PUBLIC SECTOR MODERNISATION STRATEGY.

IS THE STAFFING STRATEGY ALIGNED WITH IT?

by

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DEFINITIONS

**Strategy:** A strategy is the pattern or plan that integrates an organisation’s major goals, policies and action sequence into a cohesive whole. Mintzberg (1991)

**Culture:** “the way we do things around here.” Schien (1980)
Chapter 1

INTRODUCTION

The current strategy for the public sector is an overriding strategy to modernise, to provide value for money and to provide better customer service. The change initiatives planned as part of the implementation and delivery of the modernisation strategy include flexible working, extending opening hours and becoming individual centered in terms of the life cycle approach to providing services.

The basis for the question of recruitment policy in the public sector is The Public Service Management Recruitment and Appointments Act 2004, which is the foundation of internal and external recruitment in the public sector but specifically the National Partnership Agreement; “Towards 2016”.

The framework is specific to The Civil service, The Health Service, The Education Sector and Local Authorities. (In this enquiry I exclude The Health Service because of the complexities in this sector)

The hypothesis is to examine whether the policies that will guide all the listed departments for the next ten years with regard to their recruitment, is actually linked to their strategy to modernise and any other strategy that has been identified.

Other questions arise; what is the effect on culture, the effect on performance, on change initiatives with the restriction on recruitment of external candidates to the public service in our very competitive external environment and is the government an employer of choice if there is little access except at entry level grades. Internal Recruitment is restricted also to eligibility to apply to new vacancies but also promotion is affected by lack of external competition.
In a bid to reach highest international standards in the Public Sector, part of the modernisation strategy is to meet expectations and requirements of our complex and diverse society, a reference to the slower pace of implementation of recommendations of the previous framework, “Sustaining Progress”. Pay increases predicted are to be linked to modernisation and increased flexibility. The highlights of the flexibility or “principles of change” may involve:

- Changing structures and work methods to ensure efficiency and effectiveness
- Cooperation with new technologies and acceptance in changes of volume of work
- Acceptance of new procedures and importantly delivery of organisational change and modernisation but not to increase the overall pay bill.
- The introduction of shared services and the cooperation of same.
- Changes to attendance patterns, where the standard working week is affected but there will be a request for voluntary arrangements or flexible arrangements. If this doesn’t suffice then there can be the recruitment of part time or atypical workers.

Each of the four sectors has their own outline of commitments to the agreement. The recruitment policy is specific in all four also and an overview of each will be a basis for my research.
Background and Context of “Towards 2016”

The background to this investigation is the ten year framework; Social Partnership Agreement 2006 – 2015, Towards 2016, the successor to Sustaining Progress.

Firstly, the all-inclusive stakeholder talks and negotiations include the government, trade unions, farming organisations and the community and voluntary sector, namely the Irish Congress of Trade Unions (ICTU), Irish Business and Employers Confederation (IBEC), Construction Industry Federation (CIF), Small Firms Association (SFA), Irish Exporters Association (IEA), Irish Tourist Industry Confederation (ITIC), Chambers Ireland, Irish Farmers Association (IFA) and a host of other organisations.

The purpose is to provide a strategic framework for meeting the economic and social challenges in today’s Ireland. The focus or central theme as outlined in An Taoiseach’s foreword is to meet the social challenges of individuals at each stage in life, looking at children, young adults, people of working age, older people and people with disabilities. He goes on to say that public services will need to be designed around individuals and their requirements rather than administrative boundaries.

This strategy is against the backdrop of maintaining Ireland’s competitive advantage and our position as a place for foreign direct investment, for multinationals to bring their manufacturing here. The overall goal as appears in “Towards 2016” is as follows:

- Nurturing the complementary relationship between social policy and economic prosperity
- Developing a vibrant knowledge based economy
- Re-inventing and repositioning Ireland’s social policies
- Integrating an island of Ireland’s economy
• Deepening capabilities achieving higher participation rates and more successfully handling diversity including immigration

It is important to see the sound foundation of this agreement based on sound strategy that could be seen in any successful private multi-national or global enterprise. The macro economic policy is focused on identifying and mitigating external risks to the Irish economy, enhancing productivity and competitiveness and the development of an inclusive and sustainable economy and society. While maintaining a sound budgetary stance, there is a need to develop HR and innovation. All the policies will be supported by investment and development in the infrastructure, transport, housing, energy, telecoms, education, training and tourism. In principal the overall strategy which could be equated to a corporate strategy is sound.

The explanation of the life cycle approach then is an identification of the key issues for children including health, education, sports, art and income support, while key issues for people of working age would be relating to employment access or housing.

The second part of the agreement sets out the pay agreements for private and public sectors but the relevant piece for this work is the agenda for modernisation of the public service. The payment of these increases are linked to verification of implementation of the modernisation agenda.

The modernisation of the public sector is the foundation for this thesis and it is this section of the agreement that will be the focus and act as the basis from which my hypothesis has emerged.

An overview of the modernisation of the public sector

The progress achieved from “Sustaining Progress” must be continued from “Strategic Management Initiative” and “Delivering Better Government” but at
a faster pace to strive towards flexibility and achievement of highest international standards. There is an affirmation of commitment from all parties for cooperation with modernisation and flexibility. Specifics for each department are not possible so there is a generic set of guidelines called key principals of change:

• That work be organised to deliver high quality public services and that this requires the changing of existing structures and working methods to ensure efficiency
• Cooperation with the introduction of new schemes and initiatives and changes to existing schemes
• Cooperation with the implementation of new policies and reforms
• Acceptance that changes in the volume and nature of work, technology innovation and changing business environments may lead to changes in the way in which work is organised, changes in staff numbers, a redistribution of tasks among staff, changes in the staffing mix or skills mix of the organisation and more flexibility in regard to reporting
• Situations where existing work procedures must be adapted to respond to work requirements and traditional methods of performing particular tasks will have to be changed
• Recognition that the growth in the pay bill must kept at a sustainable level and headcount be maintained.

Other aspects of modernisation include team-working and cross-functional working. The reference here is where a group of different grades may be assigned tasks and there would be a difference to their normal reporting line so cooperation is essential here.

Also new technology and e-government and the requirement for cooperation with the design and implementation of such technologies.
Service delivery options to be considered, where work can be carried out more efficiently or effectively by the employment of temporary staff, contracting out work to the private sector or outsourcing to other public bodies. Here it begins to appear that the link between strategy and HR policies may not be aligned firstly but also that as an emerging question that there is a question whether there is a fundamental flaw in this strategy in the first instance.

Why would the use of temporary workers be more efficient and effective?

Section 28.8 goes on to say that in exceptional circumstances involving temporary pressures or peaks, management may have work undertaken in this way and the relative unions would be notified in advance. Agreement should be reached through normal industrial relations mechanisms.

The emergence of shared services in HR, finance and procurement is also a development but interestingly a section on attendance patterns brings further alarm in what is a modernisation strategy.

In section 28.11, the standard working week will remain unchanged. In order to facilitate organisations and to provide improved customer service delivery, there will be a need in certain areas for changes in HRM practices to provide services outside traditional working hours. This will be met with voluntary arrangements and flexible working. There will be recruitment of staff for part time working or atypical work patterns. In the private sector if the needs of your business changes, e.g. the working or open hours change, a general adaptation of existing staff is essential.

_The modernisation Agenda in Civil Service._

The key points for the Civil Service are that staff serving in the service have good opportunities in career development for their own good and in the
interest of the organisation and that staff motivation is a key HR policy. However there must be a balance of filling roles with the best possible candidates. Following on there will be more open recruitment and more competition procedures needed.

In relation to open recruitment the following is agreed by the social partner: Executives Officer Grades; 50% of these posts will be filled by open competition. The concern of filling a higher post externally is creating a block in the funnel-type structure. To combat this, then the following is agreed to be filled by open recruitment:

- 2 in 9 Principal Officers
- 1 in 5 Assistant Principal Officers
- 1 in 6 Higher Executive Officers

The trade-offs then are that there is a quota system however if any of the grades are filled with technical or specialists then that is the quota is filled. Secondly where a department has filled their quota they have a reduced responsibility to fill in the interdepartmental panels.

The civil service has full flexibility to employ staff for part time and atypical work patterns but only on a contract basis. Here again is a real question around modernisation and the alignment of recruitment strategy. This suggests a policy for maintaining “status quo” for core workers and let contractors bring the flexible working. They may not however enjoy the same benefit such as “job of life” as a typical civil servant. Is this modernisation?

In relation to promotions, “a minimum of 75% of internal promotion posts in each grade will be filled through competitive merit based processes in each civil service department by the end of 2006”. The question to be asked is what was happening previously but the relevance to this thesis is what is the 25% based on?

Dublin Vocational Educational Committee
Again we can see a reference to a change in the standard working week, to be filled by voluntary or external recruitment.

There is to be continuous development of performance management and a review of HR polices. Promotions will be on a competition basis. Recruitment of Grade V to VII inclusive of which 20% will be filled by open competition. Again specialist posts can satisfy this requirement.

Aims

The overall aim is to see from a HR perspective, if there can be implementation of the modernisation strategy with the current restrictions on recruitment and their perspective on open recruitment, what the benefits are, and whether the current agreements are in line with the implementation of the strategy.

Importantly through HR commentary the aim is also to allow the emergence of understanding the public sector and the reasons for restricted entry beyond industrial relations reasons, for example careful management of pensions.
Chapter 2

LITERARY REVIEW; STRATEGIC HRM AND HUMAN CAPITAL MANAGEMENT

Strategic Human Resources is about diagnosing and developing an organisation’s capability to achieve its goals and implement its strategy. In order to do so organisations need a process of self examination, redesign and change implementation that results in sustained effectiveness, and concepts of strategic alignment.

Beer (2001) sees the satisfaction of stakeholders as a measure of success in the long run. In the private sector; customers, investors and staff are the main stakeholders while the public sector stakeholder’s slightly more diverse group; with government, unions, immediate customers (patients for example), and the population as a whole. The commitment of government means the existence of the public sector organisation doesn’t have the same threat as perhaps a company whose shareholders may reinvest elsewhere.

Again when looking at strategies (business or corporate), a business strategy might be how an organisation competes with its competitors then here again lies a difference between public and private enterprises. However in either case the environment is changing rapidly and it has to be true of economic Ireland today along with social Ireland, where population increases, immigration and diversity are only some of the factors changing the environment in which the public sector organisations operate. Beer (2001) goes on to say the strategy must be translated into a strategic task, i.e. what the organisation must do to achieve its goals. The private sector may follow new product development or low cost strategies but the government and social partners publicise a modernisation strategy across the public sector.
The "Towards 2016" Report gives an overview of what that will mean in the different parts of the services outlined in the previous chapter.

If Strategic Tasks is defined then, as a means for multiple business organisations which could be likened to the public sector or some parts of it, it is then plans to add value to its several businesses. According to Beer (2001) this makes the whole organisation more effective than its individual parts. The implementation though requires the organisation to have the skills and capabilities to realise its strategic tasks and strategy. Beer (2001) sees that the organisations capability is not the sum of the skills and knowledge but its capacity to implement its strategy.

An organisation may require capabilities around technical skills, managerial or interpersonal skills, coordination and commitment. For example the question may in fact be "does the public sector or more correctly organisations in the public sector know what capabilities they need?" Communication and capacity management are two that may be relevant.

Brockbank (2000) outlines how an organisation's architecture must be designed to achieve these capabilities. This includes the structure and Mintzberg's (1991) formal and informal arrangements that define roles and responsibilities. The systems, information, planning, HR, staff, background and characteristics of the people, the style and behaviour of leaders and the culture all will be aligned with strategy if the architecture is in place.

A definition of culture could be Schien's (1980); "The way we do things around here", that is the organisation architecture developing the culture. If the architecture isn't aligned for the future strategy, then neither will the culture support change in the organisation.

Brockbank (2000) from the University of Michigan designed a detailed process for designing culture and HR processes to deliver strategy. The type of organisation is not important here. The aim is not to question the strategy
while strategy development is key; the aim is back to the HR system being aligned to the strategy and in particular, whether the recruitment and selection are strategic?

Brockbank (2000) asks questions of the human organisation, leaving behind question of structure. What kind of human organisation is needed? What are the characteristics, behaviours and technical capabilities that the organisation already has?

Which characteristics then would enhance our existing capability? A Gap analysis is as important as skills or behavioural capabilities which are as important as a cultural gap analysis or cultural audit.

From the gap analysis and the “stock take” of the human organisation there will also be behaviours that are not positive, skills maybe that are no longer required or “dysfunctional characteristics” that are obstacle to the “modernisation strategy”.

Here Brockbank (2000) sees the development of the major HR practices as the basis of the strategy and the human organisation audit. The basis of the development of the HR practices will deliver the required human organisation not the existing one. An identification of HR practices that will greatly influence the human organisation and these practices can be grouped into Brockbank’s (2000) HR levers.

- Leadership – Decision making and message sending
- Structure – Organisation Structure, Process Redesign, Job design, Physical setting
- Institutional Learning – External Reality Check, Systematic Communications, Information System Design
- Individual Learning – Training and Development
- Performance Management – Measurements and Rewards
- Staffing – Recruitment, Promotions, Transfers and Outplacements
The critical or key selection issues in staffing are questions around:

- "Do we have a clear definition of the capabilities, both cultural and technical that we need to succeed?"
- "Do we make, borrow or buy?"
- "Do we need specialists or generalists?"
- "How effective is our screening process?"
- "Do we have few or many candidates, few or many interviews, is there staff or line involvement, do we attract or train?"

Questions around key promotions issues:

- "What are our promotional criteria?"
- "Is it based on past or future needs?"
- "Is it cultural, technical or results based?"

Brockbank (2000) asks if the promotional process legitimises or undermines the legitimacy of management. To clarify is it based on performance or fit? On competence or politics, cursory or intensive documentation and if it is visible or cloaked? What is the approach to career management? Is it individual or institutional?

Issues around Brockbank's (2000) staffing lever could be around an outplacement strategy and what it is? This is another very relevant question for any organisation but particularly for the public sector. If the organisation was to ask itself what would be the criteria for outplacement. Voluntary, seniority, performance or future needs, there in itself might lead to a completely new direction. There is a restriction on recruitment but no outplacement policy outside of the disciplinary process. Welch's Vitality curve comes to mind with the bottom 10% of the organisation to be "out-placed". The objective is not to criticise or even critique the entire set of HR practices in Public Sector Organisations, although what an important task it is and is necessary for future planning. However although the focus for the hypothesis
is in staffing and recruitment and selection, it is however helpful not to look at it in total isolation but to be mindful of related policies for the other important levers like performance management and reward.

Reward is particularly relevant when looking at public sector, more in the context of Total Reward Systems than compensation and benefits. Also performance and this of course is very relevant to the Irish public sector and so I have included a study on the Performance Management Development System further on to support my findings.

It is difficult to isolate leadership and structure which we must keep in perspective. Karaidze (1947) said “I can’t stand this proliferation of paper work. It’s useless to fight the forms. You’ve got to kill the people producing them”.

Leadership is key to driving change. The attrition, development and retention of key people in the organisation is now emerging as Human Capital Management. Striving for high performance and reaching and maintaining a sustainable competitive advantage is on the mind of every CEO. The development of strategies with a balance on external and internal focus and the alignment of HR practices and Strategic HR to deliver that strategy is the kindergarten for the high performance organisations like Cisco or GE. If we now agree that with globalization the developed world can no longer rely solely on superior technology or access to capital as only a fleeting advantage and that Human Capital is the only sustainable competitive advantage, then the only survivors will be those who manage it like an asset, in the private sector. But the public sector has lessons to learn here.
Donahue (2001) reports on a study by McKinsey’s of 13,000 senior managers in large and medium sized companies. A startling 3% of these managers felt their organisations developed people effectively. A tiny 3% of the respondents felt their organisations were good at dealing with poor performance and only 16% felt they were good at identifying both high and low performing leaders.

Handfield Jones (2001), co author of the War for Talent states that talent management is not a job to be delegated to HR but central to the senior leaders. Handfield Jones (2001) simply recommends the following; To segment the different levels in your talent pool. Metrics like attrition rates are not as useful as attrition rates of your best people or indeed attritions rates of the low performers. She goes on to add that C players attract C players and don’t make good mentors or coaches and that they need to be moved to where they can perform better or moved out of the organisation. She adds that employees need to be placed at the top of their skill level in order to be challenged and continuously develop.

Boudreau and Hamstead (2005) continue similarly. Organisations increasingly compete through talent but HR’s management of this resource is in sharp contrast to how other organisational functions operate. HR often measure their own performance, like cost per hire and ROI on training but they need to develop the processes to improve the making of decisions. Critical questions like “where does our strategy require talent” and questions about what would happen if there is a change in the supply of that talent. They go on to ask whether we use the same advertising for different product lines and invest money equally across divisions regardless of return. If the answer is no then why would HR use the same processes and programmes for nearly
everyone in the organisations based on generic best practice, e.g. assign everyone a mentor. The issue is that HR needs to segment out the talent to invest in and deploy Human Capital Strategically but this would be extremely difficult in the public sector where equity is very important.

The other drivers for success identified were the importance of selection of team members. Interestingly Nohria et al (2001) researched 20 executives from GE, the talent farm for budding CEOs and their progress outside of GE. While the announcement of a former GE executive appointment to CEO in most companies showed an increase in stock value just after the announcement, they found that not all the executives were as successful outside GE. The reason was that they identified context as being very important. General management skills like vision, motivation, budgeting and monitoring performance were all easily transferable but knowledge of in-house systems and process don’t transfer so well. They have drilled down to look a Human Capital as Strategic Human Capital, Industrial Human Capital or Relationship Human Capital. Strategic Human Capital is someone who has delivered on strategic initiatives like cost cutting or expansion. Industrial Human Capital is an employee with specialist technical or regulatory knowledge for example. Then Relationship Human Capital relates to someone whose effectiveness is closely linked to the team they are working in. The skills will transfer if the environment they move to is similar. However strategic skills like cost cutting may not be the same as those required to increase the top line. The finding was that where the strategy in the new company was not the same as what the GE executive was skilled in then the results were disastrous. All to bear in mind for the importance of high performance teams and the importance of selection members of the team. This is definitely the case with senior roles in the Public sector but is it the reason to justify limited entry from external candidates?
The emerging literature seems to assault current HR practices on this issue as falling short in the identifying and treatment of A players and the treatment of C players. The dislike now for performance appraisals and the move towards performance management is the challenge to HR practitioners and senior management. The link between people and performance increases the awareness the long term value of investment in Human capital.

Bassi and McMurrer (2007) identify Human Capital Management drivers of organisational performance and add that traditional HR metrics won't predict organisational performance. Human Capital Management measurements can tell how well people are being managed and developed. The key drivers of Human Capital Management are Leadership practices, employee engagement, knowledge accessibility, work force optimisation and organisation learning capacity.

The leadership practices includes areas like communication, collaboration with employees, providing feedback and inspiring confidence.

Employee engagement includes job design, work life balance and work load, promotions practices and job security, again it has to be said that the public sector here are strong in some of these areas.

Bassi and McMurrer (2007) from their research see that a decline or improvement in performance can be linked to a decline or improvement in one of more of the Human Capital Management driver categories. This is a proactive approach to performance and Human Capital Management, identifying the HCM practices that will most consistently deliver performance in an organisation. The use of the term "maturity" level is used to describe how well the organisation is in each of the HCM driver categories, ranging from a level 1, where the organisation makes little of no effort and level 6
where the organisation demonstrates superior capability in optimising HCM in the category. They found that leadership practices, information access and innovation or learning capacity delivered the biggest impact on performance in American Standard Bank. In this study ironically, engagement delivered the lowest level of performance in the growth of sales area, so one size will not fit all.

Britain's Most Admired Companies, a Mercer survey uses the ability to attract and retain top talent as a measure of admirability. The overall result is based on performance but the top four performing companies were also the top companies in Talent Management; Unilever, BP, Tesco and Cadbury.

Personnel Today highlight the differences between measuring and managing performance and warn against the trends in best practice. Companies need to avoid systems that are focused on measurements with no links to development or the soft developmental systems that do not link to actual performance. The PMDS system in the Irish Civil Service comes to mind as a performance management system that is slipping towards a soft developmental tool with no real impact on performance.

Tucker (2003) from the Gallop organisation when asked about competencies felt there are flaws in what they refer to as "the great man approach". He states that not all competencies can be learned and that managers should set outcomes and let people achieve them in different ways. A focus on strengths leads to success. He defines talent as a recurring pattern of thoughts, feelings and behaviors. Gallop use a "strength finder profile" to identify key roles and behaviors. This is really competencies by a different name. In identifying the Human Capital theme Tucker (2003) focuses on the importance of staff engagement. Gallop carried out research to find that over 75% of employees
were not engaged. He uses the analogy of building a wall where 25% are laying bricks, 55% are watching while 16% are pulling the bricks down.

The Human Capital Management while differentiated from Human Capital Measurement go hand in hand. The challenge in Human Capital Management is in identifying talent within the organisation and identifying how to invest and develop it. The consideration of bringing in talent from other organisations based on the questions around Human Capital transferability are relevant and question whether the leadership be found outside the public sector.

There is criticism of HR metrics but also within the criticism there is still a need to identify behaviors or competencies that deliver performance. The research is now pointing towards a focus on strengths to deliver performance and that engagement is key. Managers have a pivotal role to play in engagement and also the level of leadership is central to performance. The management of the talent is crucial and the metrics need to be developed about how managers manage their talent.
Chapter 3

LITERARY REVIEW; ORGANISATIONAL CONTEXT

Schuler & Jackson (1987) looked at organisational strategy and find that as organisations change their strategy they change their HR practices. Different strategies require different behaviours from their employees. An organisation pursuing a growth strategy may need employees who are willing to take risks and who are comfortable with modest levels of change and uncertainty. While an organisation pursuing a profitability strategy may need employees who are more predictable, less innovative and more willing to live by the rules, procedures and structures. They also find that firms moving into the maturity stage of their life cycle will find that attracting high skilled individuals is no longer a priority. They will have an extensive internal labour market and extensive training and development programs. They may develop pay systems designed to retain rather than attract talent.

This certainly is a similar example to many parts of the public service and the question is still what are the modernisation initiatives, so what are the behaviours required in the service and what then are the HRM practices that will shape culture and behaviours to deliver that change.

The contextual nature of organisations is a barrier to applying HR best practice to company’s HRM specific practices, according to Schuler & Jackson (1995). Practices like recruitment and appraisals as well as the formal HR Policies and the HR philosophies all specify the values that influence the organisation’s policies and practices. Schuler & Jackson find that we must understand the context that is the internal and external environments that have an impact, they are size, organisation life cycle and business strategy mentioned above but also
external factors like legal, social and political environments, unionisation, labour market conditions, industry characteristics and the national culture.

There are many theoretical perspectives relevant to HRM and context coming from sociological economic and management disciplines. Beginning with Systems Theory, Katz & Kahn (1978) see HR as a subsystem of the larger organisation system. Skills and abilities are inputs in an open system and employee satisfaction and performance are outputs while behaviours are throughputs.

Role Behaviour perspectives again from Katz & Kahn (1978) see roles as making up the organisation. Role behaviours and setting the expectation of role performance is effective in communication behaviours through the organisation.

Institutional Theory is closest to the public sector in Ireland and is to be used to understand the context of HR here. Institutional Theory views organisations as social entities that seek approval for their performance in socially constructed environments. Multiple constituencies control needed resources; legitimacy and acceptance are sought from many stakeholders. Schuler & Jackson (1995) find that institutions are pressurised internally from formalised structures and processes along with formal group or organisation processes. Externally then, the state, the public and same sector organisations. However Schuler & Jackson (1995) suggest that irrespective of the pressures that institutions are resistant to change and that organisations within these environments are pressured to become similar. Then the context is a major explanation of resistance to change and resistance of the adoption of new HR practices. HR Practices are rooted historically and you must understand the past and where the practices came from and also that the practices were adopted because other organisations were doing so. Schuler & Jackson (1995) use an example by Tolbert and Zucker (1952) that institutionalisation resulting
from imitation partially explained the rate of which reforms in the Civil Service procedures spread through the UK in 1900's.

Resource Dependency Theory is different from Institutional Theory in that organisations gain power over each other by controlling valued resources. HR can become powerful by controlling the flow of human resources through the organisation. Schuler & Jackson (1995) see that both Institutional and Resources Dependancy Theory were developed to understand large public bureaucracies where efficiency was not the most important goal. Other theories like Human Capital Theory, Resource Based Theory and Transactional Costs Theory were all developed to understand business enterprises where efficiencies are important.

The understanding or attention to the internal context in relation to understanding HRM within organisations is important. Schuler & Jackson (1995) reviewed empirical evidence from different sources. In summary they see technology as a systems process for transforming inputs to usable outputs. While the impact of technology on social dynamics and the organisation of work have long since been recognised the introduction of technology to HRM practices is a relatively new phenomenon.

The structure is another significant consideration context in relation to HRM. Each structure has its own challenges and forces in terms of internal and external forces. Mintzberg (1991) sees structure as a key force in strategy formation. The public sector as a whole and most of the organisations or departments in it are “Machine Organisations” in the mature stage of its life cycle. The resulting configuration looks like this; specialised routine tasks, very formalised communication through the organisation, large sized operating units, reliance on the functional basis for group tasks, centralised power for decision making and an elaborate administration structure with a sharp distinction between line and staff” Understanding the HRM in relation to this
context is very important, as the HR or "best practice" for an organisation of a
different structure like an entrepreneurial or a professional organisation is
going to be different.

Jackson et Al (1995) see size as an influence and larger organisations will
have more centralisation that in small ones. Larger organisations are more
likely to adopt "due process", employee involvement, rely less on temporary
staff, use more sophisticated staffing and development procedures with more
developed internal labour markets and pay their employees more with more
pay at risk. Most of the above is certainly the same in the Public Sector except
for the last point on pay at risk.

Life cycle stages mentioned earlier impact mostly on managerial decisions and
that executives and HR Professionals viewed recruitment and selection as the
most important HRM activities in growing organisations. More mature firms
were more concerned with activities relating to maintaining the internal labour
market.

Business Strategy again determines the HR policies and practices also. Miles
& Snow (1984) outline types of business strategies, see "defender" type
strategies with an emphasis on maintaining product lines, high volumes and
costs. HR is more concerned here with developing existing employees than
with external recruitment. Performance appraisals become more
developmental than evaluational. We will see this clearly further on in the
review of the PMDS of the Civil Service.

External contexts including legal, social, and political affecting HRM also. It
almost goes without saying that the presence of unions, changes in legislation
and the labour market all impact on HR activities. Perhaps in the case of the
public sector the labour market may have less of an impact in terms of the
recruitment activities and the union presence is more of an influence.
Chapter 4

LITERATURE REVIEW; PUBLIC SECTOR MODERNISATION

Public Sector Modernisation Agenda in OECD Countries

If governments are to adapt successfully to the changing needs of society they require more sophisticated strategies than OECD member countries have to date.

Focusing on the efficiency of Governments and requirement of new systems adaptations needed for governmental efficiencies remain but the government agencies themselves must become objects of reform. They need to build a capacity to guide systems and cultural and governance dimensions of public management. The conditions under which OECD member countries operate is changing fundamentally and there is a shifting relationship between state, market and civil society institutions.

Rhetoric of bureaucracy and public sector as part of the problem rather than the solutions, focus on outputs for less inputs reducing expenditure and current “value” arguments are all pressures that need to be met by this or other countries’ public sector.

Many changes in other countries have seen successful outcomes but with unforeseen problems for example: privatisation of British Railway Services reduced costs but also public confidence and in the U.S., the capacity to contract in expertise provided flexibility in H.R practices but is considered now to have diminished the human capital of the federal public service.

Previous reforms have seen a return to Scientific Management with plenty of goals, objectives and measurements. Secondly that the public sector or civil
service is all part of one organisation and a change in one needs to be reflected across the whole organisation.

This is seen widely; the Nurses Strike in Ireland currently regarding the working week and flexitime arrangements, common place in civil service roles is now an entitlement and is being demanded by this part of the public sector. Difficulties with pushing through reform include changes in the political arena make organisations and in particular civil service “change fatigued”. Shake up of the ministerial departments after every election. To change behaviours and embed it in the culture, it needs to be stable to carry it through. Also there is the “Hawthorn Effect” of a litter of management practices and HR can add to this, the introduction of competencies, or the PMDS where there is a mass of information collected but not actually used for any decision making.

The culture in the Public and Civil services has developed over many years and the HR processes have evolved too to a certain degree over time. While the focus could be now on efficiency and performance and value, other concerns about leadership and culture are untouched.

While measures and targets are important, culture and commitment or what is really engagement is more critical to the success of the overall informal part of the organisation. The importance of leadership within the public sector organisations can be key to culture and how leaders are selected. The in-house development of leaders or buying in of key skills and talent is a decision that all organisations make decisions on to secure long term capability.

Major change is uncomfortable and anxiety producing and because of this organisations and their members have a natural instinct to resist. They have a self protective mechanism that gives priority to preserving their current interest. According to Schein (1980) the first step is “unfreezing” or creating the motivation for change, then what is the motivation for any public service
organisation to embrace change? There are no market pressures to threaten sustainability.

In order to effect change, the levers or systematic levers must be identified that actually result in a change in behaviour and culture. An example might be introducing a performance management system into an organisation without relating it to formal or informal incentives of senior managers or of creating a credibility of performance reporting which is likely to impose an added expense without actual benefits. Many public organisations have layers of modern sounding management processes sitting uselessly on top of systems operating according to traditional incentives.

Research from OECD countries has identified the following as levers most likely to produce systematic change in the public sector:

- Major changes to the budgeting and financial process. This is a powerful incentive for management in budgetary measures of performance and accountability
- Major changes to the Civil Service System. Research found the biggest impact in the selection and incentives of senior public servants
- Major changes to transparency and accountability. Public disclosure of evaluation and reviews, customer charters, audits and public scores sheets can have a high impact on behaviour
- Changes in powers of departments vis-a-vis central agencies. Here the ability of managers to manage both money and staff
- Creation and closure of organisations is a very powerful lever for change. However creation of new bodies without institutional memory can be difficult. The difficulty here might be the transferring or secondments of existing civil servants to new bodies don’t seem to be an anyway useful in changing culture
• Use of Private Sector Providers has considerable impact in displacing public servants but also puts a pressure on performance in terms of comparability of cost, quality and operational flexibility. We have seen this working effectively in terms of the LUAS, toll roads or other services like private health providers but the pressure of project over run has massive political implications

• Devolution of decision making powers. This lever is powerful but can have real consequences. We see it here with several Government agencies like the Equality Authority for example

These are deemed to be major levers of systemic change. Systems need to be using some of the above along with other measures to see real change in behaviour and culture. Other measures may be Strategic Planning, Evaluation, IT, Performance management, Management Information and Performance Related Pay.

Core Capacity for public sector modernisation according to the OECD study requires:

• Better diagnostic and risk analysis tools
• Deeper understanding of civil service and leadership and its critical place in governance
• More empirical research and data on behavioural and attitudinal change
• Improved intervention and change strategies and change which must be a managerial sequence

Boyle & McNamara (1996) give a detailed analysis of the issues facing the Irish public sector in the management of strategic issues. Strategic choice and
the importance of choosing the right strategy are central themes, and use the Department of Transport, Energy and Communication as their example. There were issues arising from competencies and resources to carry through the initiatives for the public sector. They also explore the question of structure or strategy, and which should come first based on the culture in the civil service. They found that there seemed to be a reluctance to change the structure but a willingness to change the processes within the structures. Boyle & McNamara (1996) also looked at the importance of vision and impetuousness for change.

How involved typically are the civil service in looking outwards into the environment to better position the organisation for the future. The management of change historically and previous attempts of change will also be in the memory of individuals in the organisation. The entire piece views the change with the existing staff but also looks at the culture iceberg and the alignment of all the processes including recruitment and selection.

Boyle (1989) researched a comparative survey of performance monitoring systems in the Public and Private sectors, looking at companies including AIB and IBM. While Performance management isn’t directly related it is related. One of the comparisons is in relation to the “degree of uncertainty” of tasks. Boyle (1989) finds that in the UK civil service the executive functions of the UK civil service had a low level of uncertainty but the policy making functions had high levels of uncertainty. This may be an argument for restricted external entry into the policy making grades in terms of training.
To look at recruitment in isolation is limiting in understanding other key levers in HR processes for delivering strategy. To understand the importance of one aspect of HR totally is useful when exploring strategic levers. The question is whether recruitment is in fact that important for long term capability and performance, whether it is linked in anyway to modernisation and ultimately to organisation change.

Mercer carried out research on Performance Management at least on the Performance Measurement and Development System in the Civil Service in 2003. Some of the findings are useful in highlighting the importance of HR processes in the overall business plans of the organisation. Brockbank (2000) outlines seven levers for strategic HR and hence delivering organisational strategy. The levers are:

1. Reward
2. Promotion
3. Outplacement
4. Training
5. Development
6. Communication
7. Recruitment

The report gives a comprehensive evaluation of the PMDS from all the perspectives of the immediate stakeholders in the civil service, i.e. the
management view, Trade Union's view and staff view. The findings are important in terms of understanding the alignment of another HR process with strategy and its alignment with the HR strategy itself.

The evaluation criteria were: Implementation, Process, Effectiveness, Feedback, Training and Development, Fairness, Consistency, Assessment and linkage with other HR processes.

The results from staff showed positiveness around the actual process, assessment and consistency. Staff felt less positive about the linkage to other HR processes and strategy, to training and development and its overall effectiveness in performance.

The management perspective that emerged was that while they themselves understood they have a key role to play in implementation and sustaining the system, they had concern about it being a helpful management tool and whether it enables staff to contribute more effectively to the work unit. They did feel that the system helped staff be clear about the outputs and deliverables expected of them.

The focus group did express that the PMDS was positive in terms of staff inclusion and created a greater awareness of business planning and targets, development and communication. They did see challenges around the bureaucracy, measurement of success, linkages and incentives and dealing with underperformance along with challenges around the competency framework.

Senior Management and Trade Union representatives in an interview process had the following highlights:

- PMDS is a key element and instrument of business planning and performance
- PMDS will need support at every level to be successful
• PMDS needs further development to maximise its potential regarding HR initiatives, business planning and performance, staff competencies, managing under performance and staff mobility

• Monitoring of fairness and consistency was important

Issues raised by senior management were challenges around time, continuing not to tackle underperformance and that it was a paper exercise if it’s not used to tackle performance. Positives were that good managers naturally do PMDS, that staff are now aware of a business plan and that PMDS is a key instrument of the business plan and or HR and Training Strategy.

Trade Union perspectives included that they felt that PMDS brought theories of efficiency and effectiveness to the service and to the staff and that it should be a win – win situation for everybody in terms of development, jobs done better and job satisfaction. They saw their role around the negotiation of the PMDS framework supporting issues around upward feedback and to be involved in determining the linkages with PMDS. They saw challenges around trust and flexibility in the PMDS. They saw training as an issue in particular for technical and professional grades with more targeted training as a challenge.

Findings from one day work shops were around more time to implement the system, around developing the competencies framework and adding value to the framework, that further development of the system was required around motivation to improve performance around addressing under-performance and that there are further challenges around metrics or measurements of success and aligning training to the PMDS. Lastly that there is a challenge around the linkages to rewards like promotions, increments and career assignments, challenges around the impact of PMDS on people-related decisions relating to career development, training and the allocation of work or promotions and
challenges around PMDS informing the business on talent management issues, matching skills and experience of staff with business needs and staff planning. Key messages from the research were around leadership support and around PMDS becoming culturally embedded but mostly around role clarity and communication and that there was a positive experience from staff. However PMDS is weak in distinguishing difference levels of performances, handling underperformance or identifying those performing well. In particular that the system is not linked to decisions on increments, promotions, career development and career assignment.

The purpose was to see how another HR process is being handled in the Civil Service to highlight commonalities when it comes to looking at the recruitment strategy as another HR lever.

*Commission for Public Service Appointments*

The commission is only in its second year since it was established and its aims are to uphold its codes of practice and its set standards for recruitment and selection to positions in The Civil Service, The Health Service Executive, An Garda Síochána and other public service bodies. Apart from supporting the bodies in their recruitment, it endeavours to support public service values by giving assurance that appointments are made on merit on the basis of fair and open competition and by investigating breaches and by providing an advisory service.

The commission reports in its 2006 Annual Report that they are satisfied that Public Service recruitment and selection practices in general being conducted in line with the standards established in the codes of practice and its values of integrity, honesty, impartiality, objectivity and selection on merit are being respected.
The statistics though provide a good framework for the understanding the size of the public sector labour market and very clearly what way this recruitment process is being managed

Summary of the report

External Recruitment Activities:

- In short 2,500 processes were announced, just under 100,000 candidates applied and 8,000 appointments were made
- In the civil service, 2,520 appointments were made from 16,126 external applications.
- In the Health Service Executive, 4162 appointments were made from 59,820 applications
- In local authorities 105 processes were announced, 146 appointments were made from 2393 applications
- In the VEC 1 process was announced, 17 applications and 3 appointments recommended.

Internal Recruitment Activities:

- 306 Processes announced, 1,568 appointments made from 39,051 applications
- In the civil service 124 processes were announced with 895 appointments from 35,822 applications
- In the Health Service 182 processes announced, 518 appointments made from 2,839 applications.
Interpretation of the Data:

- There were no retirement figures available
- There were no retention figures available
- There was no information available regarding how many were promotions and how many were new positions
- There was no information of how many were at which grade.

I did ask the commission for clarification of the figures. The external recruitment at a glance looks very positive but without clarification it is impossible to see what external recruitment is happening outside the entry level grades of Clerical Officer and Executive Officer.
Chapter 6

METHODOLOGY

Research Aims and Objectives

The overall research aim was to understand the staffing strategy in relation to the overall modernisation strategy in the public sector.

Objectives were as follows:

• To see if the staffing strategy is aligned with the modernisation strategy.
• To investigate whether fundamental changes in HR approaches, practices and strategy in the public sector are as a result of Towards 2016?
• To investigate how difficult these changes will be to implement as a result of custom and practice being embedded in culture?

Research Methodology

The nature of qualitative research is an emphasis on words other than quantities of analysis of data. Byrman and Bell (2003) see this research strategy in an inductive view between theory and research. There is an emphasis on understanding the social world not necessarily the scientific. It
relies on interpretation of the world by its participants. The interaction of the world’s participants is the constructivist view.

Byrman and Burgess (1999) see qualitative research as not just the absence of numbers, not just what quantitative research is not. Gubrim & Hostlein (1977) see four traditions in qualitative research. Naturalism; the understanding through rich descriptions. Ethno-methodology; the seeking to understand how social order is created. Emotionalism; the concern with the subjectivity on the inner human and Post-Modernism; concerned with the different ways social reality can be constructed.

Ethnography can include observation or qualitative interviewing, focus groups, language based approaches such as conversation analysis and the collection of qualitative texts. The difficulty could the ambiguous connection between theory and research.

The main steps involved include the formulation of general research questions. The selection of relevant sites and subjects, the collection of data and the interpretation of the data, the Conceptual and the theoretical work (like local interpretations or hidden meanings) and the findings and conclusions.

A further choice of qualitative research is that it can be used to test a theory as well as create one, but it can allow a theory to emerge. However there are concerns of reliability and the validity of qualitative research to be kept in mind when embarking on this type. They are that replication is difficult and to test my findings by replicating them may be difficult. Also external validity may be difficult given the size of the examples. There is also difficulty in dependability if an auditing approach is used to validate results. Other concerns are around confirmability, or the researcher bias in steering the outcome of the data as well as authenticity, the political fairness of the research, concerns of the exclusion of important stakeholders to the research.
The problems could also emerge from respondent validation, where the subjects are happy with the outcome of the findings or at least the accuracy of their input and finally Triangulation or using multiple reference points to locate an exact position. This is not to say that there are not similar concerns with quantitative research but to acknowledge the possible difficulties and endeavour to address them throughout the research methodology.

The primary data collection strategy was face to face interviews except for one, with the interviews lasting 30 minutes to 1 hour. Access was a key concern but the interviewees made themselves available without any problem. I chose the interviews as it was the perspectives of HR practitioners that I wanted and also I wanted a view from the different public sector bodies to reflect the different sections in “Towards 2016” outlined earlier.

Dr. Boyle was selected as he has written and published works on public sector management for many years and his perspective would be extremely valuable in understanding the issues. I haven’t however weighted the interview results.

There was one other prospect interviewee a representative from the Office of An Taoiseach; Alan Plummer from the Public Modernisation Unit. While I did speak with him the interview was cut short as he informed me The Department of Finance were responsible for the Recruitment Strategy. The constraints on time and the lack of an introduction meant that I was unable to speak to a relevant person here. There is however an enquiry still with them.
The interviews:

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<th>Name</th>
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<th>Location</th>
<th>Method of Contact</th>
<th>Organization</th>
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<tbody>
<tr>
<td>Dympna Lynch, HR Manager, Institute of Public Administration</td>
<td>In person</td>
<td>Government Agency</td>
<td>Dympna Lynch, HR Manager, Institute of Public Administration</td>
<td>In person</td>
</tr>
<tr>
<td>Dr. Richard Boyle, Senior Researcher, Institute of Public Administration</td>
<td>Phone</td>
<td>Researcher</td>
<td>Dr. Richard Boyle, Senior Researcher, Institute of Public Administration</td>
<td>Phone</td>
</tr>
<tr>
<td>John O'Callaghen, Principal Officer, Department of Justice, Equality and Law Reform</td>
<td>In person</td>
<td>Government Department</td>
<td>John O'Callaghen, Principal Officer, Department of Justice, Equality and Law Reform</td>
<td>In person</td>
</tr>
<tr>
<td>Finbar Duggan, Principal Officer, Dublin Vocational Educational Committee</td>
<td>In person</td>
<td>Local Authority/VEC</td>
<td>Finbar Duggan, Principal Officer, Dublin Vocational Educational Committee</td>
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The interviews were semi-structured to firstly address the specific questions around staffing and recruitment strategy and the modernisation strategy but to allow the interviewee to expand and create further understanding through each ones perspective. This method answered the original question but also facilitated secondary findings. The questions are outlined with the answers in the next chapter for ease for the reader.

Welch et al (2002) argues that the weight of an interview with a “corporate elite” has gotten little or no scholarly attention. There are challenges to this methodology namely access to these people and the power that they have inside or outside the organisation. Also the openness of this level of interviewee and the ability to give feedback to them, and as mentioned earlier difficulties around confirmability if the finding is not particularly positive. Comparatively there are notable differences in professional values, differences in seniority, gender and culture across the interviewees.
Hayway and Trudy (2002) on the introduction of qualitative research see it as a process of the interviewer involved explaining the world to others and to themselves. The way we go about it differs and the types of questions that we use to try to answer will influence the approach. But some of these questions asked are best asked based on qualitative research.

Onwuegbuzie & Leech see the importance of combining quantitative and qualitative research but more in what they call “becoming a pragmatic researcher” and not that both should be used for one piece of research. They see a great debate between both fields and that they see research methods being in competition. Polarisation has promoted a purist approach of the researcher restricting themselves to one or the other, mons method research. They see this as the biggest threat to the advancement of the social sciences and that both methods are necessary in order to be pragmatic and to be taken seriously by stakeholders. Simmons & Lovegrove (2005) see stakeholder analysis as a significant contribution as a middle ground research method in relation to organisational change and advocate it as a holistic method of organisation enquiry. In this case a total stakeholder’s view would be impossible to accurately as it should include the tax payer, the external job seeker or indeed the view of the 37,000 strong workforce of the public service.

Dzurec & Abraham (1993) view the use of qualitative data as “views of reality” to discover meaning. They offer further ways to assess the credibility of the qualitative research; Triangulation; mentioned earlier, as well as prolonged engagement and persistent observation; neither of which I can use for this particular research however historical statistics will be used to explain the context and to support the current position. An audit trail again is not relevant but member checking will be certainly used by way of feedback of interviews content and findings to participants. The weighting of evidence could be used but in this case all the interviewees are of similar positions in
relation to seniority and understanding of the subject. Other checks include checking for researcher effects which I endeavoured to limit but to allow the research to have some subjectivity and also to allow questions to be asked that are sensitive. Replication of the findings will not be possible at this point due to time constraints but could be used in a comparative study of other departments or indeed for an international comparison.

Research Methodology Part 2

Secondary Data
Firstly to refer to the secondary data available and use it to create a starting point in terms of statistical information to support a non-statistical approach to the question. Also to outline what empirical evidence there is to state facts; what the case is in reality.

Bryman & Bell (2003) see other advantages to the use of secondary data. The quality of the data will tend to be high and in the case of the people carrying out the research, they tend to be researchers by profession and this is certainly the case for national statistics and commissioned reports. While the difficulties of poor responses will be issues across research but there are procedures in place to deal with this. More importantly in terms of national statistics, it would be impossible for me or most students to do any kind of national research or produce any set of data that could be representative of the whole country either by size but also to take into account geographical variances.

The cost is an obvious restricting factor not only in financial terms but also time limitations to this and most student research. A piece of data in itself can be limited if it cannot be plotted over time to see movements, so it is not sufficient to merely state what the fact is now but to state what the evolving facts are.
There are also limitations to this research. Bryman & Bell (2003) see some limitations to secondary data as the lack of familiarity of the data and how it was collected, or knowledge and understanding of the variables. I see this as more of an issue if I was analysing this data in itself or reanalysing it. Another limitation of secondary data used in this piece of work is that the Mercer Report is a commercial project and not academic but is useful nevertheless.

In this way, The Mercer Survey is an outside look at PMDS using the perspectives of general managers, unions and staff views, and I have used this as a support to my outside view of recruitment using a manager's views also. Other considerations about the reliability and validity of secondary data are a cause for concern. However, in this instance, the subject area is the public sector, and this sector of the workforce are required to keep record of all activities like the statistics from the Recruitment Activity Report from the Commission of Public Appointments which can be viewed as a reliable source. Other data used are official reports from Government publications, and must be given the due credibility or at least take their reliability and validity as a given.

The sources of secondary data used are:

- The Recruitment Activity Report 2006 — Commission for Public Appointments
- Towards 2016 — Government Publications
- PMDS in the Irish Civil Service 2005 — Mercer

There are also other timely, up to the minute pieces of research with no concern about validity or reliability. The Recruitment Activity Report is a report of the Public Appointments Commission, so therefore it may be seen as
a report of the Commission's own effectiveness, i.e. no more unreliable that a
companies' published accounts.

A note of the Researcher-subject relationship

The choice of research stems from my own professional background and
personal interest in the restrictions to my own entry to the Public Service.
The subject area did not require the opinions of staff members of the public
service. I did however target HR practitioners or managers as the relevant
level of source of information. It is not possible to interview every HR
manager even in the public sector either but a representative of the main
groups was sufficient to give a balanced view on the reality of Modernisation
and the changes proposed by "Towards 2016". That is from the VEC, a
government department, The Department of Justice, Equality and Law Reform
as a traditional Government Department and The Institute of Public
Administration as a less traditional Government Agency.

Accessibility is always a concern in terms of interviewees and so I was open to
face to face or telephone interviews. The concern with a small number of
interviews could be around how representative it is of the actual reality of HR
and recruitment practices across the public sector. However the results show
just that, that in the above mentioned departments, agencies and VEC that the
same issues arise and that ultimately the approach doesn't differ.

While two of the interviewees are known to me personally an effort was made
not to have any interference during the interviews with a clear focus on the
questions. It may have worked as an advantage in terms of access but also in
terms of the ability to ask direct questions without fear of poor reception or
interviewee and interviewer rapport being affected.

In terms of the interviewees that were not known to me personally I was more
reserved in my context briefing and I submitted questions prior to the
interview to allow the interviewee thinking time. I was also less relaxed about my subject area and more careful in my explanation of my own understanding of what is actually the case in reality and what the impact of "Towards 2016" is going to have. It nevertheless didn’t seem to affect the outcome of those interviews and perhaps although more formal and guarded were maybe more informative overall.

A Note on Ethics

Every effort has been made to ensure that this piece of research is ethical on all fronts; that is to say that it doesn’t do any harm to any individual and it is consensual.

Firstly this research and indeed the findings do not present any harm to an individual or the parties involved in the research or subjects, in that I mean the policy makers, the public sector staff and the social partners of "Towards 2016"

In addition, while this report may be critical at times of the level of change or of the reality of recruitment, no harm is intended or foreseen.

Secondly the interviewees were consenting on all fronts. They were asked months in advance about the possibility of an interview, they were told of the overall subject and questions and about my stance and my approach. They were also told it was for a thesis, that they would be named and quoted. I agreed with all that my interview notes would be given to them to validate once I had them written up and interpreted and also that I would let them see my findings as a result of their interviews before submission. I did this for their comfort with being named but also to ensure no misunderstanding, misquoting or indeed statements out of context are included.

There is no lack of privacy issues as all the information used was in the public domain, in relation to the secondary data and also the content of the
interviews. And lastly there was no deception or ambiguity about the subject area and but a slight interview bias.
Complete disclosure was openly encouraged along with free expression without a fear of being misunderstood or misquoted but also allowing the interviewers to recommend other possible sources or data.
Finally participation was voluntary and there was no persuasion required for any the interviewees.
Interview with Dr. Richard Boyle 23rd May

Interview with Dr. Richard Boyle is a key contributor to research in the area of public sector organisations as a senior researcher with the Institute of Public Administration. It was an open ended semi-structured discussion around the following key questions:

Q1. What Fundamental Changes “Towards 2016” will mean to Human Resources approach, strategy and practice? Will there be difficulties in implementation?
Q2. To what extent are the well established customs and practice embedded? How difficult will it be to change?
Q3. What is going to happen in respect of a performance culture?
Q4. Do private sector norms have any place in the public sector?

Q1. What Fundamental Changes “Towards 2016” will mean to Human Resources approach, strategy and practice? Will there be difficulties in implementation?

A1 Dr. Boyle pointed out first that there is no fundamental change and that incremental change is what is required. That there is certainly a move towards more open recruitment and merit based promotions but it is limited and not across the board in terms of the whole public sector. However the changes proposed in “Towards 2016” like the 20% open recruitment are not
insignificant. While these are not fundamental it is still too early to tell how successful it will be. These roles may not be attractive to the private sector in the future. There will be no dramatic change in practices but the signal is important. This is a cultural shift albeit a limited step. We must remember the context in which these changes are taking place. A comparison might be with Canada where Unions would be informed of recruitment and not consulted in the way that they are here.

Q2. **To what extent are the well established custom and practice embedded? How difficult will it be to change?**

A2. In relation to custom and practice and difficulties around changing embedded practices, Dr. Boyle sees well established public sector traditional departments with embedded customs and practices but not so much in the newer government agencies. However that HR practices are difficult to change as it is ultimately a centralised system. Some devolution would be necessary as all policy is driven from the Department of Finance which has had limited HR development. HR in the public sector organisations then tends to deal with “lower order” issues and is not and can’t really be strategic. Dr. Boyle feels there is a call from inside the public sector for a more flexible and responsive system of HR.

Q3. **What is going to happen in respect of a performance culture?**

A3. On the question of a performance culture Dr. Boyle replied that performance can be tackled from different aspects and certainly from HR but outside HR like in “specific output targets”. He went on to explain how political commitment drives the change which can be unfair to look at government departments and not reflect on the political context. The question is “is there drive for change from the political perspective?” We agreed that
recent Minister for Health Mary Harney was a good example of political drive for change with the current issues with the consultants work contracts. Recruitment itself doesn’t drive change and the PMDS system in the public sector now isn’t consistent and isn’t going to drive change either.

Q4. *Do private sector norms have any place in the public sector?*

A1 On the question of private sector norms in the public sector, Dr Boyle feels yes, there is some place for them but in a particular context. The public service needs to be more open, more willing to engage, to bring in new practices. However in another respect the public sector departments measure up quite well in relation to measures like the number of transactions and the number of complaints. The context is political and the setting is different but functions of management are the same. Other differences though are around non-profit and equity of treatment. Equity of treatment is more important in public sector while performance is more so in the private sector. Customer service though is very important to both. Lastly that there will be incremental change not radical, that “Towards 2016” is the next step, but aside from political constraints the system itself is a constraint.

**Key Points**

- Context is important
- Incremental change
- Political and System constraints
- Recruitment and Promotions won’t drive change
Interview with John O’Callaghan, Principal Officer HR, Department of Justice, Equality and Law Reform 1st June 2007

The department has just 2,000 staff. John O’Callaghan has responsibility for HR here but has worked in other government departments and so has abroad insight into the civil service, but also the differences across departments.

The questions were:

Q1. What Fundamental Changes “Towards 2016” will mean to Human Resources approach, strategy and practice? Will there be difficulties in implementation?

Q2. What does this mean for HR in the department?

Q3. What does “modernisation” mean to the Department of Justice, Equality and Law Reform?

Q4. What is going to happen in respect of a performance culture?

Q5. What about PMDS?

Q6. What are the advantages and disadvantages to closed recruitment?

Q7. Do private sector norms have any place in the public sector?

Q1. What Fundamental Changes “Towards 2016” will mean to Human Resources approach, strategy and practice? Will there be difficulties in implementation?

A1. In relation to HR practice, central policy is dictated, so in essence the department takes what is given. There is little direct recruitment except that which happens under the recruitment licence e.g. for The Prison Service or Gardaí. The key change in “Towards 2016” is the open recruitment at higher levels, e.g. Principal Officers. However, if for example there are ten posts to be filled, five of them would be filled internally; that is within The Department of Justice itself and five to be filled external to the department allowing for
20% now to be filled by open recruitment. This means that four of the roles would be filled by an interdepartmental competition and one may be filled by a non-service external candidate. However the 20% is open to everyone internal and external so in theory could be filled by an existing public servant and therefore if it works as intended, a non public service candidate would fill the position. Excluding professional posts, the only problem is where a person applies to an entry grade or upwards now with an interest in working with the Department of Justice they could end up in “Arts!” The Commission for Public Appointments run this and send candidates as their name comes up on a merit system. The candidate too takes what is given off the list.

Q2. What does this mean for HR in the department?
A2. The HR function is more about managing the numbers, identifying gaps and running the internal promotions.

Q3. What does “modernisation” mean to the Department of Justice, Equality and Law Reform?
A3. It’s on-going and behind the scenes. This is a big policy making department and is not transactional like “Revenue”. Policy making gives less scope for measurement. The functions of the department don’t lend itself to big change. The way legislation is written will be the same over time and won’t ever change. However there are some big IT changes like fingerprinting technology being introduced to immigration. The culture is the department has evolved over time and in particular from the 1970’s with “the troubles in the north” impacting on the department. It became good at crisis management and has developed a “can do attitude”. If there are prisoners rioting on the roof of a prison there isn’t really time to set up a committee to agree what action to take! The department has seen two major changes recently. Firstly
the explosion of immigration. This section had 5 staff looking after approximately 200 applications for asylum each year. Now the section has 800 staff dealing with circa 10,000 applications. The other major change was “September 11”. This changed the face of terrorist threat and it doesn’t lend itself to IR discussions.

Q4. What is going to happen in respect of a performance culture?
A4. The move towards open recruitment will change the culture. Previously as a public/civil servant you could map your career fairly easily. Once you did a good job you could measure yourself to the people around you. Now outsiders can “parachute in” which will make things more competitive. New people will bring new perspectives; external candidates are a different breed. They will have a different perspective and it will change the service and the service will change them. It should end up in some middle ground but no doubt it will bring a change.

Q5. What about PMDS?
A5. Now it will be live on the back of the “Mercer Report”. It will be linked to increments and eligibility for promotion. It will be interesting and does pose challenges for fairness and to make sure that really good people are recognised.

Q6. What are the advantages and disadvantages to closed recruitment?
A6. J. O’Callaghan would like to own recruitment for the department but centrally is better as it means his equivalents in all the other departments aren’t all competing for the same candidates. More senior roles however would make more sense to have ownership of. There is lots of movement and interdepartmental experience though as a result of the existing processes. He
would like to see more open recruitment as he feels that people close to these roles or working in the service have a head start any way and should be able to compete with external candidates. If not then maybe they are not the right person for the job.

Q7. *Do private sector norms have any place in the public sector?*

A7. Yes, although the service is about ten years behind the private sector. The key change is "measurement and the problems around that". Performance linkage to pay is critical, it's there at AP level in theory but should be throughout the system. People operating at significantly different levels get the same reward. It forces people to go for promotion who might not necessarily be suited to the next job. It concentrates the mind so everyone should feel it.

Key Points

- Open recruitment will change culture
- Performance should be linked to pay
- Modernisation doesn't mean any major change
- The context is important and this department does have a "can do" attitude anyway.
Interview with Finbar Duggan. Principal Officer, HR Dublin Vocational Educational Committee 30th April 2007

The discussion was around questions of the reality of recruitment in the non-teaching staff in the Dublin VEC. The questions were semi-structured and open-ended.

Q1. What is the recruitment strategy in Dublin VEC?
Q2. What does modernisation mean in reality to DVEC?
Q3. Do you see advantages or disadvantages to common recruitment pool?

Q1. What is the recruitment strategy in Dublin VEC?
A1. F. Duggan explains the recruitment strategy starts with "Sustaining Progress" and "Towards 2016" and VEC maps out an implementation plan subject to agreement at the VEC National Partners Forum. The action plan is developed for 33 VEC's and is then broken into 6 regional network groups. Each group then develops a template for implementation covering headings like performance or a typical working. Each group provides a progress report against the action plan before the pay awards. They are submitted to a verification group. In a staff of 300 clerical, two people have been recruited externally in Dublin VEC in the last five years. Finbar is one of the two.

Q2. What does modernisation mean in reality to DVEC?
A2. Modernisation in DVEC means more developments in communications and technology and cooperation with this from everyone. The concept customer service is also a change and in reality is a new concept. There are other changes like general targets for everyone in the organisation either individual or shared. In terms of flexibility the DVEC has always been flexible with much of its business being on-going outside normal business hours with
evening class enrollments for example. Lunchtime phone cover and porters working in schools at night time has always been a requirement so no major change required here, the administration staff have always been flexible to meet the needs of the organisation. Finbar added that atypical working is seen more as a benefit than a convenience and suits depending on personal circumstances.

Q3. *Do you see advantages or disadvantages to common recruitment pool?*

A3. The advantages or disadvantages to the common recruitment pool is that the entry level salary is €22,000. These roles can be difficult to fill and this impacts on roles further up the grade levels. The headcount is fixed except for project workers. Succession planning is a new in-house strategy but the idea of moving people from HR to Finance to IT isn’t always ideal although in theory administration grades should work in any department. The entry level is relatively low also and this can cause issue when it comes to filling higher grades internally.

Key Points

- Little external recruitment but it is necessary to have a less limited pool of candidates for filling roles
- No major changes foreseen
- Developments will be in communication and targets
Interview with Dymphna Lynch, HR Manager, Institute of Public Administration 5 June 2007.

Dymphna has extensive public sector insight having worked in The Department of the Marine and Pobal.

Q1. What Fundamental Changes "Towards 2016" will mean to Human Resources approach, strategy and practice? Will there be difficulties in implementation?
Q2. To what extent are the well established custom & practices embedded and how difficult will it be to change?
Q3. What is going to happen in respect of a performance culture and what about PMDS?
Q4. What are the advantages and disadvantages to closed recruitment?
Q5. Do private sector norms have any place in the public sector?

Q1. What Fundamental Changes "Towards 2016" will mean to Human Resources approach, strategy and practice? Will there be difficulties in implementation?

A1. The Institute of Public Administration operates like a private company so doesn’t fall under the civil service. However “Towards 2016” and modernisation will mean change in particular in external recruitment and PMDS. Cooperation and implementation is part of the “modernisation” programme. The IPA is actually ahead of the service in relation to recruitment as it has only 125 staff and is not included for interdepartmental competitions. The result is that there is enough of a pool to fill all of the roles from.
The integration of PMDS with HR is the biggest challenge to HR. In terms of external recruitment, integration of non service external candidates is a
challenge; some kind of induction process for middle managers coming into the service. There is a particular way of doing business; protocol, rules and regulations along with how to deal with ministers. In terms of the 20% open recruitment, it's a gradual introduction and this way is sensible, better than an influx of external candidates. External recruitment among other things will certainly help with decentralisation and the ability to fill roles in new locations.

Q2. To what extent are the well established custom & practices embedded. How difficult will it be to change?
A2. The customs and practice is embedded and will be very difficult to change. The flexible working hours will be the biggest challenge. Outsourcing and using temporary workers while maintaining the pay bill and costs. Trying to drive change without increasing the spend will be difficult.

Q3. What is going to happen in respect of a performance culture & what about PMDS?
A3. Dympna would have concerns around linking the PMDS to incremental awards. The downside is scoring it accurately. There will be quota to be measured against. It could turn into a paper exercise. The difficulty is that if there is a staff member who is underperforming they should be moving towards or in the disciplinary process anyway. PMDS does give measurability around roles that were traditionally difficult to measure. It will also focus people on performance. The challenge is that is doesn't become a disciplinary tool or just a way of getting increments. Again the positive is that it drives down the business plan to individual plans and people can really see their contribution. There is great buy-in from this. Recruitment should be married with the PMDS too though. There is a real opportunity to link it now. It will
give the ability to see gaps in teams and recruitment needs could be identified in terms of skills or capabilities.

Q4. Do private sector norms have any place in the public sector?
A4. Absolutely yes, the service has most of them anyway. They are ahead of private sector in some ways, in terms of work life, family friendly practices, bullying and harassment and changes now in probation and dismissals. But partnership really works, there is great buy-in, it is partly the reason that people stay, there are no major surprises, staff are kept in the loop. The challenge is to ensure business gets done. There should be some level of attrition, it could good for some roles.

Q5. What are the advantages and disadvantages to closed recruitment?
A5. Managers have difficulty saying in essence "you’re not good enough", promotions can slip through this way. Limited opportunity for promotion is the issue with opening up the recruitment. Fresh blood coming in at middle management is definitely positive. The IPA was never part of the interdepartmental competitions and has too small a pool so it has always had to compete with the external candidates for more grades.

Key points
- Recruitment should be linked to PMDS
- Open recruitment brings new perspective
- Concerns around implementation of PMDS
- Linked PMDS will be major change if done as intended
Chapter 8

FINDINGS AND CONCLUSION

The management theory stresses the importance of strategic alignment of HR and its policies and practices to shape the human organisation and the culture of the organisation that will implement the strategy, and will ultimately contribute to the survival of the organisation.

Brockbank (2003) outlined the HR levers for delivering strategy; leadership, structure, institutional learning, individual learning, performance management and staffing. Schuler and Jackson (1987) tell us that "one size does not fit all" and that context both internally and externally has a major impact on HR and must be considered in understanding HR in organisations. With this in mind I spoke to HR practitioners in the Public Sector to understand the context of the policies with an emphasis on the opening up of the recruitment and the reality of the modernisation strategy.

My findings are in line with my overall aims and objectives which were:

- The overall research aim was to understand the staffing strategy in relation to the overall modernisation strategy in the public sector.
- Objectives are to see if the staffing strategy is aligned with the modernisation strategy.
- To investigate whether fundamental changes in HR approaches, practices and strategy as a result of "Towards 2016"?
- To investigate how difficult these changes will be to implement as a result of custom and practice being embedded in culture?
My findings:

- HR practitioners I spoke with within the service see the opening of recruitment as positive and they think it will bring in new perspectives into the service but also for creating a more competitive environment going forward in terms of competition for merit based promotions to higher level roles.

- The modernisation strategy is about incremental change and the recruitment policy is aligned for incremental change not revolutionary change. No major change is foreseen by the interviewees and any change will be within the existing structures.

- The context is a major influence and while private sector norms apply in most instances the context is key to understanding the HR policies and practices.

Secondary Findings:

- There is great concern and uncertainty around the PMDS system. In principal, targets and the "line of sight" between an individual and the overall business plan of the organisation is positive in terms of delivering those business plans. However there are concerns around linkage to recruitment, promotions and increments. The biggest concern is around implementation, fairness and even-handedness across the departments.

- HR practitioners in the public service are tasked with the management and implementation of policies set down by the Department of Finance and have no influence at policy making level.

- HR practitioners have however a key role in implementation and will be the difference between success and failure of the full implementation PMDS system.
My Conclusions:

Public sector modernisation will happen over time incrementally. The recruitment strategy is aligned for incremental change in that it is opening up to a degree but not an influx at every level in the sector. However if the specialisations are used to fill the quotas then there will be no impact or no new blood in the administration grades in the public services. If contractors and temporary workers are “used” to fill the requirements for flexibility then there will be no change and the status quo will be further embedded firstly but almost certainly there will be implications for the paybill.

If the PMDS system is aligned with recruitment, promotions and increments it will allow the HR practitioners to identify skills or competency gaps in their departments and organisations and will effect recruitment in this way. It will lead to a more integrated approach to staffing.

From my enquiries, I have a deeper understanding of context and its importance to understanding HR in organisations. The context of the public sector is different in many ways to the private sector which doesn’t mean that some of the same principals of “best practice” around performance, recruitment or delivering strategy don’t apply but at least the practices must operate within a particular context.

Further Study
The whole area of leadership within the public sector at policy making level more so than management level. How are they identified and investment made or developed?
Can the skills be bought from externally or are only people who have experience of the service suitable?
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