


# Introduction to the Themed collection: Public sector employment relations in turbulent times

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## Abstract

We introduce a themed collection of articles examining how the public sector has responded to, and been impacted by, the COVID-19 crisis. Although the pandemic has affected the roles, functions, economies, governance and structures of public sectors, this themed collection focuses on public sector employment relations. Authors examine significant areas which have been subject to accelerated change stemming from the pandemic. Building on decades of public sector reform, these changes impact public sector enterprise bargaining, terms and conditions of employment, working arrangements and practices, and the relationship between public servants and their employer. The articles in this collection provide important insights into the longer-term influences of the COVID-19 pandemic for public sector workforces. The collection also raises questions around whether the positive lessons from this crisis can be sustained to help manage serious crises in the future, or whether the public sector will slip back into a state of unpreparedness.

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## Keywords

COVID-19, employment conditions, new public management, public sector

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## Introduction

The public sectors in all countries have faced increased pressures in a rapidly changing and turbulent social, economic and political environment, with the forces of change exacerbated by the COVID-19 pandemic (Ansell et al., 2021). The changes have arisen from accelerated functional and technological change accelerated by successive global crises—crises that the public sector, with its roles as a primary instrument of state power; resource and service provider, and regulator has been critical in addressing (Bach and Bordogna, 2013). These crises have included the Global Financial Crisis (GFC) of 2007–2008, and in early 2020, the impact of the spread of COVID-19—that is the subject of this themed collection. The latest crisis has temporarily superseded another—the accelerating environmental impact of global climate change that has the potential to eclipse all the others. The crisis of the pandemic will repeat some features of its predecessors and create new challenges, a number of which are discussed in this collection.

This themed collection does not attempt to address all the governance, functional or regulatory aspects of the COVID-19 crisis. More of this research is, however, needed urgently, and could focus on the way the 2020 pandemic has fundamentally affected the operation of public services, policy development, state resources, governance, decision-making processes and public sector structures. Existing studies show that policy development and service delivery have become streamlined in response to the pandemic, new ways of working have been developed and trust in the public sector has been increasing (Australian Public Service Commission (APSC), 2020). This has been accompanied by a positive re-evaluation of the work undertaken by front-line public servants (Risse, 2020). Whether these positive aspects will endure post-pandemic also requires research.

This themed collection focuses on one aspect of the public sector during the pandemic—that of employment relations. This collection aims to explore the changed working environment of its most critical resource—its people—and considers whether the changes taking place will continue to reshape the public sector in Australia and internationally, or whether the public sector will revert to pre-pandemic working arrangements and practices.

The role of the state in all countries has changed progressively since the 1980s, through the imposition of new ideas, related policies and associated changes to the production and delivery of public services. The core ideas introduced over the past few decades revolve around neoliberalism (focused on reducing the size of the state and introducing market efficiency) and New Public Management (NPM) (the utilising of private business models) to manage and deliver public services (Hood, 1991; Johnson, 2011). The privatisation of state-owned enterprises and outsourcing of public policy and services to the private (Diefenbach, 2009) and not-for-profit sectors has also featured strongly as elements of public sector reform. These changes led to shrinking public sector budgets and increased public debt and deficits impacting on public services well before the pandemic (Pollitt and Bouckaert, 2017).

Additionally, governments have demonstrated different levels of capability in their responses to the COVID-19 pandemic. In the US and the UK, the pandemic has

highlighted inadequacies in public health systems following several decades of managerial reforms that promoted outsourcing, privatisation and cost-cutting, with little evidence of improved public health outcomes. Other countries, such as South Korea and Germany, retained public sector infrastructure, such as public laboratories, and the capacity to coordinate with the private sector to deliver medical equipment and personal protective equipment to enable a more coordinated response to the pandemic (Mazzucato and Kattel, 2020).

From the start of the COVID-19 pandemic, the demand for public services increased exponentially, as did expenditure on corporate welfare and individuals' incomes. Governments, including state and federal governments in Australia, allocated unprecedented amounts of funding to businesses, workers and the unemployed. 'JobKeeper' was the Australian Government's measure to support employment and was provided to eligible businesses and not-for-profit organisations as the economy was 'locked down'. The scheme cost of AUD 101.3 billion supported 900,000 businesses and provided incomes to 3.5 million people (Bishop and Day, 2020). Australian public debt as a consequence of 'JobKeeper', and all other borrowing undertaken to address the pandemic crisis, resulted in Australian net public sector debt rising to AUD 637.9 billion in 2019–2020, or 32.1% of GDP. The pandemic response was primarily delivered by the Australian states and territories (Australia Bureau of Statistics (ABS), 2021), which also resulted in increased debt for state governments. The Australian states' share of the debt increased by 143% as they funded health services and built infrastructure to boost employment. In 2020–2021, a further increase in public debt is expected as the pandemic continues.

This pattern is being followed in other countries, as debt was used by governments to reduce the impact of COVID-19 and to fund the programs necessary to support individuals' welfare, corporations' survival and essential public services. There is increasing concern over the forms of governance and accountability standards being applied to pandemic-related public debt and expenditures (Boin et al., 2020). Although the future consequences of this spending are yet to be fully revealed, a new era of public sector austerity may be inevitable. Previous government responses to crises such as the GFC resulted in increased reliance on privatisation, outsourcing and downsizing (Randma-Liiv and Kickert, 2017). The sale of public enterprises, such as the continuing sales of public infrastructure in Australia's most populous state of New South Wales after the GFC and the continuing discussion of proposals to sell the Commonwealth Government's Australia Post to reduce debt, is evidence of the long-lasting effects of the GFC and beyond. The impacts of the pandemic on public sector debt, spending and possible austerity measures are likely to be similarly extensive and protracted.

Governments' responses to the COVID pandemic may also result in a further downgrading of public sector pay and conditions, as had occurred following the GFC (Hebson and Rubery, 2018). The research in this collection examines what has happened in this area up to, and during, the first phase of the COVID-19 crisis. Roles, O'Donnell and Ananth examine enterprise bargaining in the Australian Public Service (APS). These researchers document the emergence and increasing use of new regulation to contain and limit bargaining—that of workplace determinations, which have been used by public sector agencies to unilaterally set pay. This form of regulation became more pronounced

during the pandemic, curtailing wage rises and limiting improvements to working conditions, with no requirement for consultation with unions or employees above what is required by the *Fair Work Act* 2009. Roles et al. argue that avenues for improved terms and conditions for APS employees under the Morrison Government's workplace bargaining policy appear limited to either protracted collective bargaining in support of claims, or acceptance of a workplace determination which preserves terms and conditions and provides for very modest pay rises.

The second article in the collection examines an important working condition determined largely by managerial discretion and agency policy—that of working from home. Williamson, Colley and Foley examine how APS managers determined who could work from home once employees started returning to their usual pre-pandemic workplaces. Accessing working from home, or remote working, is largely dependent on individual negotiations between an employee and their manager. These managerial decisions are known as 'allowance decisions'. These researchers have identified an emergence of policies containing new criteria on who could work from home, such as working from home only being offered during lockdowns. The authors also find that the pre-pandemic culture of presenteeism had greatly abated due to the majority of public service employees successfully working from home, as many managers experienced an 'epiphany', that employees could be productive working from home. Hybrid working will continue to be an important research and policy area, and this article reveals significant factors on how managers decide who can work from home.

Colley, Woods and Head next examine the 'public service bargain' to examine the effects of the pandemic across Australian public services. The 'public service bargain' refers to understandings between public servants and others about the public servant's duties and responsibilities. As with the Williamson et al. article, these authors also compare two time periods, examining how government responses to the GFC and the pandemic have affected the public service bargain. Colley et al. examine the various elements of the public service bargain, namely, pay and rewards, and employee loyalty and competence. These researchers conclude that the pandemic response was not as severe as the responses implemented by governments during the GFC. To date, the pandemic has not resulted in the imposition of public sector austerity policies, but rather, has highlighted the valuable role of the public sector. Whether the valued role of public servants will remain post-pandemic is an area deserving of further attention.

The next article in the collection is sector-specific, and Gavin, Fitzgerald and McGrath-Champ examine union responses to NPM and devolution in the education sector over a 35-year period. The authors examine how power can be collectively mobilised by a large union representing teachers and reveal the unions' responses to reforms. The authors examine two union campaigns and conclude that the union mobilised around discourses of NPM, framing them as being antithetical to public education values. An extension of 'market logics' within education policy is hidden beneath the language of 'empowerment' for teachers and parents—language also relied on during the pandemic to mask the increased demands of teachers during lockdowns. As raised by Colley et al., Gavin et al. also question whether the heightened appreciation of the work of teachers will extend beyond the pandemic.

The final article in this special issue is another sector-specific study which focuses on nurses in Sri Lanka. As with other articles in this collection, Wanninayake, O'Donnell and Williamson compare the changes in work practices wrought by the pandemic to pre-pandemic era work pressures experienced by public and private sector nurses. Pre-pandemic, the authors found that nurses experienced high job demands such as low nurse-to-patient ratios, long hours and aggression from patients and their families. During the pandemic, nurses experienced additional demands related to the physical demands of wearing protective equipment in a tropical climate, emotional stress because of concerns they could infect family members, and the limited availability of COVID-19 PCR tests and personal protective equipment. The case studies provide a valuable insight into the difficulties experienced by these front-line workers during a time of crisis.

In summary, the articles that follow provide important insights into the longer-term influences of the COVID-19 pandemic for public sector workforces. The authors also consider whether the positive lessons from this crisis can be sustained to help manage serious crises in the future, or whether the public sector will slip back into a state of unpreparedness.

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Sue Williamson specialises in public sector human resources and industrial relations, focussing on gender equality. Recent research includes examining how public sector employees worked from home during the pandemic. Sue has also researched how middle managers can progress gender equality, identifying barriers and offering solutions.

Michael Johnson is an Honorary Associate Professor in the School of Social Science and Policy at UNSW, Sydney. He is a Coordinating Editor of the Economic and Labour Relations Review and a founding Director and currently Co-Deputy Chair of the Board of The Fred Hollows Foundation, an international development organisation working with disadvantaged communities and developing countries to eradicate avoidable blindness.