Beyond Fragmented Government:
Governance in the Public Sector
15-17 August, 2005
Victoria University City Campus,
12th Floor, 300 Flinders Street
Melbourne, Australia

CONFERENCE ABSTRACTS

Centre for International
Corporate Governance Research
Victoria University

Sponsor:
Victorian Department of the Premier and Cabinet
Table of Contents

Andrews, Neil ................................................................. 4
   Knitting The Fracture With Corporatism In Canadian Provincial Government: The Ontario Securities Commission And The Regulation Of The Toronto Stock Exchange ......................................................... 4
Casey, John. & Dalton, Bronwen ........................................ 5
   The Best Of Times, The Worst Of Times: Community Sector Advocacy In The Age Of ‘Compacts’ ................................................................................................................................. 5
Dee, Bill ............................................................................ 6
   Taking Public Sector Governance From Concepts To An Implementable System .......................................................... 6
Elliott, Ray. H ...................................................................... 7
   Skills and Knowledge Grid for the Domains, Sources and Methods for Ethical Decision-making in a Multi-cultural Pluralist World .................................................................................. 7
Fernando, Asoka., Alam, Quamrul. & Coghill, Ken ............. 8
   Telecommunications Sector In Sri Lanka: Ineffectiveness Of A New Model Of Governance ....................... 8
Fitzpatrick, Maree .............................................................. 9
   Best Practice Governance: A Commitment To Equitable Gender Balance In The Victorian Public Sector .......................................................................................................................... 9
Francis, Ronald. & Armstrong, Anona ................................ 10
   Information, Knowledge, And Wisdom .................................................................................................................. 10
George, Geoffrey ............................................................... 11
   How Does Government Exercise Control Over Privatised Authorities? The Case Of Utilities In Australia ................................................................................................................................. 11
Harman, Elizabeth ............................................................ 12
   Improving Governance In Higher Education: An ‘Engaged University’ Perspective .................................................. 12
Islam, Sardar. M. N ............................................................ 13
   Managing The Agency Problem In Organisational Behaviour: A Multi-Level Optimisation And Incentive Compatibility Approach ...................................................................... 13
Jia, Xinting .......................................................................... 14
   The Role Of The Government In The Governance Of State-Owned Enterprises In Australia And China: A Case Study Of Telstra And China Telecom ......................................................... 14
Kittson, Ellen ...................................................................... 15
   Independent Advisory Committees: Whose Advice Is It Anyway? ................................................................. 15
Kluvers, Ron ....................................................................... 16
   Performance Measurement In A Not-For Profit Organization ............................................................................. 16
Lai Yew Hock, Dominic ...................................................... 17
   Impact of corporate governance board structure on financial performance of Chinese controlled public listed companies in Malaysia ................................................................................................. 17
Mak, Christine. & Islam, Sardar. M. N .................................. 18
   Economic Evaluation For Including Drugs In The PBS: A Case Study Of Respiratory Diseases Drugs ................. 18
O’Brien, Justin ..................................................................... 19
   The Dynamics Of Enforcement: Mapping The Contested Terrain Of Securities Regulation In The United States And Its Impact On State Federal Relations .............................................. 19
Oh, K. B. & Islam, Sardar M. N ........................................... 20
   Risk Management in the Intellectual Capital Stock Market .................................................................................. 20
O’Sullivan, Siobhan ............................................................ 21
   Animal Research Policy, Public Perceptions, And The Problem Of Visibility .......................................................... 21
Rahaju, Sandi ................................................................. 22
Indonesia’s Search For Public Sector Corporate Governance Model: A Lesson From The Telecommunications Reform? ................................................................. 22
Roy, Achinto .................................................................................................................... 23
Corruption-related Decision-making and Multinational Business Decisions ............... 23
Totikidis, Vicky., Armstrong, Anona. & Francis, Ronald. ............................................. 24
Local Safety Committees and the Community Governance of Crime Prevention and Community Safety .......................................................... 24
Turnbull, Shann. ............................................................................................................. 25
Network Governance In The Public Sector ................................................................ 25
VanGramberg, Bernadine .............................................................................................. 26
Whole of Government in Australia: Issues in Federal-State Relations ..................... 26
Yong, Aster. .................................................................................................................... 27
Ethics, Profit And Foreign Labour Employment Amongst Managers From Australia, Singapore And Malaysia .................................................... 27
Andrews, Neil.

Knitting The Fracture With Corporatism In Canadian Provincial Government: The Ontario Securities Commission And The Regulation Of The Toronto Stock Exchange

Abstract

Corporatism, once used to mediate conflict in labour relations and primary production, has emerged in the policy and regulatory networks around the Toronto Stock Exchange. It is a lop-sided corporatism which excludes representative participation by consumers. Corporatism as an explanatory theory once competed with models of pluralism. It is now obscured by new theories in regulatory studies. Corporatism repositions the financial service industries into the context of other competitive and adversarial economic activities regulated by the state. The broad commercially orientated and relationship-decision making of private order stock exchange regulation has been lifted into state and public order regulation through a combination of industry associations and state agencies. Corporatism emphasises in this arrangement the blurring of private and public policy and decision-making and conventional separations of power. It is marked by (1) participants who are willing and able to negotiate agreements and to pressure and persuade others to observe the terms; (2) rewards, advantages or incentives for participants; (3) recurring contexts and situations which brings the participants together, and, (4) distinctive political and legal cultures of the regulatory institutions needed to accommodate it. It draws attention to the broad standards and discretionary decision making which advantage individual major actors and disadvantages minor ones. It emphasises the decision-making by participants who take into account the economic importance of particular transactions and individual actors. The interests of minor actors including retail investors will not be protected, particularly in the absence of a strong and autonomous state regulator. There will be ongoing concern because of the poor fit with public order regulatory principles relating to impartial decision-making. Reactions to further scandal may require industry-based groups to implement policies against their interests.
The recent introduction of written ‘compacts’ between state governments and the community sector in Australia offer the promise of meaningful coproduction of policy. However, recent research has highlighted that many in the community sector continue to perceive that there are significant constraints on their capacity to engage in advocacy. This paper examines the impact of the current governance regimes on the Australian community sector and explores the dimensions of these perceived constraints. The paper argues that both government and community sectors must make concessions and adjustments. Governments must accept that the use of contracting monopolies to stifle advocacy has weakened their capacity to deliver responsive services, while community organisations must accept that new governance regimes require new modes of participation in the policy process. The paper explores whether the compacts can help create such an equilibrium.
Dee, Bill.

Taking Public Sector Governance From Concepts To An Implementable System

Abstract

While public sector governance is being promoted, particularly by auditor-generals, this promotion is often limited to discussion on important concepts such as transparency, accountability and alignment with government directions. What is lacking is guidance on what constitutes the more detailed components of “good governance” in the public sector and, more importantly, what management systems need to be in place to ensure that a public sector agency delivers good governance on an ongoing basis. This paper will discuss the components or issues that need to be taken into account by an agency to identify the risks that, if not managed, could undermine good governance outcomes for the agency and the structural, operational and maintenance systems that need to be set in place to ensure good governance outcomes.
Skills and Knowledge Grid for the Domains, Sources and Methods for Ethical Decision-making in a Multi-cultural Pluralist World

Abstract

This paper presents a Grid for the Skills and Knowledge required for ethical decision-making in the multi-cultural world of today. Government agency and business leaders alike increasingly have to function in complex pluralist contexts of global significance where the methods, sources and approaches adopted for decision-making appear to be arbitrary, selective, or relativised. The past few years have been marked by a considerable increase in Western public attention about the role of religious belief systems and ideologies in social and political movements, even to the point where such movements impact on State national security. These effects are partly consequent upon advances in information technology communication and contemporary global social interconnectedness. Previous Western solutions about the separation of the impartial State from religion, and of the public from the private, are regarded as problematic. Given this new global social context the Skills and Knowledge Grid proposed defines four necessary domains, sources and methods for competent ethical decision-making. It is argued that the previous Western reliance on purely rational decision-making models and secularist assumptions needs to be balanced by attention to the psychological domain and religious sources for competent ethical judgements today. The *Skills and Knowledge Grid for Ethical Decision-making* (© R. Elliott) encapsulates and promotes the necessary systematic awareness and approaches to inform ethical decision-making by administrators, boards, leaders and managers and all involved in this new international social reality.
Abstract

This paper examines the telecommunications industry in Sri Lanka and assesses the effectiveness of regulatory arrangements associated with the liberalization of the telecommunications industry from a management point of view. The assessment focuses on the scope of services, price and the quality of services available to customers after liberalization. This study finds that despite the early establishment of the Telecommunications Regulatory Commission (TRC) to monitor the industry, its interventions have been only partially successful in making the telecommunications industry conducive to service providers and customers. While liberalization of the telecommunication industry is favoured, the role of the regulator has been criticized in regard to; its independence, impartiality, capability, transparency and accountability. In conclusion, the study questions whether the current model is the most appropriate for the circumstances prevailing in Sri Lanka.

Key Words: Privatization, telecommunications, Regulation
Best Practice Governance: A Commitment To Equitable Gender Balance In The Victorian Public Sector.

Abstract

Equitable gender representation on corporate boards has been a focal theme in the quest for best practice governance both nationally and internationally. Originating from an empirical study on governance structures and practices in a Victorian public sector health agency, this paper presents the trends in the representation of women on a range of public sector boards, including the make-up of state metropolitan public health service boards over a four-year period. The perceptions’ of local leading governance professionals- collected as part of a larger ethnographic study on governance, is introduced to the debate in the academic and business literature on gender representation and the role of women on corporate boards. The paper explores the concept that women may bring a different perspective from their male counterparts to add value to the boardroom. It addresses the purported barriers to women from breaking the glass ceiling and discusses the government initiatives to increase female participation at board level. The paper concludes that that the Victorian public health sector's model of governance may be one of genuine best practice in terms of achieving real gender equity on boards.

Keyword: governance, health, women, and equity.
Francis, Ronald. & Armstrong, Anona.

Information, Knowledge, And Wisdom

Abstract

This paper examines the distinctions between information, knowledge, and wisdom. It argues that being aware of such distinctions confers considerable benefit. Crucial to the information process is an understanding of the problems that inhere in defining concepts. Some information may be either a help or a hindrance; some information may be timely or counter-productive; some information may be wrongly inferred; and sometimes there is too much information to enable appropriate decision making. Explanations may be presented at different levels, and accurate perception of this 'levels of explanation' notion enable us to typify our insights. This paper examines the different kinds of information and presents a taxonomy of information: it examines inferred and implied information and considers the principle of deeming. For each of these there is a suggested set of principles that become guidelines. The general thrust of this paper is that information, knowledge, and wisdom need to be understood as a continuum, and that insights into the information-wisdom continuum can be a significant aid both to good decisions and to the quality of life.
How Does Government Exercise Control Over Privatised Authorities? The Case Of Utilities In Australia

Abstract

This paper examines the electricity industry of Victoria in particular, and the utilities of Australia generally, to identify the mechanisms of control exercised by government, which aim to regulate these and similar natural monopolies. It is argued that as the markets for outputs of utilities (water, gas, electricity, telecommunications) are less than perfectly competitive, such markets require the active intervention of regulators to ensure that consumers get “value for money”. Further, the prices that are “permitted” by regulators should reflect the full cost of service delivery including costs of any environmental degradation that are incurred in the production and delivery of services, the so called externalities of the economists. Further, the price to be permitted by the regulator should ensure that the rate of return to the service provider is commensurate with market rates of return for similar risk business activities. The paper concludes by proposing a regulatory system based upon an accounting model which captures all of the information required for optimal regulation of utilities.
Harman, Elizabeth.

Improving Governance In Higher Education: An ‘Engaged University’ Perspective

Abstract

The National Governance Protocols for Public Higher Education Institutions, part of Brendan Nelson’s higher education reform package, seek to improve the public accountability of universities by making them operate in a more ‘business like fashion.’ As borne out in the substance of the Protocols, accountability, it seems, stops at financial and commercial accountability and does not extend to broader principles of public service and external engagement, not only with industry but also with communities and the professions. The National Protocols are symptomatic of the double bind in which Australian universities have been caught under the Nelson reforms – required to operate in an increasingly deregulated market but at the same time facing an increasingly intrusive and limiting bureaucracy. There is, however, a competing model of the public sector offered by the Victorian State Government and building on the UK experience. This model suggests that the way forward will neither be through bureaucratic control, nor a totally free market, but through ‘network governance’, that is, rethinking the public sector to focus on the citizen and the complex set of connections that sustain a society. Blair’s “New Labour” was intended to create a vibrant, knowledge-based economy with government as an enabler, not commander, and the market used to work for community benefit (although critics argue that the reality has not lived up to the rhetoric). These wider debates about the nature of the public sector have significant implications for public education, which must also start to find a ‘third way’ beyond the logic of the bureaucrat or the free marketeer by looking to work through more effective links with community and industry. Useful precedents exist – for example, Alverno College in the US is proving a national leader in engaging with industry and community right through to curricula and team assessment. This third way for universities translates into an increased community and industry involvement in the life of the University. For this to be really meaningful, engagement must be genuinely accommodated by University governance arrangements. This will require changes far more radical than those proposed by the National Protocols. It must include rethinking how universities and communities relate to university governance structures, including the governing Council or Senate, the academic or collegial boards and the equivalent faculty boards. Councils require not only members with commercial or financial expertise - they also need to be more reflective of the community. Academic and faculty boards have tended to be the closed preserve of academics, with small concessions made to allow a general staff presence. However, the community and industry have been kept at bay – relegated to ‘toothless tigers’ such as industry advisory committees, which are often prevented structurally from adding real value. Future governance arrangements might benefit from following the lead of the more adventurous institutions like Alverno, who have been willing to bring industry and community into the heart of academic decision-making. This may well be central to breaking with the paternalistic assumption that as universities, we can make decisions for the regions we serve, rather than with them.

Centre for International Corporate Governance Research.
Abstract

Organisational behaviour research has become an advanced area of corporate finance studies. Firms are faced with controversies of decision making between the board of directors (BOD) representing the shareholders being the principals and the managers being the agents, leading to principal agent problems. To deal with such problems, a significant element in research in organisational behaviour and finance has been dedicated to developing efficient organisational behaviour mechanisms which are able to serve the interests of the BOD (representing the owners or shareholders). This paper argues that a principal-agent organisational behaviour mechanism of the principal agent system can be appropriately represented by implementing a multi-level optimisation and incentive compatibility model. Integrated multi-level modelling and incentive compatibility approach in organisational behaviour is a new development, even though seminal literature in multi-level modelling and incentive compatibility approach in organisational behaviour in the form of agency theory does exist. Therefore, further development of such literature is required. This paper presents: (1) a critical literature survey of the issues of organisational behaviour and the contributions made by the present paper over the existing models of agency theory in organisational behaviour and finance; (2) a multi-level programming model of organisational behaviour and incentive compatibility mechanism; (3) an institutional mechanism which can address issues such as moral hazard, asymmetric information, incomplete contract, adverse selection, etc. in organisational behaviour; (4) some numerical and non-numerical examples of such a multi-level programming approach to organisational behaviour and their incentive and agency implications; and (5) methods for applied large scale modelling. This study reveals that financial incentives of organisational behaviour such as variations in financial numeration being used, may not be enough to solve agency problems in firms. Development of corporate culture based on business ethics can be supplementary to the existing methods of organisational behaviour. This paper argues that the multi-level optimisation approach provides a useful modelling methodology for, and insights into, the agency problem in organisational behaviour.

Keywords: Organisational behaviour; agency theory; mathematical modelling
Jia, Xinting.

The Role Of The Government In The Governance Of State-Owned Enterprises In Australia And China: A Case Study Of Telstra And China Telecom

Abstract

Historically, government controlled enterprises played an important role in economic life not only in socialist countries but also in countries dominated by market economies such as in the UK and Australia. By analysing the evolving roles of government in the governance of Telstra in Australia and China Telecom in China, this article explores corporate governance practices of two companies under their unique political, legal, social and economic context, utilising a stakeholder approach. With the likelihood that Telstra will be fully privatised in the near future, this article provides food for thought for policy makers, researchers as well as business analyst.

Keywords: Governance, State-owned enterprise, stakeholder approach
Independent Advisory Committees: Whose Advice Is It Anyway?

Abstract

The role of an Advisory Committee is traditionally described as providing an independent source of advice for Government in its formulation and implementation of policy. This paper will examine the governance of advisory committee operations looking particularly at the role of the Secretariat in supporting the Committee in developing and presenting its advice. The true “independence” of such a Committee will be tested against common processes of member and Chair appointment, the setting of Terms of Reference, Committee accountability and reporting requirements and their influence in the longer term delivery of policy outcomes. The author will comment on the use of advisory committees compared to other processes for obtaining stakeholder input into policy development.

Keywords: advisory committees, policy development, committee accountability
Kluvers, Ron.

Performance Measurement In A Not-For Profit Organization

Abstract

Much has been written about the advantages for an organization of implementing management systems, much has also been written about the problems associated with those systems. Research has highlighted the failure of abstract management systems particularly in the public sector. However, this research has concentrated on organizational issues and appears to pay little attention to the individual's perception of and interaction with the performance measurement system. Not-For-Profit (NFP) organizations have greater difficulty measuring performance since their objectives can be more ambiguous than the objectives of a business entity. Townley (2001) has argued that the abstracted management systems fail because they are removed from their organizational context and do not consider local conditions. Research was undertaken in a unique organizational context; a not-for-profit organization, in which performance measurement is considered important. A number of departments had introduced performance measurement systems and the aim of this research was to examine the interactions of the respondents with the measurement systems.

Keyword: Performance Measurement, effectiveness, efficiency, KPI's
Lai Yew Hock, Dominic.

Impact of corporate governance board structure on financial performance of Chinese controlled public listed companies in Malaysia

Abstract

Corporate Governance gained prominence in Malaysia during the Asian crisis of 1997. Bursa Malaysia (formerly known as Kuala Lumpur Stock Exchange) issued the Listing Requirements on 22 January 2001. The Code of Best Practices in Corporate Governance under the said Listing Requirements prescribes an effective board structure to be adopted on a voluntary basis by companies. The Code favours the separation of chairman/CEO posts (separate titles) and the appointment of at least one-third Independent Non-Executive Directors to the board (board independence). A review of the literature shows that the adoption of the prescribed board structure in not likely to improve the financial performance of Chinese controlled companies in Malaysia, because these companies practise a distinctive Chinese business culture. An empirical research is conducted, using 218 Chinese controlled public listed companies in Malaysia as the sample for the study. The variables are (i) separate chairman/CEO titles, (ii) one third Independent Non-Executive Directors and (iii) strong board indicating the presence of both separate titles and board independence. The measures used to determine financial performance of the companies are ROE, EPS, DPS, liquid asset/share and gross margin. All analyses are conducted using SPSS, version 12. T-test is used to ascertain the relationship between the variables in order to determine the acceptance or rejection of hypotheses. The findings are validated using Spearman’s rho correlation analysis. Data is extracted from the sample for the three years 2001 to 2003. The results show that there has been widespread adoption of the board structure recommended under the Code by the sample companies. The results also show that the prescribed board structure under the Code, both separate titles and board independence, has no significant impact on the financial performance of the sample companies. From the findings, the prescribed board structure in the Code is more likely to play a significant role in the accountability aspect of corporate governance, rather than the business prosperity aspect. Perhaps the more appropriate link is that improved accountability in the company will prevent wealth reduction.

Key words: Corporate governance, separate chairman/CEO titles, independent directors, Chinese business culture.
Economic Evaluation For Including Drugs In The PBS: A Case Study Of Respiratory Diseases Drugs

Abstract

A new approach to the valuation of economic activities conducted through the integration of economics and moral philosophy is increasing within the literature. However, there have been limited studies that specifically present the issues of economic valuation in the health sector by integrating economics and moral philosophy. This paper argues that the valuation of drugs in health economics should be based on the integration of economics and moral philosophy. However, such an appropriate integration has not yet been done. The main objectives of this paper are to: (1) modify the existing economic analysis of the health sector by integrating the issues and principles of moral philosophy; and (2) develop a new framework for cost benefit analysis named new3 cost benefit analysis, to demonstrate the application of new social choice approach under the welfare economics framework to health economics and policy evaluation. The issues and principles of moral philosophy, which are applied and addressed in this paper, are concerned with: the need and scope for applying moral philosophy to health economics; the definition of social welfare; and the choice of moral criteria (utilitarianism, social contract, etc.) in judging health outcomes. The advantages of the extended framework of economic evaluation in the health sector are demonstrated in this paper through the adoption of a case study of the drugs for respiratory diseases (Asthma and Chronic Obstructive Pulmonary Diseases or COPD) under the Australian Pharmaceutical Benefit Scheme (PBS).
The dynamics of financial regulation in the United States have been transformed by a series of investigations mounted by Eliot Spitzer, the State Attorney General of New York. Through the strategic use of his office, Spitzer has become one of the country’s most successful policy entrepreneurs. His success is linked to serendipitous confluence of three key factors: the diffused nature of regulatory authority in a federal system; the location of the state as the pre-eminent global financial centre; and the particularity of the New York State constitution, which offers little resistance to the vagaries of political ambition. The paper concludes that while Spitzer has highlighted serious structural problems and caused severe embarrassment, fundamental changes to market governance itself have been less evident.
Electronic commerce or e-commerce is a new phenomenon in the financial markets. The rapid advances made in the information and communications technology sector have facilitated the advent of e-commerce and has resulted in global market euphoria over technology stocks in financial markets. This paper is based on the premise that an initial characterisation of the e-commerce sector is necessary as a precursor to a more profound understanding of the financial market mechanism and asset pricing process in the Intellectual Capital sector. The development of e-commerce as a consumer market is reviewed in this study. The issues and factors contributing to this development are identified, analysed and the implications for equity valuation of e-commerce related stocks are discussed and explained. Various economic variables that influenced Australian e-commerce stock returns from July 1999 to June 2000 are examined to support the study of risk management of Intellectual Capital stocks. A critical review of existing theories of stock valuation and their empirical relevance to e-commerce is presented, representing the Intellectual Capital stocks. Investors use valuation models in determining and evaluating stock values. Due to the limitations of existing valuation models, this paper develops a new approach for the valuation of e-commerce stocks. This approach consists of firstly, identifying the pervasive economic factors, both local and international, that influence the Australian financial market; and secondly, conducting tests on the statistical significance of these factors on e-commerce stock valuation. The factor identification process in this study seeks to ensure that equity investments in the e-commerce sector will maximise financial return when these variables are included in the risk analysis.
Animal Research Policy, Public Perceptions, And The Problem Of Visibility

Abstract

For the last three decades the rhetoric from those who engage in, and regulate, animal research has asserted the need for animal research to be more transparent. Transparency is thought to be helpful in garnering public support for animal research, particularly in the face of attack from animal rights advocates. Underpinning this position is the notion that opposition to animal research is partly a result of public ignorance. Sixteen years after the Australian Senate Select Committee into Animal Experimentation found that it is important for institutions to be ‘open and forthcoming’ about their animal use, this paper seeks to examine the level of public understanding about the use of animals in research. It will be argued that, despite the rhetoric, the animal research community has not embraced the notion of transparency and therefore has not significantly increased its level of public accountability. Using original survey data, this paper will contend that although 69.5% of the general population state that they are either ‘very concerned’ or ‘somewhat concerned’ about animal research, understanding of legal or technical issues pertaining to animal based research is very poor. Knowledge levels are improved among those who belong to Animals Australia, however, as knowledge levels rise, so does opposition to animal research. These findings not only suggest that the animal research community has failed to ‘open the laboratory door’, but also cast doubt over the logic used to argue that enhanced transparency is in the best interest of the research community.

Keywords: Public Transparency, Animal Research, Public Policy
Rahaju, Sandi.

Indonesia’s Search For Public Sector Corporate Governance Model: A Lesson From The Telecommunications Reform?

Abstract

The 1997 financial crisis has compelled the Indonesian government to expedite its economic and regulatory reforms of state-owned enterprises. Current master plan of 2002-2006 is however littered with contradictions and ambiguity. Drawing from the recent privatizations of the state-owned telecommunications enterprises, this paper highlights the inherent inconsistencies created by the government like its golden share arrangements. On the one hand, much of the government’s policies seem to go against the objectives of the country’s National Code of Corporate Governance; on the other the Indonesian government appears to continually work towards complying with IMF, WTO and World Bank’s guidelines in best practices. However this could be symptomatic of Indonesia’s reform where the government, in its effort as to produce “enterprises with world class characteristics” is attempted to balance the vested interests of domestic and international stakeholders. More importantly telecommunications reform will demonstrate the multiplicities in Indonesia’s search for a pragmatic framework for the public sector corporate governance and in turn a sustainable economic development program. Arguably these ‘teething’ problems require immediate attention, if not the country is at risk of sliding into economic abyss when international financial community look elsewhere for better prospects.

Keywords: Indonesia, state-owned enterprises, telecommunications
Roy, Achinto

Corruption-related Decision-making and Multinational Business Decisions

Abstract

Business decisions can affect stakeholder communities in host countries resulting in negative stakeholder consequences such as the case of Shell in Nigeria. The Shell case has been called the quintessential case that demonstrates the “interconnectedness” between business decisions and stakeholder issues (Wheeler, Fabig & Boele, 2002). Usually, decision-making managers rely on economic rationality to guide them in their actions that may impact stakeholder issues such as the environment or human rights issues. This happens because managers operate from a position of ‘positional objectivity’. Amartya Sen writes that what one can observe depends on one’s position vis-à-vis the object of observation (Sen, 2002). Multinational business managers encounter corruption at different times, in different situations at home and overseas, across different cultures. Most times, when stakes are large they face hard decisions-whether to participate or not; whether to gain or lose business; whether to risk reputation and company image; whether to think of shareholder commitments, ignoring stakeholder issues. These questions are both legal and/or ethical in nature. Decisions are context specific and decision-makers operate from a position of ‘positional objectivity’. Practical rationality therefore, “implies both determining the correct means for achieving the desired ends and aiming at those ends which promote what Aristotle calls flourishing (eudaimonia)” (Klein, 2002). The ends and outcomes of any rational decision-making process should necessarily lead to human well being and not human suffering, therein lays the challenge for any decision-making manager. This paper addresses that challenge by introducing a new domain in strategic management termed as Corruption-related decision-making (CRDM) for multinational business managers with a proposed CRDM model that incorporates protection of human rights, issues of the environment and sustainable development.
Local Safety Committees and the Community Governance of Crime Prevention and Community Safety

Abstract

Over the past thirty years or so, the onus of crime prevention and community safety in Victoria has been shifting away from police to a more community-based role involving partnerships between multiple community stakeholders. This paper focuses on one such group of community stakeholders known as the Local Safety Committee (LSC). LSCs represent a form of public sector governance that is concerned with the Community Governance of Crime Prevention and Community Safety. This paper describes the outcome of two survey questionnaires involving 41 LSC members from six Local Government Areas in Victoria: Bendigo, Boroondara, Brimbank, Glen Eira, Port Phillip and Shepparton. The survey was undertaken to further explore participant responses and check our assumptions and hypotheses with respect to the findings of previous focus group sessions held with the six LSCs. The research makes an important contribution to our understanding of the community governance of crime prevention and community safety, yielding insights into the structure, issues and concerns of local safety committees.

Keywords: public sector governance, community governance, crime prevention and community safety, local safety committees
Turnbull, Shann.

Network Governance In The Public Sector

Abstract

This paper identifies the potential for network governance to deliver superior political, social and operational advantages than departmental, corporatised, privatized and/or public private partnerships for the delivery of community services. Network governance is created when command and control silos of authority are divided into almost autonomous networks controlled by the relevant stakeholders. The advantages of network governance arises from: (i) Governments not being required to consolidate the liabilities required to fund public assets; (ii) Replacing ministerial accountability with stakeholder governance and accountability; (iii) Enriching democracy by introducing direct citizen participation in the control of public sector services (iv) Changing the role of government from direct intervention to establishing the rules of the game for self-governance, (v) Increasing economy, efficiency and effectiveness by replacing private sector competition for control through markets and regulation with internal organisational competition for control among competing stakeholders (vi) Avoiding plutocratic control of community assets by the private sector that degrades accountability, introduces cynicism of politicians and government to create social alienation and disengagement.

Key words: Accountability, Democracy, Network governance, Privatisation, Stakeholders
VanGramberg, Bernadine.

Whole of Government in Australia: Issues in Federal-State Relations

Abstract

Increasing departmentalism created through privatisation and contracting out has exacerbated the silo effect associated with the existence of separate government departments and agencies. The gaps created by the lack of integration between service providers and government has led to a range of solutions known variously as whole of government, connecting government and joined-up government. These responses are pragmatic solutions. On the one hand they recognise the failure of the current agenda to provide coordinated government services, and on the other, the reluctance of western governments to resume traditional service provision. It is significant that the models for much of the whole of government response in Australia originates from the joined-up approaches implemented in the UK. The focus of joined-up government is on horizontal coordination (Chandlers, 2000) because the UK is a unitary state. However, Australia is a federation and its state governments are constitutionally responsible for important public services, some in common with the responsibilities of the commonwealth. Simply adopting horizontal solutions in Australia threatens to create new gaps and add to the problems of attaining whole of government outcomes. The challenge for Australia is to manage the accountability, governance and coordination issues arising from horizontal whole of government initiatives. This paper outlines the issues facing Australia in the implementation of whole of government and argues that in the process of accommodating the initiatives within its federal government structure, it is finally reinventing government.
Yong, Aster.

Ethics, Profit And Foreign Labour Employment Amongst Managers From Australia, Singapore And Malaysia

Abstract

The effects of country, race/ethnicity and religion were investigated on managerial views of profit and ethical stances on foreign labour employment (FLE). Altogether 120 randomly and 83 quota selected respondents came from three countries (Australia, Singapore and Malaysia), two race/ethnic groups (Anglo-Celtic/Caucasian) and two religious denominations (Christian and Buddhist) to enable a seven cross-combination variable factorial analysis. Results indicated that Australians (except AB) were the most whereas Malaysians (MM particularly) were the least consistent with their views of profit and ethical stances on FLE. Of the three country groups, Australians exhibited the greatest awareness of their corporate social responsibility toward various stakeholders and the environment. Support was found for three hypotheses and partially for one. Findings highlight that culture does bring about differences in attitudes and ethics among individuals from various groups. These have implications for commercial activity and suggest that managers (not only those with human resource management) need to be cognisant of the importance of cultural differences in order to deliver a professional savoir-faire.

Key Words: Ethics, profit, foreign labour employment, culture