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New development: Is it time for New Public Service Bargain?

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IMPACT

Governments should realize that public sector organizations are no longer the employer of choice. Public sector organizations face the challenge of attracting, recruiting and retaining skilled, competent and talented personnel. The public sector now competes with other sectors in a digital economy often offering better remuneration and working conditions. Decades of neoliberal public sector reforms and austerity measures have eroded the extent to which public sector organizations are attractive as a potential employer. The article suggests the idea of a New Public Service Bargain between politicians and civil and public servants as a more effective and sustainable approach to building public sector capacity to deliver services.

ABSTRACT

Extant research has shown that the civil service and public sector are no longer an employer of choice. This article explores the reasons for the declining interest in the civil and public service as a career, and argues that decades of neoliberal public sector reforms and New Public Management, with a focus on efficiency and cost-effectiveness, have contributed to the reputation of the public sector as having comparatively lower pay, being under-resourced and having high levels of performance accountabilities. The author argues for a paradigm shift in human resource practices in order to attract, retain and employ skilled and talented civil and public servants to ensure governments' capacity to deliver public services. The author suggests a New Public Service Bargain with public sector and civil service employment based on more of a human relations approach, providing more meaningful and rewarding work and to ensure the capacity of the state to effectively deliver public services.

KEYWORDS

Civil service; human resources; public and civil servants; public sector employment; public service delivery; New Public Service Bargain

Public sector no longer employer of choice

According to the National Audit Office (2023) the UK government faces substantial challenges to attract and retain civil service and public sector staff with declining morale evident from employee surveys, as well as from more frequent industrial action. Part of the explanation for challenges in recruitment is the length of time it takes to vet an applicant. For example, it takes an average of 171 calendar days for completing Developed Vetting (DV) security clearance, which is the highest level, for new recruits; and, overall, for a civil service department the average time to hire is 100 calendar days, or just over three months (National Audit Office, 2023). The civil service and public sector competes with the private and the non-for-profit sectors, which are often more agile and faster in recruitment. The public sector, compared to the private and non-for-profit sectors, also faces the reputation of bureaucratic red-tape, being under-resourced, offering comparatively lower salaries, and increased performance and accountability because of neoliberal public sector reforms, as well as, sometimes, poor working conditions (Bankins & Waterhouse, 2019; Sievert et al., 2022). The public sector and civil service in many countries are therefore no longer the employer of choice (Äijälä, 2001).

The public sector and civil service no longer being the employer of choice is only partly explained by long vetting periods, poor pay and working conditions. Lee and Van Ryzin (2020) found in the US that the 'dim' view and poor reputation of public sector organizations and the federal

government can also be explained by the erosion of trust in government. Poor reputations of government service delivery has resulted in a lack of trust in government, contributing to government being viewed as a less of an attractive employment option (Bankins & Waterhouse, 2019; Lee & Van Ryzin, 2020). Such is the concern about the vacancy rate in the US federal government, that US House of Congress commissioned a report that states:

The Federal civil service personnel systems require urgent attention. The difficulties facing Government hiring are so severe that the Government Accountability Office identifies strategic human capital management as a high risk area in need of transformation if the Government is to work effectively and efficiently. Existing practices block younger Americans and workers with critical skills from entering public service and jeopardize the ability of Federal agencies to replenish their workforce in the face of a looming wave of retirements. (National Commission on Military, National, and Public Service, 2020, p. 10.)

In the UK as well, there is a growing concern about increased vacancies in key public sector jobs. Since 2022, the health and social work sector has been facing the highest number of vacancies at around 206,000 and, across England, over 10% of National Health Service (NHS) nursing posts and nearly 6% of NHS doctors' posts are vacant (House of Commons, 2022). Staff in the NHS are demoralized with low pay, heavy workloads and constant pressure, compounded by the pandemic, leading staff to quit (House of Commons, 2022). Social Work England (2023) also revealed that a quarter of social workers left the profession after a year of registration and 28.7% left after 10 years of registration. Similarly, in the

education sector, there are serious concerns over the decline in recruitment of teachers and increased vacancies, representing a substantial risk to the delivery and quality of education (McLean et al., 2023). According to research by McLean et al. (2023) for the National Foundation for Educational Research, in 2022/23, 44% more teachers intended to leave the profession than in the previous year, suggesting that attrition rates are continuing to rise. The decrease in recruitment and rising attrition rates point to the escalating severity of teacher under-supply, with 10 out of 17 secondary subjects forecast to under-recruit in 2024/25 (McLean et al., 2023).

There are number of reasons for the declining interest in public service. Sievert et al. (2022) found that the reduced interest in public sector employment is due to poor working conditions and low salaries compared to the private sector. As mentioned above, poor bureaucratic reputation affects recruitment (Lee & Van Ryzin, 2020; Bankins & Waterhouse, 2019; Johnston et al., 2023). Interestingly, Hinna et al. (2021) found a relationship between public service motivation and public sector job preferences among Italian students, but not in relation to British students. They argue that the UK has implemented more New Public Management (NPM) or neoliberal style reforms than Italy, and that this could be impacting on public sector recruitment. In other words, continuous neoliberal reforms in many countries make public sector employment highly unattractive to young job market candidates with graduates' employment preferences located in the private or not-for-profit sector (Hinna et al., 2021). The increasing challenge of recruitment coupled with increasing attrition rates in the public sector and civil service, presents a real risk in the delivery of public services.

Time for a New Public Service Bargain?

Decades of neoliberal public sector reforms have eroded the notion of the public sector being an employer of choice. As Hood (1995) noted, the public sector was traditionally viewed as a model employer and set the example of better pay and conditions of employment, fair pay and hiring rules, job security and stability. NPM, and the introduction of neoliberal style public sector reforms, saw governments becoming smaller, leaner, less involved in actual service delivery and more attentive to efficiency, results and cost reduction (Hood, 1995; Bankins & Waterhouse, 2019). The NPM model of employment relations and human resource

practices included the use of variable and performance-based pay rates and moved from a uniform and inclusive public service to one with more emphasis on contract-based provisions of employment (Hood, 1995; Bankins & Waterhouse, 2019). These shifts affected the reputation of the public sector with governments, in countries where NPM was introduced, no longer being the 'model' employer (Bankins & Waterhouse, 2019). The public sector—following the private sector models in the pursuit of efficiencies, cost-effectiveness, performance measurement and management regimes with heightened accountability, agencification, precarious employment, and under-resourced public organizations with poor working conditions and pay—is no longer the employer of choice.

This calls for a new way in which public services are structured, managed and organized—otherwise there is a risk in the ability and capacity of government to deliver public services (Johnston, 2023). It is usually politicians, the political class or elected political party that promises to reform public services for the better. However, as argued, these reforms have unintended outcomes with decades of neoliberal reforms often resulting in the public sector no longer being the employer of choice with increased inefficiencies and ineffectiveness in public services. Thus, politicians and the public and civil service need to enter into a New Public Service Bargain.

The relationships between politicians and public and civil servants are important to understanding public service delivery. This relationship is described as a 'public service bargain' where politicians normally expect a degree of loyalty and competence from civil and public servants and, in return, civil and public servants expect a mixture of tangible and intangible rewards (Hood & Lodge, 2006). In the UK the public service bargain has traditionally been viewed as senior civil servants impartially providing policy advice to politicians and administratively leading government departments with compensate rewards, for example a permanent career and good pension (Hood & Lodge, 2006). The basis for the public service bargain in the UK can be traced to the Northcote-Trevelyan recommendations (Hennessy & Normington, 2018; Massey & Kim, 2024), that is a dutiful and impartial public service compensated with good pay and working conditions. However, as stated above, NPM and neoliberal reforms have altered the nature of the bargain.

A New Public Service Bargain requires a paradigm shift in human resource practices and the way civil and public

Table 1. New Public Service Bargain: a paradigm shift.

<i>Paradigm</i>	<i>Theoretical Roots</i>	<i>Nature of the state</i>	<i>Focus</i>	<i>Emphasis</i>	<i>Resource allocation mechanism</i>	<i>Nature of the service system</i>	<i>Value Base</i>
Public administration	Political science and public policy	Unitary	The political system	Policy creation and implementation	Hierarchy	Closed	Public sector ethos
New Public Management	Rational/public choice theory and management studies	Regulatory	The organization	Management of organizational resources and performance	The market and classical or neo-classical contracts	Open rational	Efficacy of competition and the marketplace
New Public Governance	Institutional and network theory	Plural and pluralist	The organization in its environment	Negotiation of values, meaning and relationships	Networks and relational contracts	Open closed	Dispersed and contested
New Public Service Bargain	Human relations theory	Empowering	Organization for effective public service delivery	Meaningful and rewarding work	Fair and decent employment contract	Open	Public service capacity

Adapted from Osborne (2010, p. 10).

servants are employed and managed (Johnston, 2023). Ng et al. (2016) found that what attracts a younger generation to the public sector employment is meaningful work, job security and a good work–life balance. Thus, a New Public Service Bargain would involve creating opportunities for meaningful work where public servants and potential applicants feel that they can make a difference to society, and be motivated to serve the public. However, this service should be rewarded through good working conditions, secure employment, fair pay and professional opportunities, rather than neo-liberal working conditions.

Human relation theorists argue for consideration of the human element in organizations (Kaufman, 2008). Bruce and Nyland (2011) argue that for human relations theorists (the foremost among them being Elton Mayo) the concern was the ‘human factor’ as a reaction against, and a solution for, the technocratic efficiencies of Taylorism, or ‘scientific management’, in the post-Second World War era. Taylorism and the focus on measurable productivity outcomes and (low-level) pecuniary methods of motivation, coupled with its bifurcation of conception and execution of productive tasks (or deskilling), resulted in widespread opposition among ‘alienated’ individuals (Bruce & Nyland, 2011, p. 385). The reaction to Taylorism by scholars such as Mayo was to focus on the social person within the workplace, that is the consideration that humans are not merely utilitarian economic beings of mainstream economics, but have psycho-social needs and their social relationships at work play an important role in their productivity (Bruce & Nyland, 2011). Employees obtained identity, stability and satisfaction, making them more willing to co-operate and contribute their efforts toward accomplishing organizational goals (Bruce & Nyland, 2011). NPM, like Taylorism, may have come of age—with younger generations seeking employment in a digital economy offering comparatively more career opportunities and, in the post-pandemic working environment, job applicants are exploring employment options that provide more meaningful work, have a work–life balance, and offer commensurate remuneration and working conditions.

A New Public Service Bargain is not a return to old-style public administration, it is a departure from NPM, although it recognizes that public and civil servants operate within a complex governance system, particularly through networks and in a digital economy. Table 1 summarises this paradigm shift, suggesting that public and civil service reforms adopt a more human relations approach, with meaningful and rewarding work compensated with a decent and fair contract of employment and pay, empowering public and civil servants to improve the capacity of government to effectively deliver public services, in a sector that is open to all who wish to serve. This article, as a new development, offers an opportunity for scholars and practitioners to consider whether it is time for a New Public Service Bargain.

Disclosure statement

No potential conflict of interest was reported by the author(s).

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