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## **HRM and governance: Brunei's public sector\***

Brunei, situated in South-East Asia, has a monarchical government in which Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah has the executive authority and is assisted and advised by five constitutional bodies. The concept of 'Malay Islamic Monarchy' (MIB) is often thought of as a 'national philosophy', incorporating both the official Malay language, culture and customs and the importance of Islam as a religion and a set of guiding values.

The country has an estimated population of 390,000 of whom 67 per cent are Malay, 15 per cent are Chinese, and the remaining 18 per cent comprise indigenous groups, expatriates and immigrants. About 54 per cent of the overall population is made up of the 20–54-year age group, which is the economically productive group. The main source of income for Brunei is the oil and gas industry, followed by the public and private sector employment. The public sector is the main employer for the majority of citizens and residents of Brunei.

Owing to Brunei's distinct political system, it has different employment structures from those of other South-East Asian countries. The country is ruled by a strict policy of conformity and consensus that does not allow organization or individuals to challenge the government and its policies. Brunei's public sector sets an example to the private sector in terms of fair treatment of employees and providing good conditions of service – this includes high levels of job security, better leave entitlement and generous pensions.

In Brunei's public sector, the General Order and State Circulars shape human resource management (HRM) practices. The General Order, dating back to 1962, covers several key elements of HRM, for example, appointments, promotions, benefits, work etiquette and discipline. State Circulars cover more contemporary HRM-related issues not addressed in the General Order. All government bodies are sent Circulars whenever any new issues arise. Circulars often call upon the command of the Sultan of Brunei who holds the absolute power in the way Brunei should be managed.

All civil servants are required to have a detailed knowledge of – and abide by – both the General Order and State Circulars in order to carry out their jobs and to progress in their careers. Every officer, supervisor or clerk who is aspiring towards promotion or a rise in salary will have to sit a written examination based on the content of both these sets of government policies.

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\* Professor Jawad Syed (Lahore University of Management Sciences) and Ms Dk Nur'izzati Pg Omar wrote this case study as a basis for class discussion rather than to serve as an endorsement, source of primary data, or illustration of effective or ineffective management. It has been adapted from: Syed, J. (2017). Context-specific human resource management. In Syed, J., & Kramar, R. (eds.) *Human Resource Management: A global and critical perspective*, pp.3-24. Basingstoke: Palgrave Macmillan.

An innovation within HRM in the Brunei public sector is the Government Employee Management System (GEMS). This is a web-based system that enables efficient data input and greater transparency, which allows a better management of HRM practices such as recruitment and selection, compensation and benefits, as well as human resources administration. In addition, this seeks to reduce paper usage and help Brunei to become more 'green'. Human resources administrators, government employees and the public are the three main stakeholders that GEMS focuses on.

GEMS allows human resources administrators to manage job advertisements, and update and approve allowance and benefits. Government employees can apply for allowances and benefits online, retrieve information such as the latest policies that have been introduced, check their balance of leave and participate in surveys and forums where they can express their suggestions to improve the civil service. The public, on the other hand, can check job vacancies online, submit job applications and track their progress.

Interviews conducted with a number of managers and non-managerial staff in three departments within Brunei's public sector have provided an insight into how the local context has an impact on the design and implementation of HRM practices.

### ***Socioculture***

Many interviewees felt that Brunei's close-knit socioculture was an important factor in HRM practices. In particular, family relationships have a significant impact on workplace relations with supervisors and colleagues alike. One interviewee stated:

"Working in the public sector, we are expected to respect our supervisors and officers. Supervisors and officers, regardless of their age, are like a father or leader to us; we share an informal relationship and talk to them in person if we have any issues or problems. A very family-like relationship is what motivates me, in particular, because it gives me a feeling of belonging and security. Although we have an informal relationship, it does not mean that we respect our superiors any less."

Previous research in other countries has highlighted that close-knit relationships often result in subjective and informal recruitment and selection processes (see, for example, Myloni et al.'s [2004] research in Greece). The majority of the employees interviewed for this case study claimed that family connections do not influence the way people are employed. This is evident in the following excerpt:

"Yes, we have a very close relationship in our culture, but I must say that it has no direct influence on the way we recruit and select applicants. Because everyone goes through the same procedure, that is, a written exam and then interviews for shortlisted applicants. Furthermore, there are guidelines and procedures that need to be followed when recruiting people. Also, there is a group of committee members who decides on the final result'; this is based on consensus agreement. There is no room for favouritism. ... Personally, when the one who is newly recruited happens to be the son/daughter of an authority figure in the public sector, it is because he/she is qualified for the position, he/she might have already been trained with the kind of traits and skills that we are looking for. That is not nepotism."

However, the above account contradicts statements made by at least three other participants, who felt that 'nepotism' is still the essence of recruitment and selection, particularly in the government sector.

Overall, the interviews suggest that close-knit social relationships in Brunei society have an impact on employment relationship in the workplace. However, the impact is moderated in HRM practices, particularly in recruitment and selection, because governmental regulations still affect HRM policies.

### ***Law and politics***

The national philosophy of MIB has an important influence on the way HRM works in the public sector. One interviewee noted that:

"Malay culture teaches us to be respectful and courteous to others. Islam instils honesty, trust, loyalty and good faith in oneself. Monarchic government means that His Majesty the Sultan holds the ultimate power in decision-making; no one is allowed to go against His Majesty's command. So, basically MIB influences us, in terms of the way we bring ourselves, the way we perform our work as a loyal subject of His Majesty. Every aspect of government affairs revolves around the concept of MIB."

The political influence of the state has in other studies been shown to either strengthen or undermine the role of HRM (Tayeb, 2005): a more cooperative government will have a better chance of adopting HRM efficiently, and vice versa. When asked whether monarchical government hinders employee participation in decision-making, one interviewee stated that:

"Any grievances, complaints or suggestions that are made by employees are attended to by respective supervisors or officers. Obviously in a monarchical government like Brunei, His Majesty holds the absolute powers in major decisions. But other than that, we do value employees' suggestions and points of view. We always take their opinions into consideration. In my position as an officer, I make sure that my door is always open for them to come in and express any problem or suggestion that they may have. We ensure that we include them into any problem-solving and decision-making, because it is important that they feel included."

When asked about how the General Order and State Circulars are dealt with by public sector workers, managers underlined the critical importance of these, not only for their own careers, but also to provide a basis for all government servants for what should and should not be done while working in the public sector. As one interviewee noted:

"Every circular is by command of His Majesty the Sultan; we are obliged to obey them. Officers are directed to encourage and make employees aware of existing circulars."

Non-managerial staff, however, tended to take a less rigorous approach and were sometimes unfamiliar with the content of these documents. Regulations were still poorly enforced regardless of the availability of the General Order and State Circulars. With regards to the content of the General Order, benefits entitlements and working hours are usually included and practised in workplace policies. Participants generally felt that the policies

adopted by the government are flexible and family-friendly. For example, one married female participant stated that:

“Yes, it is very family-friendly. One of the most obvious aspect is the working hours in the government sector. In the regulation book, General Order, it states that one should work maximum 8 hours from 7.45 am to 4.30 pm, but there is some flexibility when it comes to family responsibility, such as sending or picking up children to/from school. Also, in terms of leave entitlement, a married woman can take unpaid leave to follow her husband who was sent to work abroad and her job is still available when she comes back.”

Of late, there is some indication that at least some of the Islamic laws being enforced in the country are discriminatory or repressive in nature. In 2014, the Brunei Sultan announced that he intended to enforce Islamic law (sharia) in the country. In its first phase, laws such as fines and prison sentences for marital relations outside of wedlock, propagating religions other than Islam, and not attending mandatory Friday prayers, have been rolled out. More strict laws such as stoning for adultery are being considered. The UN urged Brunei to delay the changes so they could be reviewed to make sure they complied with international human rights standards (BBC, 2014).

### ***Economics***

Research suggests that, for individuals to be more productive and adaptable to changing economic conditions, experience and knowledge have to be significantly valued (Jackson and Schuler, 1995). In the Brunei public sector, this valuation of education and human capital seems to have been achieved. When asked whether different economic situations influenced the need for educated or experienced workforce, one manager noted that:

“In the government sector, education plays a very important role because we believe fresh graduates have new ideas, which would ultimately benefit the organization over a person with experience who might not have anything new to bring to the organization.”

From an economic perspective, Brunei is facing an excess supply of labour in the job market. An officer thus explained this:

“This is a very challenging issue Brunei is facing. The demand for jobs is overwhelmingly high but the supply of jobs to accommodate the demand is rather low. This is because a new post will only be available when someone retires, resigns, there is end of contract of an employee or a budget is allocated to create new posts.”

This is consistent with Jackson and Schuler's (1995) observation that a country is likely to experience high unemployment in times of oversupply of its labour force. Brunei is experiencing this problem, and thus many students are sponsored to study abroad to temporarily alleviate the number of workers seeking jobs. The problem with an oversupply of labour is that very few vacant positions are usually available in the government sector. For example, in response to an advertisement for a clerical position, 1,000 applications were received for only four vacancies.

### ***Technology***

Technology is a new element in the government sector in Brunei. The Sultan has allocated billions of dollars for IT to be used effectively. In particular, the introduction of GEMS is indicative of a new approach to technology in HRM practice. Public sector workers have mixed reactions to this new system. One manager noted that:

“It’s very convenient because there’s less paperwork and sharing of documents will be easier as it is computerised. Leave applications, benefits entitlement, car and house loans, all are accessible anytime and anywhere.”

Another participant, less positively, argued that:

“We have an online method of inputting data called SIMPA. It is in Malay and is very straightforward. But it is only for data entry and nothing else. Well, GEMS from what I have tried is a bit too complex for me because there are so many folders to click on and most importantly, it is in English. To be honest, I am not good in English language, so I don’t know how I will be able to get used to the changes.”

Officers in general tend to agree with the technological changes that the government intends to implement, whereas the staff are slightly hesitant about the changes. For example, a training officer stated that:

“Every human resources development representative of each government department is given courses to train their respective employees on the usage of this new system. Emphasis is given to clerical positions as they are the ones who handle most paperwork.”

From the interview data, one obvious challenge facing HRM in Brunei relates to how well individuals can adjust themselves to technological changes. Moving away from the traditional face-to-face HRM services poses some difficulty for some employees. Training, on the other hand, may assist staff and officers to adapt effectively to such changes.

### ***Concluding remarks***

This study of HRM in Brunei makes clear that the macroenvironmental context has a huge impact on the way HRM policies are designed and implemented. Culture serves as the overarching umbrella for all the other contexts, such as the legal and political system, the economy and adaptation to technology. In the main, HRM in Brunei revolves around the MIB ideology, which signifies the extent to which Western-originated HRM practices are customized and applied in the country. Human capital is given great importance and has high value in the job market; incentives are, therefore, given to improve human capital. However, the monarchical government of Brunei limits the ability for freedom of speech, freedom of associations and collective bargaining.

A hierarchical relationship is present in the government sector but power distance is not a key concern, as is evident from the interview data. The study shows that Brunei does have a hierarchical relationship as suggested by Hofstede (1984) but that the power distance is not very great and is often a sign of respect for authority and for one’s superiors. The

relationship shared between officers and subordinates positively affects employees' participation rates in problem-solving and decision-making. However, close-knit relationships seem not to excessively influence the recruitment and selection process, which is regulated by state laws and procedures.

From a legal and political context perspective, the MIB ideology seems to have a visible impact on HRM. It enhances the initiatives of various departments in ensuring that everyone gets 100 hours of training and development. It also prohibits employees from setting up or joining trade unions, instead encouraging a more peaceful and harmonious negotiation with officers and supervisors. The General Order and State Circulars are weakly enforced, although superiors tried to stress their importance. In addition, MIB and state laws help to create a family-friendly policy that is flexible for working parents and employees with dependants.

From an economic context perspective, human capital, education, knowledge and skills are encouraged through continuous learning for all employees and officers. The benefits offered by the public sector create the perception of its being the most stable and secure workplace, and hence provide an advantage when recruiting and retaining human capital. Oversupply of the workforce is a prominent issue in Brunei. This affects HRM processes in making sure that the public sector recruits the right people for the right jobs.

Technology seems to be an upcoming aspect in the government sector. Not much information could be gleaned, except for the perceptions of older workers that there is a shift towards an online-based system of HRM. Some older workers find it difficult to adjust to this, but they are still able to do so slowly. Also, when officers and staff were asked whether this would increase convenience, most participants answered positively, saying that IT is helping to speed up their work and lessen their workload.

**Questions:**

1. How do culture and politics affect the design and implementation of HRM in Brunei?
2. Culture serves as the overarching umbrella for all the other contexts, such as the legal and political system, the economy and adaptation to technology. Critically discuss this.
3. How could HRM enable individual employees to adjust themselves to technological changes in their organizations?
4. How does HRM in Brunei differ from HRM in your own country?