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HRM in context: Brunei's public sector¹

Brunei is a monarchical government that is governed by Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah, who has 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 centrality of Islam as a religion and a set of guiding values.

In October 2013, the Sultan announced his intention to impose Islamic Sharia law on the country's Muslims, which represent around 78 per cent of the country's population. This would make Brunei the first country in South East Asia to introduce Sharia law into its penal code. The move attracted international criticism and concerns about human rights and minority rights (USA Today, 2013)². Christians represent 9 per cent of the country's total population and Buddhists have a similar proportion (CIA Factbook, 2016)³. The Sharia law being introduced in Brunei may prescribe fines and prison sentences for 'crimes' such as pregnancies outside of wedlock, propagating religions other than Islam, and not attending mandatory Friday prayers. Further, it introduces harsh punishments such as floggings and cutting off hands for property offences (Ozanick, 2015)⁴.

Brunei, situated in South-East Asia, has an estimated population of 429,000 (2017 estimate), of whom 66 per cent are Malay and 10 per cent are Chinese, the remaining 24 per cent comprising indigenous groups, expatriates, and immigrants. About 54 per cent of the overall population is made up of the 20–54 age group, which is considered to be the economically productive group.

The main source of income for Brunei is the oil and gas industry, followed by the private and government sectors. The public sector is the main employer for the majority of citizens and residents of Brunei (Brunei Economic Development Board, n.d.)⁵.

¹ Professor Jawad Syed and Ms Dk Nur'Izzati Pg Omar wrote this country case study and teaching note 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. © Copyright: South Asian Academy of Management. To order copies or request permission to reproduce materials, email: info@southasianaom.org OR call (+92) 3291009981. This publication may not be digitized, photocopied, or otherwise reproduced, posted, used or transmitted, without the permission of South Asian Academy of Management.

² USA Today (2013). Brunei's sultan to implement Sharia penal code. October 22. Available at: <http://www.usatoday.com/story/news/world/2013/10/22/brunei-sharia-law/3162127/>

³ CIA Factbook (2016) Brunei. Available at: <https://www.cia.gov/library/publications/the-world-factbook/geos/bx.html>

⁴ Ozanick, B. (2015) The implications of Brunei's Sharia Law. *Diplomat*, May 21. Available at: <http://thediplomat.com/2015/05/the-implications-of-bruneis-sharia-law/>

⁵ Brunei Economic Development Board (n.d.) Introducing Brunei. Available at: <http://www.bedb.com.bn/>

Owing to Brunei's distinct political system, it has different employment regulations and structures from those of other South-East Asian countries. Brunei is ruled by a strict essence of conformity and consensus that does not allow organisations or individuals to challenge the government and its policies. The country's public sector may be seen as a 'model employer' (Beattie and Osborne, 2008), in the sense that it sets an example to the private sector in terms of the fair treatment of employees and providing good conditions of service – this includes high levels of job security, better leave entitlement, and generous pensions (Black and Upchurch, 1999)⁶.

In the public sector, the *General Order* and *State Circulars* shape human resource management (HRM) practices. The General Order dates back to 1962; its content covers many key elements of HRM, for example appointments, promotions, benefit entitlement, work etiquette and discipline. State Circulars cover more current HRM 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 absolute power over the way that 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 these two sets of government policies.

A relatively recent 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 better HRM practices such as recruitment and selection, compensation and benefits, as well as administration and discipline. In addition, the system is aimed at reducing paper usage to make the country greener.

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 process and approve allowance and benefit applications. Government employees can apply for allowances and benefits online, retrieve useful information such as the latest policies that have been introduced, check their balance of leave entitlement, and participate in surveys and forums where they can express their suggestions for how to improve the civil service. The public, on the other hand, can check job vacancies online, submit job applications and track their progress (GEMS, 2014)⁷.

Interviews conducted with managers and nonmanagerial staff in three departments within the Brunei public sector have provided an insight into how the local context affects the design and practice of HRM.

Socioculture

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

⁶ Black, J. and Upchurch, M. (1999) Public sector employment. In Hollinshead, G., Nicholls, P. and Tailby, S. (eds), *Employee Relations*. London: Financial Times Management.

⁷ GEMS (Government Employee Management System) (2014). About GEMS: GEMS background. Available at: <http://www.jpa.gov.bn/Theme/Home.aspx>

Working in the public sector, we are expected to respect our supervisors and officers. Regardless of their age, they 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 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]⁸ research in Greece). However, several employees interviewed for the present study claimed that family connections did not influence the way people were 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 short-listed applicants. Furthermore, there are guidelines and procedures that need to be followed when recruiting people. Also, there is a group of committee members who decide on the final result. This is based on consensus. There is no room for favouritism.... 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, this view is not universally shared. Several other participants expressed concerns that family ties and personal relationships could subtly influence hiring decisions, particularly in the public sector. Overall, the interviews suggest that close-knit social relationships in the wider society affect employment relationship in the workplace. However, the impact is moderated by formal HRM practices which are shaped by governmental regulations.

Law and politics

While full implications of Islamic Sharia law remain yet unknown, the national philosophy of MIB seemed to affect the way HRM worked 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.

⁸ Myloni, B., Harzing, A. K. and Mirza, H. (2004) Host country specific factors and the transfer of human resource management practices in multinational companies. *International Journal of Manpower*, 25(6): 518–534.

The political influence of the state has in other studies been shown to either strengthen or undermine the role of HRM (Tayeb, 2005)⁹. A more cooperative government will have a better chance of adopting HRM efficiently, and vice versa. When asked whether monarchical government hindered 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 all employees 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 were dealt with in the public sector, 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. As one interviewee noted:

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

Nonmanagerial staff, however, tended to take a less rigorous approach and were sometimes unfamiliar with the content of these documents. It appeared that regulations were inconsistently 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 were usually included and practised in workplace policies. Participants generally felt that the policies adopted by the government department were 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 is stated 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 will be available when she comes back.

Of late, there is a concern that at least some of the Islamic laws being enforced in the country may be discriminatory or repressive in nature. In 2014, the Sultan announced the enforcement Islamic law (sharia) in the country, announcing fines and prison sentences for

⁹ Tayeb, M. H. (2005) *International Human Resource Management: A Multinational Company Perspective*. New York: Oxford University Press.

propagating religions other than Islam and punishment for the violation of Islamic laws. The UN urged Brunei to delay these laws so they could be reviewed to make sure they complied with international human rights standards (BBC, 2014)¹⁰.

Economy

Research suggests that, for individuals to be more productive and adaptable to changing economic conditions, individuals skills and experience have to be significantly valued (Jackson and Schuler, 1995)¹¹. In the Brunei public sector, there seemed to be an emphasis on human capital including formal qualification. For example, 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 organisation, over a person with experience who might not have anything new to bring to the organisation.

From an economic perspective, the country seemed to face 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 an end of contract, or a budget is allocated to create new posts.

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

Technology

The study reveals that the Sultan has allocated a significant budget for information technology (IT) to be incorporated and used effectively. In particular, the introduction of GEMS indicates a new approach to technology in HRM practice. However, public sector workers seemed to 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.

¹⁰ BBC (2014) Brunei introduces tough Islamic penal code. *BBC News*, April 30. Available at: <http://www.bbc.co.uk/news/world-asia-27216798>

¹¹ Jackson, S. E. and Schuler, R. S. (1995) Understanding human resource management in the context of organizations and their environments. *Annual Review of Psychology*, 46: 237–264.

Another, less positively, argued that:

We currently 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 at English, so I don't know how I will be able to get used to these changes.

Officers in general tended to agree with the technological changes that the government intended to implement, whereas the lower-level staff were somewhat hesitant about the changes. For example, a training officer stated that:

Every HR representative of a government department is given material and courses to train their respective employees on the usage of this new system. Emphasis is placed on staff or clerical positions as they are the ones who handle most paperwork.

From the interviews, one obvious challenge related to how well individuals could adjust themselves to technological changes. It appeared that moving away from the traditional face-to-face HRM services was causing some difficulty and stress to some employees. Training, on the other hand, could assist officers and staff alike to adapt to such changes.

Final reflections

This study of HRM in Brunei shows that the context has a huge impact on the way HRM policies are designed and implemented. Culture serves as the overarching umbrella for all the other factors, 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 customised and applied in the country. Human capital is given great importance and has high value in the job market. Incentives such as foreign scholarships are given to improve human capital. However, the monarchical government limits the ability for freedom of speech, freedom of associations, and collective bargaining. Such limitations may become further restricting due to promulgation of Islamic Sharia in recent years.

A hierarchical relationship is present in the government sector, but power distance (Hofstede, 1991)¹² does not seem to be a major concern, given that there is an emphasis on fairness and public well-being. Thus, while Brunei has a hierarchical system, the power distance may be perceived as a sign of respect for authority and regard for one's superiors. Thus, the relationship between officers and subordinates does not necessarily inhibit employees' participation in problem-solving and decision-making. Moreover, while close-knit relationships may influence recruitment and selection, such processes are regulated by state laws and procedures.

From a legal and political perspective, the MIB ideology seems to have a visible impact on HRM. It encourages various departments to ensure that everyone gets adequate training

¹² Hofstede, G. (1991) *Cultures and Organizations*. London: McGraw-Hill.

and development. It prohibits employees from setting up or joining trade unions; instead encouraging a more peaceful and harmonious relationship with officers and supervisors. The General Order and State Circulars are inconsistently enforced, although superiors seek to stress their importance. Taken as a whole, MIB and state laws help to create a management system that is flexible and well-being oriented.

From an economic perspective, human capital development is encouraged through continuous learning for all employees. The benefits offered by the public sector create the perception of it being a stable and secure workplace and hence provide an advantage when recruiting and retaining human capital. However, the oversupply of workers is a pressing issue. This requires HRM processes to ensure that the public sector continues to work efficiently and grow while recruiting the right people for the right jobs.

Technology seems to be an emerging issue in the government sector. Not much information could be gleaned from the interviews, except for the indication that there was a shift towards an online-based system of HRM. Some older workers found it difficult to adjust to but they were still able to make some progress. In fact, many officers and staff members acknowledged that IT was helping them to expedite their work and reduce their workload.

Discussion Questions

1. How do Brunei's sociocultural values, particularly the emphasis on hierarchy and close-knit relationships, influence HRM practices in the public sector?
2. What role do the General Order and State Circulars play in shaping HRM policies in Brunei's public sector, and how consistently are they enforced?
3. How has the introduction of the Government Employee Management System (GEMS) impacted HRM processes in Brunei's public sector, and what challenges have employees faced in adapting to it?
4. Given the limited number of government job openings and an oversupply of labour, how does HRM in the public sector manage recruitment and workforce planning?
5. How does the hierarchical structure in Brunei's public sector influence employee motivation and decision-making compared to Western public sector HRM models?