

International Affairs

# How Does New Public Management Influence Employment Equity Within the Public and Private Sectors?

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According to Andrew Stark a Professor of Strategic Management in the Department of Management at the University of Toronto-Scarborough, New Public Management (NPM) consists of “competition between public and private service providers, decentralization and delayering of government bureaus, more choice for citizens, benchmarking and output measurements, performance contracts and other financial incentives for public servants, creation of internal markets and assimilation within the public sector, of private-sector management techniques including better risk-management” (2002). The adoption of these methods began in the late 1970s and early 1980s, where the first country to practice these methods was the United Kingdom under the leadership of Prime Minister Margaret Thatcher (Gruening 2001). In addition to municipal governments in the United States, the reason for pursuing these methods was the impact of the economic recession and tax revolts

(Gruening 2001). New Zealand and Australia decided to try their hand with NPM, and due to their success, most Organisation for Economic Co-operation and Development (OECD) countries and other countries followed the same model (Gruening 2001).

In order to understand how New Public Management has impacted different domains within the public and private sphere, this article will answer the question: how does New Public Management influence employment equity within the public sector and private sector? To answer this question, I will incorporate the perspectives of Abigail B. Bakan, Audrey Kobayashi, Tammy Findlay, Gavin Leeb and Graham S. Lowe.

Graham Lowe, the president of “The Graham Lowe Group Inc” and University of Alberta professor breaks down employment equity groups to distinctly understand job loss and maintenance for women, visible minorities, Indigenous

people and persons with disabilities. Lowe explains that the impact of the public sector adopting New Public Management (NPM) principles results in a more diverse workplace (2001). The reason for the increase of representation within workplaces is due to employment equity groups composing most of the Canadian labour force as opposed to 10 or 15 years ago when this was not the case (Lowe 2001). Lowe does further examine downsizing on employment equity groups to determine which group was hit hardest (2001). Based on trends, job loss mainly occurred in women-dominated sectors such as clerical or secretarial (Lowe 2001). On the contrary, women were able to remain for two main reasons. The first is women are continuously obtaining higher education and, therefore, make up a certain population of workplaces. The second is older and higher-level men were retiring thus impacting the male population within the government over women (Lowe 2001). While women do represent almost half of the federal government's population, women do not occupy many high-level positions (Lowe 2001). The reasoning Lowe gives for this lack of representation is that systemic barriers are in place such as the need to work long hours, therefore, causing issues for work-life balances (Lowe 2001).

According to Lowe, the number of visible minorities, Indigenous peoples and

persons with disabilities did not decline despite a reduction in the overall number of government positions (2001). Thus, visible minorities, Indigenous peoples, and persons with disabilities did not feel the impact of job loss as much as the rest of the government population (Lowe 2001). Lowe does conclude by stating that because the general population of visible minorities and Indigenous peoples is on the rise the government will have to catch-up to ensure accurate representation within the workplace to reflect the growing diverse population (2001).

Gavin Leeb, a lawyer for the Canadian Union of Public Employees presents a different perspective in order to understand representation within the private sector. Leeb highlights that within the public sector, pay equity and affirmative action programmes with the accompaniment of strict anti-discrimination policies have given the opportunity for employment for those who are denied employment in the private sector due to their identity (2002). This leads to the private sector not employing as many women, visible minorities and persons with disabilities (Leeb 2002). This trend of private sectors employing certain groups as opposed to a variety of populations leads the government to employ folks who face discrimination from the private sector (Leeb 2002). The author expands on the

notion that reducing spending by reducing the number of employees has an impact on employment equity group's opportunity for employment within the private sector thus facing continuous discrimination within the labour market (Leeb 2002). Furthermore, Leeb explains that the private sector's illegal employment practices and lack of "effective monitoring" allows the private sector to discriminate against members of society that have been historically denied the right to employment (2002).

To understand the influence New Public Management (NPM) has on employment equity Tammy Findlay, an associate professor at Mount Saint Vincent University compares Weberian and NPM ideologies (2015). The author states that the main difference between the two is the practice of employment equity (Findlay 2015). As employment equity progressed "representative bureaucracy during the Weberian regime" (Findlay 2015). The purpose was to weave equity "into merit principle" and placed the responsibility of the state to address systemic discrimination while NPM practices do not support this responsibility (Findlay 2015). Abigail B. Bakan a Professor in the Department of Social Justice Education and is also cross-appointed to the Department of Political Science at the University and Audrey Kobayashi a professor at the Queen's University give credit to the

public sector as being a role model in terms of effectively acting on equity policies, but they note that the shift has been to see employment equity through the lens of the private sector (Bakan and Kobayashi 2000). Furthermore, they explain that equal opportunity was seen as a "democratic practice" but is now seen as a "contribution to profit maximization" (Bakan and Kobayashi 2000).

There are two opposing perspectives on how New Public Management has impacted representation within the public and private sector. The first perspective supporting the results of NPM will lead to a more diverse workplace is based on Lowe's perspective. Lowe makes the connection that the public sector is diverse due to the Canadian labour force is composed of people of different backgrounds. While there is a correlation, the labour force may not be represented within the public service due to discrimination and the focus on maintaining a specific culture within the team. He makes the argument that there was not a reduction in the number of visible minorities, Indigenous peoples, and persons with disabilities within public service, concluding that representation is maintained. The illusion that representation was continued or discrimination against employment equity groups did not occur can be

misleading, due to the possibility of token practices within the public service. Employment equity groups may not feel the hardships of NPM reforms such as downsizing, because there are not many to begin with, and it is efficient to hire a few members of a given marginalized population to create the facade that the public sector is representative. This is a missing aspect of Lowe's conclusion on clearly understanding the implications of NPM on employment equity groups. Lowe does state that the government will increase the number of visible minorities and Indigenous peoples as these two populations are on the rise and the government will be representative, but he fails to mention how systemic barriers can impact their employment opportunities within the public service.

To understand the responsibility the public service has on employing groups that are defined within the term employment equity, Leeb explains that the private sector has the ability to discriminate against employment equity groups, thus leaving the public sector as the only opportunity for employment. This creates a link between private sector practices and the impact on employment equity groups. The public sector finds a loophole to discriminate against employment equity groups by adopting private sector practices in terms of reducing the number of employees they hire. While Leeb does

raise a crucial point in the consequences of adopting private sector practices, there is a failure to break down and identify which employment equity groups face further discrimination over others.

The final perspective, first presented by Findlay, is that the origination of employment equity was to integrate the concept into merit-based ideologies within hiring practices. Bakan and Kobayashi explain that the influence NPM had on the overall concept of employment equity has shifted from a democratic practice to a method to maximize profits. The conclusion of Findlay, Bakan and Kobayashi is that the idea of representation has changed and been used to benefit the institution, instead of those who face discrimination. This perspective can lead human resource departments within the private and public sector to acknowledge that their approach to representation requires a refocus on the members of employment equity groups, rather than how individuals can improve the overall wealth of the organization.

The lack of representation within the public and private sector is an issue relevant to today's society. In order to create a more representative workplace, action needs to be taken at early stages of Black, Indigenous, and people of colour's career development. These actions include the identifying and

breaking down of systemic barriers that these populations face and creating accessible opportunities. Just as New Public Management strives for the best interest of the institution, institutions must strive for the best interest of those who are facing discrimination when it comes to employment.

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