics generally associated with private sector organizations. This is evident in the Department. According to the new public management initiatives and the ACT Public Sector Learning and Development Framework the Department is committed in providing quality learning and development to its employees. The Department has adopted private sector cultural devices - for example, group reward, performance management, etc. to develop their staff.

Malmi and Brown (2008) argued that training is an important cultural control mechanism which can be seen as a way of managing organizational culture. The objective of workforce development and training that is delivered in the Department is to educate people with the organizational culture. It provides high level strategic human resource advice and high quality human resource services and support to the executives, management and staff of the Department. It is revealed that the Department provides learning and development environment for its new employees. The objective of this initiative is to present the culture of the organization and the new ethos of the public sector to the new employees.

To attain the economic rationality of the NPM, the Department has a strong commitment to workforce development and to build an organizational culture with high professional and ethical standards. To maintain this commitment, the Department has created Learning and Community Education Unit. The responsibility of this unit is to integrate learning and development across the Department. In addition to this unit every business unit of the Department has established its own training group. The Department conducts training sessions with the help of the Learning and Development Unit. This was evidenced in comments such as:

> *"We have a very substantial training program. Part of our organization is called Learning and Community Education and it runs the training program for the whole Department. But within the division we have training groups. All the staff in the division put their efforts into this area to develop the skills that we need and then we look at what the staff say and they need for training. We look at one of the organizational needs and then we identify a body of training that is needed to be done that meets both our business needs and staff needs and then working with Learning and Community Education we put together a program of training each year which is really successful."*

Field observations for the present research showed that in addition to internal training, the Department encourages its employees to attend external training opportunities also. The employees of this Department can undertake study assistance programs. From 2006-2007 the Department offered its staff to undertake external study through its Study Bank Policy. The continuing support for leave for education and training at universities under the 'Study Bank' provisions is an example of Australian public sector leadership in the development of people (Martin & Coventry, 1994). Under this program employees can

continue their study. To develop an effective workforce in addition to training and development, the Department has developed an occupational health and safety system within the organization.

Occupational Health and Safety

Occupational health and safety measure is another human resource management system within the organization. In the line of the reforms initiatives in the Australian public sector the Department is committed in promoting, achieving and maintaining all reasonable steps and precautions to provide a healthy, safe and secure workplace for its employees. This finding supports the observation of Robson et al. (2007) that a variety of occupational health and safety management systems based standards, guidelines and audits have been developed within the new public sector worldwide.

In the Department, health and safety measures demonstrate through its signatory to the ACT Government Workplace Injury Prevention Policy Statement. The Department has also a separate Injury Prevention and Management Unit and it provides a range of services to the Department. The Department is actively involved to achieve the targets and perform key activities of its Occupational Health and Safety Strategic Plan and the ACT Public Sector Workplace Health Strategic Plan. Evidence from the field also suggests that serving and contributing to occupational health and safety is the driving force behind these reforms. It appears that in the Department safety measures are the process by which the organization responds with the needs of the workforce, manage public resources and maintain equitable service provision. It involves efficient and effective administration and program delivery. These elements are considered as the part of the modern approach to new public management also.

In addition to occupational health and safety measures the Department has introduced performance management which is discussed next.

Performance Management

In the researched Department, it is evident that performance reviews and staff appraisal were introduced in the line of the new public management.

The Department designed a human resource management system across all its units to fit organizational basic needs, core values, and strategic goals. To assist managers and staff in implementing performance management, the department developed its *Guide to Performance Management*. This was clear from the comments made by the Chief Executive of the Department:

"The Introduction of a Performance Management Program in the Department of Disability, Housing and Community Services is an integral step to ensure that we meet our strategic goals and performance measures. I strongly support the introduction of the program as I believe that employees have the right to receive regular feedback on their performance and to understand how their work helps the Department to achieve its strategic goals and ensure the ongoing development of staff." (DHCS, 2007b).

The Departmental documents show that according to these guidelines, a key driver in implementing the performance management program is to encourage managers/supervisors to talk to staff in a more formal process to ensure ongoing communication, expectations, development and the alignment of individual goals with departmental goals and performance measures (DHCS, 2007b). The performance management program of the Department is intertwined with the legitimation structure. Legitimation involves the moral constitution of the interaction (Giddens, 1979; 1984). In the Department, this legitimation structure is mediated through normative values and ideals about approve and disapproved behavior.

A vital element of Australian Public Sector reform initiatives is managing for results. The Australian public sector now focuses on results, outcomes and performance (Keating, 1993; English, 2002; Bevir et al., 2003; Hoque, 2008). A concern for results logically implies review from time to time of results achieved - in other words, it requires some attention to evaluation (Barrett et al., 1994). In line with these reform initiatives, the Department has developed performance culture within the organizations. Evidence from the field suggests that for poor performance, there is punishment system but no performance-based cash reward for good work. It is the common practice in the ACT Public Sector. To motivate people, the department has established group rewards and a recognition system. To control its human resources the Department has introduced guidelines about misconduct and disciplines, which is discussed next.

Misconduct and Discipline

Blonder (2010) argued that misconduct concerns non-compliant, wasteful or illegal activities within the organization. To ensure effective human resource management, the Department developed procedures for managing misconduct or alleged misconduct by an employee. Evidence from the field identified how the Department encouraged

the practical and expeditious resolution of misconduct issues in the workplace similar to the private sector. Management of the Department uses this control tool and draws upon the domination structure (Giddens, 1979; 1984) in the exercise of power.

New Public Management claims to use modern human resource management and asserts that employees of the public organization will work for the interests of the public as well as for the interests of the large majority of people working in the public sector. Public servants are expected to follow the *Public Sector Management Act*. Misconduct happens if the employee fails to meet the obligations set out in the *Public Sector Management Act*. Interviews with the participants in the Department indicated that sometimes it creates problems. According to the Act, every member of the public service will perform to the best interest of the public. Meanwhile, their performance is measured in terms of private sector practices.

It is considered a misconduct if the employee engages in behavior or action that has or is likely to bring the Department or the ACT Public Service into disrepute. If the employee returns to duty after a period of unauthorized absence and does not offer a satisfactory reason on return to work, this may be considered a misconduct (DHCS, 2007c). This behavior is consistent with the findings observed by Werbel and Balkin that cultural attitudes and style of communication may affect reports of unethical behavior by employees.

The Department has developed a code of conduct and established management control systems in relation to misconduct. If misconduct is alleged in the Department, the manager/supervisor gathers sufficient information about it. After considering the gathered information, if it is found that the alleged misconduct has not occurred or is not sufficiently serious for further investigation, the manager or supervisor informs the employee concerned that no disciplinary action will be taken and an investigation is not necessary. However, if it is found that misconduct has occurred, but the matter can be resolved informally, then the manager or supervisor discusses it with the employee. In the investigation if it is found that serious misconduct has occurred which is against the organizational culture, the Chief Executive considers disciplinary actions. From the Department's documentary records, the researchers found that these actions may be counseling of the employee, a written admonishment, a first or final written warning, a financial penalty, transfer to other duties at or below current salary, deferral of increment, reduction in increment point, a temporary or permanent reduction in classification/salary, and finally termination of employment

(DHCS, 2007c). In addition to misconduct and discipline the Department may transfer its employees internally or outside the organization.

Transfer of the Employees and Job Rotation

Job rotation or transfer is another human resource management tool of the Department. It is evident from the field that the Department uses it as a cultural control device to develop employees' skill learning. This attitude is consistent with the findings observed by Azizi et al. (2010) that job rotation is a management control tool that aims to exploit the effect of rotation intervals on the worker's skill learning.

The Department encourages its staff to transfer from one unit to others within or outside the organization for effective communication and socialization purposes. It can be considered as an allocative resource (Giddens, 1979; 1984) which can be viewed as the command over objects, goods and other material phenomena. Managers in the Department use it to legitimate the employment. One participant of the organization observed:

> "Largely people who work in this organization might have social and psychological work. So, they are more of a cross-section of one way or the other. In this sense it is the management's responsibility to ensure the operation of the organization."

One interviewee highlighted the fact that traditionally this practice occurs in the private sector. He described the situation as follows:

> "We transfer staff amongst the various sections of our organization. The whole system I think is also something that is borrowed from the private sector. Moving people around allows us to break the barriers down much better. If we had someone working in the division and then they come and work in another area the communication gets much better. We have a deliberate policy of moving staff around."

This view is consistent with the findings of Noblet et al. (2006) regarding employee outcomes within an Australian public sector organization that had, under NPM, implemented a variety of practices traditionally found in the private sector.

Reflecting on his experience one of the senior executives of the Department remarked:

"We have a focus on the internal rotation for skill learning. I myself came over from the office of children, youth and family support. So my background is not in housing but I was transferred at a senior manager level. My background was in youth and justice and I was given the opportunity to rotate over to Housing to do tenancy management and subsequently I have been given the opportunity to act at an executive level for 12 months."

This finding is consistent with the result observed by Campion et al. (1994) that job rotation may be a pro-active means of enhancing the value of work experience for career development.

Sometimes transfers of officers and employees are made between administrative units also. In this situation transfers require commissioner's approval. This practice is not observed in the private sector. If the commissioner assumes that it is necessary in the interests of the efficient administration of the service to transfer an officer temporarily from one administrative unit to another, the commissioner gives direction regarding the transfer. Staff members at all levels of the department expressed similar views. One interviewee commented:

"There are some terms that are interdepartmental transfers and we actually encourage them if we think there is an opportunity for a person to develop. We actively encourage staff to think about other areas they might wish to work in and we like to support them. We don't have a formal program for it but we do encourage them."

Another participant observed:

"Particularly if someone is going away on leave or other reasons we actively look at one of those cross pollination type of things. We ask is it worthwhile getting somebody from that area which may be within the ACT or maybe be in the Department. We have to work in that role knowing that on return it will enhance their capability in their role. So the cross pollination thing is very important."

The same view was expressed by one of the senior executives of the Department. She commented:

> *"If you have a protection worker and it's very hard to do that job for more than 18 months to 2 year, then we have a number of other areas in the Department where they can move to. There is also a more central service where people can go. A lot of people will come into the Department to work in those really difficult areas and then move into other areas in the Department. What we want to do is really encourage cross fertilization across all areas of the Department."*

Another human resource management tool developed by the Department for its employees is staff separation. That is discussed in the next subsection.

Staff Separation

In the Department, staff separation is used as an important human resource management mechanism. This control mechanism is unique to the public sector and not normally used in the private sector. Staff separation occurs when a staff member leaves the Department. A review of organizational documentation revealed that it occurs in situations of transfer, resignation, retirement, retrenchment, dismissal and the expiry of temporary employment contracts. The Department has developed a system for gathering information relating to the reasons why staff chooses to leave. One of the senior executives of the department observed:

> *"This mechanism provides valuable feedback for management improvement in the Department. The Department analyses the findings and it is used for the development of effective staff retention strategies. According to the findings the Department develops its workforce planning which is used for attracting new staff and improving existing working conditions."*

Staff Separation is a formal process in the Department which works as a two-stage process. In the first stage, leaving staff are offered an Exit Interview and the second stage provides an Exit Survey. These processes are voluntary but managers strongly encourage the support staff to attend an interview and provide feedback. In the first stage, managers of the related area conduct short face-to-face exit interviews with the leaving staff. Managers discuss the interview findings in their management meetings and make necessary

recommendations for future development. If the Human Resource Team conducts an exit interview, the information is discussed with the director of the area. Next the directors discuss the issues at the Board of Management and find the trends or gaps in the service. In the second stage, the leaving staff are requested to complete a staff separation survey. The Human Resources Team collects the survey questionnaires and enters the data into a database program for analysis and reporting. The Board of Management identifies trends, recognizes gaps in service and make recommendations for working conditions, retention strategies and workforce planning.

Limitations of the Study

The study is limited to the practice of human resource management systems in a Government Department in Australia. The characteristics of the government sector generally differ from the private sector in terms of profit motives, proprietary versus political interests, users and resource allocation process, external scrutiny, employee characteristics and legal constraints, etc. However, it is evident from the study that the NPM initiatives forced the researched organization to promote private-sector models of organization structure and management systems within the organization.

Another limitation of the present research is that it is a single case study and the findings cannot be generalized to a wider population. However, in this research the single case study was the preferred method because the study was an attempt to understand in-depth how human resource management systems were implicated in their wider organizational setting. It was not the objective to express the general overview of other organizations. As case study research is not based on a sample. In the present research, the researchers were interested to use a single site because it fits in with the research questions. Multiple sites were not the option, as a multiple case study approach is used for a cross-site comparison, which was not the objective of this research.

Other limitations of this study concern the omission of some events that could have influenced the perceptions of the respondents. To reduce this risk, the researchers spent a considerable amount of time in the researched organization collecting and gathering data.

Conclusion

In this study different human resource management mechanisms of the researched Department have been presented. It is evident both from documents and interviews that in the Department, implementation these control devices was prompted by the NPM initiatives introduced by both the Australian Capital Territory Government and the Australian Commonwealth Government. It has been argued that public sector employees are more motivated by behavioral issues - for example, job contentment, recognition, self-development and the chance to learn new things (Karl & Sutton, 1998; Kloot & Martin, 2007, Buelens & Broeck, 2007).

The human resource management system was found to be an integral part of the management control systems at the Department. Empirical evidence collected on the organization showed that the researched Department implemented a wide range of this management system to attain the economic rationality of the NPM. The Department spent considerable time since 2002 in building its strengths by spreading private sector culture in a new public sector organization in line with NPM. These human resource management mechanisms have brought economic logic into the Department's new type of management. The researchers also observed that these control devices not only supported the business culture in the Department, but have also reshaped the general orientation of the people in the Department.

This study has also highlighted that in the Department these control devices are used to hold individuals accountable for their actions and behavior. Empirical evidence collected on the organization suggests that implementing these control devices in the Department were a response to pressures from NPM reform initiatives in Australia. The objectives of implementing these human resource management systems in the Department are to facilitate goal congruence between the organization and the people within it. The findings of this study are consistent with the view of Otley and Berry (1980):

> *"An organization acts only by way of the actions of the individuals who comprise it. Thus for organizational control to be effective, not only must feasible control actions be possible but individuals must also be persuaded to implement the required actions."*

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