

2013 Dialogue Workshop: Public Sector Human Resources Management

The 2013 Dialogue workshop held at Sun Yat-sen University in Guangzhou focused on public sector human resources management. The workshop explored the following sub-themes:

- the size and nature of the public sector workforce in each jurisdiction;
- the different concepts of 'merit';
- professional development;
- performance management and organisational capability, and;
- pay and motivation.

Approaches towards HRM in the PRC, Taiwan and Australia are very different, reflecting fundamental divergences in institutional arrangements and the unique histories of reform in each jurisdiction. Even measuring the size of the public sector workforce for the purposes of comparisons proved to be a challenge.

Published here is a background paper by Derek Drinkwater, at the time a research officer with the Australian Public Service Commission. The paper, 'The APS and the Chinese Civil Service', was first published by the APSC in November 2012 before the Dialogue workshop. It describes the Chinese civil service in terms of China's administrative tradition and current institutional arrangements, and the changes underway with China's 'opening up' to a market economy and the associated learning from Western approaches to the role of government. The result, Drinkwater suggests, is a hybrid arrangement still in flux.

A symposium of articles arising from the workshop on the concept of merit was published in the *Australian Journal of Public Administration* in September 2015 (Volume 74 Issue 3). These also highlighted how the concept varies significantly across the three jurisdictions studied, particularly between Australia and the PRC where there is no separation of politics from administration. This symposium of articles is re-published here by kind permission of the publishers (Wiley):

- 'The Concept of "Merit" in Australia, China and Taiwan', by Andrew Podger and Hon Chan;
- 'Crowding Out Meritocracy? Cultural Constraints in Chinese Public Human Resource Management', by Zhibin Zhang;
- 'Public Employees' Perceived Promotion Channels in Local China: Merit-based or *Guanxi*-orientated?', by Liang Ma, Huangfeng Tang and Bo Yan;
- 'Party Management of Talent: Building a Party-led, Merit-based Talent Market in China', by Lijun Chen, Hon Chan, Jie Gao and Jianxing Yu; and
- 'Exam-centred Meritocracy in Taiwan: Hiring by Merit or Examination?', by Bennis Wai Yip So.

The other papers published here from the Dialogue workshop mostly concern Australian developments and experience. While there have been further developments since 2013, these papers contain important information that remains relevant. Two other papers on China are also included, one on agency level performance management and the other on merit pay policy and public sector motivation. These papers are:

- 'The Leader's Role in Learning and Development', by Leanne Ansell-McBride;
- 'Development of the Senior Executive Service in Australia', by John Halligan;
- 'Capability Reviews of Australian Government Departments 2010-2013', by Jeff Harmer and Andrew Podger;

- ‘Individual, Team and Organisational Development in the Victorian Public Service’, by Geraldine Kennett;
- ‘Performance Management of Teachers’, by Greg Murtough and Mike Woods;
- ‘Australian Experience with HRM Devolution’, by Andrew Podger;
- ‘Pay, Recognition, Trust and Employee Outcomes in the APS: Direct and Indirect Effects’, by Jeannette Taylor;
- ‘Assessing Agency-Level Performance Evaluation Reform in China: Can It Truly Serve as a Management Innovation’, by Lin Ye and Xing Ni;
- and ‘Policy Expectation Moderates the Relationship Between Merit Pay Policy Effectiveness and Public Service Motivation’, by Fanrong Meng and Jiannan Wu.

Leanne Ansell-McBride, then with the Victorian Department of Premier and Cabinet, describes in her paper, ‘The Leader’s Role in Learning and Development’, the role of the Victorian Leadership Development Centre that she headed. The Centre was taking a proactive approach to leadership development and succession planning at the top of the Victorian public service as it faced a generational changing of the guard, strong competition for talent and the need for new leadership and management skills. Defining the skills required lay at the centre of the strategies employed.

John Halligan sets out a history of the senior executive service in Australia, a cadre of leaders across the Australian Public Service (‘The Development of the Senior Executive Service in Australia’). He compares Australia’s approach with international practice and developments, noting the impact of our administrative culture and the context at the time including managerialism, new public management and new public governance. He provides a rich and detailed history and analysis, suggesting relative success with the early SES in Australia, but uneven subsequent realisation of the objectives of a unified and mobile service.

Jeff Harmer and Andrew Podger’s paper, ‘Capability Reviews of Australian Government Departments 2010-2013’, describes the system of capability reviews orchestrated by the APSC after the 2010 Moran Report on Australian Government Administration. It draws on the initial round of reviews and does not cover the full program completed in 2015. The focus on organisational capability is an important complement to performance management, focusing on ‘how’ organisations ensure the capacity to deliver ‘what’ governments determine in terms of program objectives and performance targets. Subsequent enactment of the *Public Governance, Performance and Accountability Act 2014* can be seen to institutionalise this emphasis on both capability and performance. The capability reviews had a ‘learning’ orientation rather being ‘audits’, and are not strictly comparable. But some common lessons were emerging at the time, particularly around the need for better investment in HRM and in strategic policy advising.

Geraldine Kennett’s paper, ‘Individual, Team and Organisational Development in the Victorian Public Service’, focuses on training and development, but with an eye to organisational capability and team development, not just individual development. She also explores how an organisation’s size and functions shape the training and development strategies that are appropriate.

Greg Murtough and Mike Woods from the Productivity Commission draw on the PC’s 2012 report in their paper, ‘Performance Management of Teachers’. The paper explains the Commission’s support for effective performance appraisal of school teachers in Australia, and the need to give school principals more authority to address under-performance. They also conclude that performance bonuses are unlikely to provide an effective, widely applicable means of improving teacher performance in the foreseeable future.

In his paper 'Australia's experience with HRM Devolution', Andrew Podger suggests that devolution in Australia has had mixed success. While greater flexibility for agency heads on matters such as establishment and positions, recruitment and promotion, have facilitated the stronger focus on accountability for results which the NPM reforms promoted, devolution of pay and classification has caused serious problems that have proven very hard to resolve. These problems include constrained mobility within the public service, administrative overload and feelings of unfairness amongst employees with different pay and conditions for the same work.

Jeannette Taylor meanwhile ('Pay, Recognition, Trust and Employee Outcomes in the APS: Direct and Indirect Effects'), analyses responses to the APSC's State of the Service Employees Survey. She finds that perceptions of fair pay and satisfaction with recognition directly raise organisational commitment and reduce turnover intention. She also finds that the reward-outcome relationships are partially mediated by employees' perception of trust in the performance management system: positive attitudes about pay and recognition increase trust in the system which in turn raises organisational commitment and reduces turnover intention. Accordingly, successful introduction of rewards relies partly on the capacity of the performance management system to win the trust of employees.

Lin Ye and Xing Ni in their paper, 'Assessing Agency-Level Performance Evaluation Reform in China: Can It Truly Serve as a Management Innovation?', describe and analyse a performance management regime established in the Hainan Department of Fisheries and Oceans (DoFHP). Performance management in China has previously been applied to general government and to enhance legitimacy and control by focusing on cadre assessments. In the DoFHP, a department-wide system was established with assistance from the World Bank, linking overall performance through to individual performance, aiming to improve efficiency and enhance employee capacity. The paper assesses the system against the criteria of validity, legitimacy, credibility, functionality and accessibility. On most of these, the system seems to be working quite well, though it remains mostly inwardly focused with little engagement with citizens or public accessibility to the data. It therefore represents a useful advance in the use of PM, but shows there remains some way to go.

Fanrong Meng and Jiannan Wu examine how merit pay policy affects public service motivation in China and the mediating role of policy expectancy. Their paper, 'Policy Expectation Moderates the Relationship Between Merit Pay Policy Effectiveness and Public Service Motivation', has since been published in *Social Behavior and Personality*, and is made available here with the kind permission of the publishers (Scientific Journal Publishers Limited). They analyse data from surveys of teachers in China to test whether public service motivation is 'crowded out' by the use of extrinsic rewards such as merit pay. Teachers in China's compulsory education system receive some pay for performance (though there is little variation amongst the rewards paid). Meng and Wu find that PSM declines if merit pay is perceived to be ineffective but rises again as effectiveness is perceived to increase, suggesting a U-shaped curve linking merit pay to PSM. They also test the possible impact of expectations about the likely effectiveness of merit pay, finding that these expectations moderate the relationship: i.e. that if expectations are low, PSM is not so badly affected by the ineffectiveness of merit pay.