

Governments as Leaders of Employment Relations: Equity, Efficiency and Politicisation as Driving Forces of Reform?

Judy Johnston

University of Technology, Sydney Australia

Governments and public sectors are not always regarded as exemplary managers. Yet in employment relations (ER) they have frequently led the way to reform, not least of all in the state of New South Wales (NSW), Australia. The twelve years of a Labor government from 1976 marked a period of unprecedented ER reform, substantially based on equity. The subsequent government supported some of these ER policies but initiated an ambitious reform agenda in ways that undermined the earlier ER gains. In particular, the introduction of the NSW Senior Executive Service (SES) with its focus on organisational efficiency can be viewed as an enabling and inhibiting force in ER reform. The present Labor government in continuing the SES has moved to ER driven by political choice. This article uses literature and document review and University of Technology (UTS) research undertaken on behalf of the Audit Office of NSW (1998) to examine the impact of different NSW governments' approaches to ER reform. First the article explores the Labor government's equity-based ER initiatives. Second, it considers the changes instituted by the subsequent government, especially the SES, and the impact on ER. Third, the present government's ER approach within the context of the SES is reviewed.

Introduction

Most governments come to power with some major agenda for change, not least of all in the ER arena. Thus, continuing cycles of review and reform are a constant part of public sector life and in origin, in NSW, reviews can be traced back to the early days of British colonisation. This suggests that the public sector is prepared to change and, hopefully, will learn incrementally from each review process. It is, therefore, worth reflecting some time after significant moments of change in public sector history, in this case ER reform, whether the policies have been sustainable in the longer-term and intended beneficiaries actually have benefited (Curnow, 1978; Wettenhall, 1978).

By the 1970s, in the public sector arena, generally, it was evident that the various processes of ER reform had resulted in an employment environment that was attractive in many ways. From this perspective, as Wilenski (1986: 158) points out, public servants enjoyed benefits that were not usually available in other employment sectors. For example, 'in most countries public employment provide[d] ... improved security of tenure ... access to special pension schemes ... internal training and subsidised outside education, upward mobility and career ladders ... [and] rights of appeal to special tribunals against certain actions of the employer'.

In addition to these positive aspects of public employment, however, one of the over-riding considerations of administrative reform, in terms of ER from the mid 1970s, related to a concern for greater equity as a stronger driving value than efficiency. While equity could have both an internal and external focus, obviously, it was the internal focus that was more critical to ER reform. To this end, the public sector employment environment was to become more representative of the community at large, beyond the traditional access by a socially privileged minority. Commitment to more equal employment policies provided opportunities for previously disadvantaged employees, within the public sector, such as women and minority groups, to pursue better career choices or even to gain access to public sector employment from outside, where previously they had been denied. The idea that merit was a randomly distributed attribute and value across employee communities also underpinned ER reform (Wilenski, 1986; Alaba, 1994).

While the factors leading up to this seemingly more ideal notion of ER reform, are complex, undoubtedly, social movements, such as those supporting anti-discrimination and feminist beliefs, stimulated greater awareness about equity and the benefits of less discriminatory organisational ER. Affirmative action policies to discriminate positively for the benefit of certain employee groups, beyond a principle of equality, also supported employment equity. To this end, as Wilenski (1986: 161) argues, these new employment policies, which formed around equity as a driving principle of reform, were designed to shift the focus of activity from administrative process to an interest in positive ER policy outcomes for the intended beneficiaries. In this sense, within a more democratically governed public sector environment, access to public employment was to be a 'civil right' and public sector employee groups were to be more socially representative of society at large. Furthermore, with this kind of ER reform, it was intended to seek a balance between objectives of efficiency and equity. However, as ER related policies of three different governments in NSW show, from 1976 to the present, the reform process is not necessarily about balance but may be related to a strong driving interest in equity or efficiency or politicisation, depending upon the predisposition of the government of the day.

Equity and the Social Reform 'Model' of ER?

The Wran-led Labor government came to power in 1976 after many years in opposition, clearly concerned about the need for reform, especially in ER. The lessons learnt from the experience of his federal Labor government predecessor, Prime Minister Whitlam, in the early 1970s caused Wran to consider how poor relations between government and its public bureaucracy could hinder the reform process (Wilenski, 1986). According to Alaba (1994: 62), Wran, like other political leaders before and since, perceived his public bureaucracy to be a likely 'enemy' of reform. Nevertheless, the Wran government embarked upon an extensive reform agenda, partly prompted by the general thrust of the federal government's Coombs review.

However, the Wran government developed its own system of formal review between 1977 and 1982 led by Peter Wilenski, who had political connections to Labor and wide public

service and academic credentials in the area. Having been involved with the Coombs review and having seen that, as a heavy bureaucratic process, the recommendations had received little direct response from the federal government, Wilenski decided to proceed on the basis of a social reform agenda for the NSW public sector (Wilenski, 1986; Alaba, 1994).

Wilenski's (1986; Alaba, 1994) idea was that the public bureaucracy, as the primary instrument for social reform on behalf of government, needed to undergo reform itself also on the basis of social justice. Only then could broader community-directed redistributive policies and programs of a social democratic government work in the public interest. While it would be trite to suggest that the reform process was straightforward in any way the social justice drive remained strong. This was in spite of the fact that the overall reform process, beyond ER considerations, was affected by a multitude of power-political issues, not least of all from unions and the Public Service Board (PSB). Strident criticisms and obvious opposition made the reform process problematic on a number of fronts. That the Wran government, to a large extent, wrested central control from the independent PSB and moved direct control towards the Premier's Department did help to facilitate the reform process, even if key actors remained unplaced.

Nevertheless, the purpose of the Wilenski social reform approach was to address personnel policies 'in terms of equity, responsiveness and efficiency' (Alaba, 1994: 138). The value of equity within the reform agenda was to be elevated to a position where it was considered to be equally if not more important than efficiency. The underlying principles of ER reform were: (1) equal access to public sector employment as an entitlement; (2) discriminatory practices through loss of potential capability were inefficient; and, (3) the interests of under-represented employee groups in the public sector may be overlooked in terms of under-represented groups in the wider community.

In undertaking its own research in the absence of any NSW public sector data, the Wilenski review found that discriminatory employment practices were high in the NSW public service. This review identified numerous systemic and attitudinal barriers that supported discrimination especially in relation to women in the workforce, minority groups, junior and aged employees, people with homosexual preferences and previous criminality (Wilenski, 1986; Alaba, 1994).

Women, for example while accounting for around half of the workforce were mostly involved in menial positions and, thus, were poorly paid, barely represented in senior positions and had limited opportunities for training. Similarly, Aboriginal employees were few and were also in menial positions, as were employees from non-English speaking backgrounds. Strong cultural biases were evident in a range of recruitment and other personnel policies. The relatively low level of employees with a disability indicated that they were also discriminated against in terms of entry and career opportunities. While previous policies, had been in place supposedly to address the diverse discriminatory imbalances these had not worked over time. Therefore, Wilenski proposed an affirmative

action ER response, through strong anti-discrimination and equal employment opportunity thrusts reflected in policy, legislative and institutional reform (Wilenski, 1986; Alaba, 1994).

Perceived poor managerial and policy development capabilities, especially in statutory authorities also led Wilenski to recommend changes in the employee promotional system in the NSW public sector. This particularly was designed to address the closed, internal promotional system on the basis of seniority and to institute an open system of appointment on merit, from within or without the public sector and involving public advertisements of vacant positions. This proposed radical change, while eventually supported in legislative and policy reform, was strongly resisted at first by a wide range of stakeholders, including trade unions. Similarly, permanent part-time work, meant to favour women, was also opposed by the unions for some time (Wilenski, 1986; Alaba, 1994).

Overall, this rather extraordinary transformative change to ER was designed to establish the NSW public sector as an exemplary employer body. Moreover, the strong anti-discrimination and equal employment reform agenda was to have wider relevance than just the NSW public sector, as legislative change was more broadly encompassing to require similar ER responses from significant private sector employers. The idea that the reform process for greater social justice in government programs and services to benefit the community at large could be led by an exemplary public sector was novel, visionary and inspirational. There also was no doubt that the basic underlying principle for reform was equity before efficiency. In facilitating this process of change, Wilenski (1986; Alaba, 1994) provided a significant gift to many in the public sector at that time, especially those who had perceived that their career prospects were low. This positive ER legacy based on equity, it was hoped (and expected), might last beyond a change of party leader, as it did, but a change of government after twelve years in office meant that the ER equity based reforms were potentially at risk.

The SES Organisational Efficiency 'Model' of ER Reform?

The Greiner Liberal-National Party Coalition government came to office in 1988 with a grim determination to address organisational inefficiencies in the NSW public sector, and macro economic efficiency more broadly. Driven managerially, within the context of a market-based neoclassical economic reform approach (Self, 1993; Hughes, 1994), Greiner also chose a review to support his change agenda, a process led by a key private sector business figure in NSW, in contrast to Wilenski's social focus (NSW Commission of Audit 1989). Greiner's own primary objective and of his key reviewer was to restructure the NSW public sector along the lines of a private sector corporate model of a holding company (the government) with diversified subsidiary businesses operating below (the NSW public sector). This was supposedly a more efficient model of public sector governance than any model that had been applied before.

Thus, it was apparent that the critical focus of ER reform had shifted from a concern for equity and social and redistributive justice in the public sector and wider community to

economic rationalism and macro and micro economic reform, through productivity improvements. The public interest, therefore, was conceptualised on the basis of financial and economic efficiency rather than direct social benefit. While social reform, obviously, was not totally abandoned it was considered in terms of the market-based approach with efficiency improvement as an overriding goal. There was, therefore, an obvious shift in the NSW public sector towards a model of an exemplary efficient resource manager, in a private business sense, rather than as a social justice reformer (Wearing, 1995). For future positive ER in the NSW public sector and in comparison to Wran, such an economic rationalist approach had serious negative ramifications for ER.

For instance, one way of achieving organisational efficiency was to rationalise special interest services provided through a number of institutional forms. Greiner early on and contrary to electoral commitment soon indicated his lack of support for special interest groups within the public sector and the community beyond. In the women's area, Greiner's government largely dismantled the multiple internal, bureaucratic and external community structures and processes designed to address women's employment status and concerns. Instead, Greiner indicated that social policies and programs would be more efficient by mainstreaming and being directed towards the broader public interest rather than special interests (Chappell, 1995).

However, as Chappell (1995) argues the dismantling of women's structures in the NSW public sector probably had more to do with what the government perceived as the inappropriate use of power by feminists employed in the NSW public sector, to influence electoral politics on behalf of Labor, than it did with the general public interest. The supposed political actions of so-called radical feminists within the NSW public sector was also decried by this government. Thus, women's issues from an ER perspective were cast in a totally different light from that of Greiner's predecessor. This is not to say that there was no commitment to women's issues in the wider community because there was, but affirmative action for minority groups in the NSW public sector was not so actively supported. In fact many initiatives of the previous government, relating to women, were deliberately overturned across a number of portfolio areas.

The somewhat ruthless search for so-called organisational efficiency, through radical downsizing exercises in the NSW public sector, generally, soon after Greiner took office, also detracted from a positive ER environment. Within the context of economic rationalism, downsizing was seen as a positive productivity initiative where units of labour, (rather than employees as people), were simply being reduced on the basis of efficiency. This technical-rational approach works against positive ER initiatives as a public sector environment of fear and distrust is established. The absence of humanistic values in ER considerations was not confined to the Greiner government, by any means, but was similar to harsh economic rationalist responses in other jurisdictions (Laffin, 1995; Laffin and Painter, 1995).

This early productivity initiative, consistent with the marketisation of the NSW public sector, of radical downsizing policy, heralded the end of security of tenure and other ER

privileges that had been supported in the previous Labor era as an essential part of public sector employment life. In an environment where just about everything from policy advice and service provision became contestable and competitive, the SES was also established in a way that set it apart from the rest of the public service in NSW (Laffin, 1995; Laffin, and Painter, 1995).

The NSW SES was established, in October 1989, and was in accordance with a market-based approach to ER. Created as a separate executive system, included was a formal prohibition to trade union membership for SES officers. In practice the SES was meant to attract key managers from the private sector, who were considered by government, initially, to be more competent than their public sector counterparts. The SES/ER system broadly was consistent with agency theory with defined principal-agent relationships between Ministers and their Chief Executive Officers (CEOs), CEOs and SES Officers, and so on down the organisation, and reflected in performance agreements (UTS/Audit Office of NSW, 1998).

To this end, a primary feature of the NSW SES was the adoption of fixed term contract employment arrangements (up to five years and renegotiable) and formal performance management processes, with at least annual review. In setting up the SES, decisions relating to appointments, retirements, terminations, removals from office, disciplinary, and remuneration conditions and decisions were no longer subject to industrial relations legislation, which applied more widely to the NSW public service. Thus, employee protection was extremely limited as a member of the SES (UTS/Audit Office of NSW, 1998).

For a cost, however, officers moving from the NSW public service into the SES, initially, could include a right of return to the public service in their first employment contracts, a condition that was soon overturned. Salary maintenance, if the contract was terminated for other than poor performance or more serious misdemeanour, was also offered to SES members. Compensation orders could be made by a Statutory and Other Officers Remuneration Tribunal (SOORT) as an independent body responsible for SES market based salary and remuneration decisions. However, SOORT had no responsibility for employing SES officers and the intention of the SES was clear. It was set up in a way that would allow government to employ and ministerial whim and personal preferences to compete with merit principles (UTS/Audit Office of NSW, 1998).

While it could be argued that there was always an inherent possibility for this to occur under previous public sector ER arrangements, contract employment conditions made this much more likely. (As later evidence indicates, the termination of SES contracts for other than poor performance, subsequently, has become institutionalised as a negative ER practice). Nevertheless, attractive employment contracts with flexible salary and incentive packages were supposed to compensate for such uncertainty of tenure. While the potential employee benefits of the SES have gradually been eroded from the early over-generous options there has also been a trickle down effect in terms of principal-agent relationships from CEOs to other staff that allows personal decisions, rather than merit, to impact significantly upon staffing and promotional decisions (UTS/Audit Office of NSW, 1998).

Some of these ER vulnerabilities were recognised as part of a formal review a year or so after the SES commenced (Coopers and Lybrand, 1989; 1991). As a former Head of the NSW Premier's Department (Halligan and Power, 1991) indicated, there were expressed ER concerns about the SES including: too many officers in the SES; salaries in the SES had increased significantly even though many SES officers were still doing the same job; the private sector labour market model for assessing job worth was unrealistic; and, more pay did not necessarily equate to enhanced performance and efficiency. A minister criticised across the board pay awards by SOORT for the SES, which were claimed to be unrelated to performance.

As the UTS/Audit Office of NSW research (1998) into the SES reveals, there was an increasing divide between members of the SES and the rest of the public service in NSW. Public service officers in the SES feeder group, for example, could not understand how SES staff doing little more than they were doing themselves in the work setting could be rewarded so well, comparatively. There were also strong perceptions by members of the feeder group that many SES staff were not as competent as members of the feeder group. Some SES officers, also, had become caught up in what was an increasing need to manage up because of the obvious politicisation of the SES and high levels of insecurity about tenure among SES staff. This left many feeder group and other public service staff believing that they lacked appropriate guidance and leadership. The operation of the NSW SES was regarded, by some, as having negatively increased the division in salary levels and skills between the SES and the SES feeder group. However, it was not just at the feeder group level that there was dissatisfaction with the SES in ways that undermined positive ER.

Halligan and Power (1991: 144) report that an early review of the SES reinforced 'mounting criticism' from Chief Executive Officers (CEOs) who were concerned about ministerial intervention in organisational management. Even though this was consistent with the corporate model that Greiner had established, what was at issue was whether ministers were competent to act in the managerial role, determining what was an appropriate forward plan for organisational performance. Furthermore, some ministers did not want to formalise the performance arrangements from a managerial perspective, preferring to operate informally and to address political issues as they developed. Ministers indicated their preference for less formal processes such as informal meetings, briefings, and continuing contact with CEOs (also Laffin, 1995).

As Laffin (1995) observes, the existence of the SES increased the opportunities for ministerial intervention. Ministerial intervention increased the likelihood that good ER practice within a defined formal system would also be compromised. As Laffin (1995: 82) contends, '[t]he SES has meant that life in the senior reaches of the bureaucracy has become more precarious'. In the first years of the SES, '330 SES officers were shifted out of the service' Previously, security of tenure seemed to be equated with the capacity to provide independent policy advice to a minister. However, with the introduction of contract arrangements within the NSW SES, the willingness to provide such advice diminished in

favour of more partisan ER. The capacity for ministers, effectively, to appoint their own CEOs also undermined any concept of the merit principle within the defined criteria for SES appointments.

Furthermore, in relation to inner budget sector organisations, the idea of merit based on managerial experience in the private sector did not work in practice and it was apparent that a lack of political experience and acumen led to failures with such appointments. Therefore, contrary to SES requirements it was obvious that generic management skills and a commitment to organisational efficiency could not act as the main basis for merit, even though they were the specified, essential criteria. Thus, merit in the context of the SES and ER potentially became a highly subjective concept where manipulation of promotional opportunities and selection processes could be impacted in all kinds of ways, not least of all by informal, internal political networks. This is an issue related to ER that continued into the present Labor government's time in office from 1995 (Laffin, 1995).

The SES Politicisation 'Model' of ER Reform?

The UTS/Audit Office of NSW research (1998), further, confirms that there were (and are) systemic vulnerabilities within the SES that can impact upon positive ER processes and outcomes in the NSW public sector. The present Labor government, while probably concerned about equity and efficiency, also has allowed the potential for politicisation of the SES to become entrenched in practice. Ministers have persisted, to a reasonable extent, in supporting informal processes of executive management and ER. Without genuine ministerial commitment, the capacity of the formal SES system to moderate behaviours of the key actors, in some areas of the NSW public sector, within the context of a well-defined and positive ER approach, has been under considerable threat. Executive performance management issues basically have been determined on informal, personalised and individual assessments rather than efficiency, even though efficiency has been the catch cry.

This situation has brought negative attention to the worth of the SES, in the media, in parliament and through processes of independent review (Horin, 1997; Morris and Humphries, 1997; Morris, 1998). On occasions, decisions by ministers to dispense with CEOs, or CEOs' decision to remove SES officers, apparently, have been personally, rather than performance, based. Evidence from the Independent Commission Against Corruption (ICAC) from an enquiry relating to the SES (under the present government in NSW), strongly suggests that informal, power political decisions have overwhelmed the formal legal, ethical and systemic SES decision-making parameters (UTS/Audit Office of NSW 1998). The SES and other officers involved apparently saw their informal behaviour as more appropriate than formally prescribed due process because of ministerial demands and a sense of loyalty to the government of the day. This seriously undermines the potential for positive ER and permeates to the lower reaches of the public service, way beyond the ranks of the SES.

Recommendations resulting from a highly publicised SES incident surrounding the removal from office of a CEO were made by the ICAC (UTS/Audit Office of NSW, 1998) with the intention of enhancing the performance of the NSW SES. While the ICAC recommendations had rational merit, systemically, they did not reflect the reality of the political environment and informal practices related to the SES. Nason (1996) also reports that the government was unwilling to support the ICAC (1996) recommendations, which interfered with ministerial powers to determine SES appointments and position levels. Thus, equity is no longer a driving value of merit as a fundamental aspect of ER in the public sector (UTS/Audit Office of NSW, 1998).

Furthermore, these public displays relating to the politicisation of the SES do not reinforce the systemic integrity of the formal SES or the reputations of key actors. Such investigations also indicate that political authority will be the likely main determinant of much SES decision-making. Therefore, a rational systems' approach to ER and other reform may not be supported by the government of the day for political reasons. How this conflict in performance standards might be addressed is obviously important. To some extent, it will depend upon the will of government to support the professionalism of the SES. How ER as well as the public interest might actually be served positively through the SES is still to be properly defined, even to the present. Whether ethical and professional standards and considerations can be strengthened through formal codes of conduct, as outlined by reviewing agencies including the ICAC, the Ombudsman or the Auditor-General, is questionable (UTS/Audit Office of NSW 1998).

While conceptually, the formal NSW SES model shares much in common with formal SESs in other key polities (OECD 1997a; 1997b), evidence confirms that the NSW SES encompasses ER aspects of a more politicised Washington style SES model. However, as the OECD (1997a; 1997b) indicates in a selective survey of some national governments' senior public services, including discrete SESs, fixed term contracts (that can be manipulated by government) are not unusual (eight out of thirteen countries). It is also noted that governments in most countries (fifteen out of seventeen), like NSW, have discretionary powers to terminate, or recommend the termination of SES members or senior public servants for reasons other than poor performance, including loss of trust and confidence, and organisational restructuring. The degree of senior executive turnover for political reasons when the government changes varies from polity to polity with the United States of America, France and Sweden having the highest numbers (OECD, 1997a; 1997b).

Therefore, an overall finding from the UTS (/Audit Office of NSW, 1998) research was that the formal NSW SES system, overall, was unable to operate as intended, on a rational management test. The interpenetration of politics into executive decision-making processes means a continuing politicisation of the formal systems and a further watering down of the merit principle and good ER practice. Effectively, the point at which optimal performance can occur along the executive performance spectrum from informal-political to formal-SES system is driven differently depending upon the major actors of the time. While it is not suggested that the SES will always be political and that the merit principle will always be compromised, the potential for compromise is always there.

Such a potential dissonance between points of optimal performance in a formal and informal sense occurs because the respective actors (ministers, CEOs) have different priorities and interests, and probably different value sets and ethical standards. Furthermore, it is unlikely that fundamental differences between the critical actor groups who prefer to manage ER formally or informally can be reconciled to create a common point of optimal executive performance (UTS /Audit Office of NSW, 1998).

In reality, these two streams of influence (political and the rational) operate as part of the model of the NSW SES, one of which potentially promotes good ER practice and one of which does not. While the rational NSW SES system is supported by written guidelines and advice a sometimes, dominant, flexible, political stream operates. This political stream is characterised by informality, personal relationships and reward, power behaviours, political patronage and *ad hoc* decision making processes which are often aligned and responsive to political imperatives and key electoral issues, rather than concerns about good ER, as such (UTS/Audit Office of NSW, 1998).

This situation is not surprising. As Clegg (1989: 216) contends, in a comprehensive theoretical and critical examination of issues related to power, neo classical economic theory, which conceptually presupposes that there can be a perfect market and exchange model for the public sector, is simply unrealistic. 'Adherence to a reality principle requires the abandonment of these limiting assumptions ... Consideration of power requires consideration of imperfect exchanges under imperfect market conditions.' Such an imperfect system of informal exchange obviously operates within the NSW SES to retard good ER policy and practice, even though efficiency is a supposedly driving force.

Clegg's (1989) ideas on power strongly support a view that within public sectors as part of ER practice, rewards for certain actions and behaviours of agents, required by the principals, can be achieved through both formal and informal power structures. Therefore, parallel systems of exchange, reward and relationships operate as a matter of course. While the formal system may promote a constancy of action and process, the informal system can support implicitly institutionalised power relationships and the defining of channels which facilitate the potential less frequent incidences of power exchanges. A process that inevitably undermines some of the gains achieved in ER in the first Labor government's (1976-1988) political environment.

Equity, Efficiency and Politicisation in ER?

The three present and recent past governments in NSW have each supported a different dominant driving force for ER reform whether explicitly determined, or not. The first Labor government while also concerned about issues of efficiency, through the Wilenski (1986; Alaba, 1994) reforms chose a strong ER model based on social justice and equity. The second Liberal-National Party Coalition government shifted from an equity model of ER to a reform approach based strongly on efficiency. The third, present, Labor

Government in spite of any more rational managerialist rhetoric to the contrary, at times, has run an ER agenda based largely on politicisation of the more senior ranks of the NSW public sector. In this sense, Greiner's development of a SES has allowed for a much more politicised public sector leadership group to develop in a way that to this day continues to undermine basic principles of ER such as equity and merit (Laffin, 1995; UTS/Audit Office of NSW, 1998).

While the UTS (/Audit Office of NSW, 1998) research did not directly attempt to determine which is the preferable driving force for ER practice, it is apparent that Wilenski's (1986) social reform model, in intent, is a far more employee sensitive approach. The efficiency (economic rationalist) model can too easily dehumanise the public sector environment in a way that inevitably undermines the potential for people centred ER. However, a politicised public sector environment where merit and equity are likely to be overwhelmed by political patronage and cronyism is probably even worse as a driving force, as ER practice in this context can only lead to considerable uncertainty for all employee groups, whether in the SES or not.

Having identified the three different driving forces the question that remains from this analysis is not so much whether ER models based on equity, efficiency and/or politicisation represent the strong and the weak but whether equity and efficiency can be reconciled into a more balanced paradigm of exemplary public sector ER, where the political environment has limited impact on ER merit based practice. While an equity model offers much from an ER perspective the current dominance of the market-based approach and some rejection of social democratic ideology in its generous form, by most governments, means that efficiency will remain an important consideration at least in the foreseeable future. However, if efficiency models that impact seriously and negatively on good ER policies and practice directly or indirectly allow greater politicisation, then the exemplary capacity of governments and public sectors in this ER field will continue to diminish significantly (UTS/Audit Office of NSW, 1998).

The fundamental issue surrounding ER and merit is really a political one. Whether the government of the day is prepared to acknowledge that the formal performance of the SES and ER is important to the outcomes of public sector management. If not, some greater transparency is required. In particular, the situation for ER is untenable in terms of uncertain contracts based on ministerial whim rather than defined good performance in a more formal way. The basic challenge in addressing the critical issues is to determine to what extent rational systemic reform can support rather than hinder ER practice, given that the NSW SES operates in a highly contestable, dynamic and political environment from which the SES cannot realistically be divorced, or protected, entirely (UTS/Audit Office of NSW, 1998).

Conclusion

This article has examined ER practices in the NSW public sector over nearly thirty years to the present and has identified the strong driving forces of ER reform during that time. It is

evident that three different driving forces, whether deliberately chosen or not, have been supported by governments during that time. While the social justice and equity based approach to ER represents the first and most significant reform, there is evidence, which suggests that ER practices by governments are less exemplary now than they were nearly thirty years ago. However, social justice as a prime concern for government both within their public sectors and without has long been overwhelmed by more economic and political concerns about public sector ER. To a large extent, the capacity for exemplary ER reform in the public sector has been lost in favour of less humanistic and economic rationalist approaches. The SES rather than representing a leadership model of exemplary ER has provided the opportunity for much more personalised and political decision making in an ER sense. Given the presenting evidence over the last decade or so it is unlikely that the government will be reinstated to its exemplary ER state unless it chooses to be far more responsible in an ER sense.

References

- Alaba, R. (1994), *Inside Bureaucratic Power*, Hale and Ironmonger, Sydney.
- Chappel, L. (1995), 'Women's Policy', in M. Laffin and M. Painter (eds), *Reform and Reversal: Lessons from the Coalition Government in New South Wales 1988-1995*, MacMillan. South Melbourne. 155-170.
- Clegg, S. (1989), *Frameworks of Power*, Sage, London
- Coopers and Lybrand (Consultants) (1990), 'Evaluation of the Effectiveness of the New South Wales Senior Executive Service Stage 1', *Issues Paper*, Premier's Department of New South Wales, Office of Public Management.
- Coopers and Lybrand (Consultants) (1991), 'Evaluation of the Effectiveness of the New South Wales Senior Executive Service, Stage 2', *Report of the Survey of SES Members*, Premier's Department of New South Wales, Office of Public Management
- Curnow, R. (1978), 'The New South Wales Machinery of Government Review', in R.F.I. Smith and P. Weller, *Public Service Enquiries in Australia*, University of Queensland Press, 111-118.
- Halligan, J. and Power, J. (1991), *Political Management in the 1990s*, Oxford University Press, Melbourne.
- Horin, A. (1997), 'Change of Heart over Dismissal Powers for DOCS Chief', *The Sydney Morning Herald*, 29 November. <http://www.smh.com.au/daily/content/911129/pageone/pageone8.htm>
- Hughes. O. (1994), *Public Management and Administration*, St. Martin's Press, New York.
- Laffin, M. (1995), 'The Public Service', in M. Laffin and M. Painter. (eds), *Reform and Reversal: Lessons from the Coalition Government in New South Wales 1988-1995*, Macmillan. South Melbourne, 73-90.
- Laffin, M. and Painter, M. (eds). (1995), *Reform and Reversal: Lessons from the Coalition Government in New South Wales 1988-1995*, Macmillan, South Melbourne.
- Morris, L. and Humphries, D. (1997), 'Transport Chief Quits Before Starting', *The Sydney Morning Herald*, 21 February, 7.
- Morris, R. (1998), 'Out of the Frying Pan and on to the Gravy Train', *The Daily Telegraph*, April 29, 11.
- Nason, D. (1996), 'Carr Ready to Ignore ICAC Recommendations', *The Australian*, 1 November.
- NSW Commission of Audit (1989), *Report of the State's Finances*, Executive Summary, NSW Government.
- OECD (1997a), *Managing the Senior Public Service: A Survey of OECD Countries*, PUMA, file://CI/Program Files/Netscape/Navigator/Progra/sesoecd2.htm.
- OECD (1997b), 'Managing the Senior Public Service', *Focus*, Number 6.

- Self, P. (1993), *Government by the Market?* Macmillan, Houndmills.
- UTS/Audit Office of NSW (1998), UTS research into the NSW SES contained in a report 'Performance Audit, New South Wales Senior Executive Service: Professionalism and Integrity', Published as the *Auditor-General's report* (Vols. 1 and 2), (tabled in the NSW Parliament, and published on the Auditor-General's Web Site).
- Wearing, M. (1995), 'Social Policy', in M. Laffin and M. Painter (eds), *Reform and Reversal: Lessons from the Coalition Government in New South Wales 1988-1995*, Macmillan, South Melbourne, 205-219.
- Wettenhall, R. (1978), 'A Brief History of Public Service Enquiries', in R.F.I. Smith and P. Weller, *Public Service Enquiries in Australia*, University of Queensland Press, 14-32.
- Wilenski, P. (1986), *Public Power and Public Administration*, Hale and Ironmonger, Sydney.

Eastern Asia Society for Transportation Studies, Journal of the	1341-8521	
Economic Analysis and Policy	0313-5926	
Economic and Social Policy, Journal of	1325-2224	
Economic Papers	0812-0439	
Economics and Labour Relations Review, The	1035-3046	
Ecopolitics: Thought and Action	1445-1840	Articles in the Analysis Section only
Ecotheology	1363-7320	
Ecotourism, Journal of	1472-4049	
Edinburgh Journal of Botany	0960-4286	
Education and Development in the Caribbean	1028-2688	
Education for General Practice	1367-8523	Leading and Main articles only
Education and the Law	0953-9964	
Education Research Perspectives	0311-2543	
Education for Teaching, Journal of	0260-7476	
Education and Work, Journal of	1363-9080	
Educational Enquiry, Journal of	1444-5530	
Educational Management and Administration	0263-211X	
Educational Media International	0952-3987	
Educational Practice and Theory	1323-557X	
Educational Psychology	0144-3410	
Educational Researcher	0013-189X	
Educational Studies in Mathematics	0013-1954	
Educational Theory	0013-2004	
EJournal of Health Informatics	1446-4381	Articles in the peer reviewed section only
Ejournalist	1444-741X	
Electronic and Electronics Engineering Australia, Journal of	0725-2986	
Electronic Commerce in Organizations	1539-2937	
Electronic Journal of Australia and New Zealand History	1321-5752	
Electronic Journal of Combinatorics	1077-8926	
Emergency Primary Health Care, Journal of	1447-4999	Only those articles listed under original research, evidence-based practice, education, clinical practice, policy and service delivery and student contributions are eligible to be claimed.
Employment Relations Record	1444-7053	
English for Academic Purposes, Journal of	1475-1585	
English Teaching: Practice and Critique	1175-8708	
Entertainment Law Review	0959-3799	
Environmental Education Research	1350-4622	
Environmental Medicine, Journal of	1095-1539	

EMPLOYMENT RELATIONS Record

Vol. 3, No. 1, 2003

The *Employment Relations Record* is the journal of the International Employment Relations Association.

Material published in the *Employment Relations Record* is copyright protected and cannot be reproduced without permission of the Editor of the *Record*.

©Employment Relations Record 2003

ISSN 1444-7053

Employment Relations Record

EDITOR

Keri Spooner, University of Technology, Sydney

EDITORIAL BOARD

Jens Lind, Aalborg University
Brendan Cochrane, San Francisco State University
Chew Soon Beng, Nanyang Technological University
Rosalind Chew, Nanyang Technological University
Jan Druker, University of Greenwich
Geoff White, University of Greenwich
Dennis Mortimer, University of Western Sydney
Richard Morris, University of Western Sydney

Employment Relations Record
Vol. 3, No. 1, 2003

Table of Contents

ARTICLES

Hiring and Firing Public Managers: Returning Authority to Australian Politicians	<i>Len Pullin and Ali Haidar</i>	1
Governments as Leaders of Employment Relations: Equity, Efficiency and Politicisation as Driving Forces of Reform?	<i>Judy Johnston</i>	21
Changes To Queensland Public Service Employment 1980-95: A Union's Portrayal of its Response	<i>Linda Colley</i>	35
Employment Relations in Singapore: From Flexible Wage System to Flexible Employment System?	<i>Rosalind Chew and Chew Soon Beng</i>	53
The Learning Forces Initiative: A Case Study of Government Policy in Practice	<i>Richard Bartle</i>	65
Local Government Leadership in Meeting the Needs of the Long-Term Unemployed: The Fairfield Example	<i>Lyn Bain, Steve Wilson And Dennis Mortimer</i>	77
NOTES TO CONTRIBUTORS		95

SUBSCRIPTION COSTS

The *Employment Relations Record* is a publication of the International Employment Relations Association. The *Record* is provided to Association members as part of their membership. Non-members may subscribe to the *Record*. Subscription rates are:

A\$50 per year for individual subscriptions (A\$60 overseas)
A\$25 per year for students
A\$100 per year for institutions

Membership and subscription requests should be addressed to the Treasurer of the International Employment Relations Association: Mr. Colin Innes, School of Management, University of Western Sydney, Locked Bag 1797, Penrith South DC, NSW, 1797, Australia.

Articles and Editorial

Articles submitted for consideration for publication in the journal and any editorial matters should be sent to: Ms Keri Spooner, Employment Relations Record, School of Management, University of Technology Sydney, PO Box 123, Broadway NSW 2007 Australia; telephone +61 2 9514 3643; fax +61 2 9514 3602; email keri.spooner@uts.edu.au.

Published by International Employment Relations Association
<http://sites.uws.edu.au/management/ER/IERA/index>

ISSN 1444-7053
