

The New Zealand Customs Service: recruitment, selection and integrity - TEACHING NOTE

1. Brief synopsis

Organised crime syndicates target staff in law enforcement agencies such as Customs. Tori Puata provided insider knowledge of Customs profiling techniques and personal facilitation of drugs through Auckland Airport. He was employed as a Primary Processing Officer (PPO) in 2000 and at the end of that year as a Customs Officer. When his offending started, Puata had been promoted to Acting Team Leader and was running a small team of officers on shift at Auckland Airport. Lessons learned from the Puata case have informed new recruitment and training initiatives within Customs. The Service is now recruiting over 200 people nationwide. Nearly 100 of these will be working at Auckland Airport. Managing risk is Customs' core business, but now management have to handle risk within their ranks.

2. Case decision-maker's key concerns

The Customs Service management is concerned with maintaining the utmost integrity within the Service. As an organisation upholding the public's trust, its reputation is built on public confidence. The intense public scrutiny and media coverage afforded Tori Puata damaged the Service's reputation and left staff feeling betrayed and angry. With so many new recruits into the Service, how can Customs Management ensure that this incident is not repeated? What methods of recruitment and selection can be used to mitigate the risks of bringing on so many new people so quickly? What training and development activities can be implemented to ensure staff behaviours are aligned to the high level of integrity required of a law enforcement agency?

This teaching note was written by Teresa Platt, New Zealand Customs Service, for Dr Richard Norman, Victoria University of Wellington. It has been prepared for use with the case 2005-55.1. The use of teaching notes is restricted to authorised persons.

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3. Basic instructional issue(s)

As a Customs Manager, how would you deal with the following issues?

Beginner level

- What can be done to stop other staff being enticed to criminal activity like Tori Puata?
- What recruitment, selection and induction strategies could be put in place to ensure staff integrity, especially in light of the numbers of new staff?

Intermediate level

- What explicit and implicit mechanisms of organisational control exist at Customs?
- What are the good and/or necessary aspects of these mechanisms in terms of working for a law enforcement agency?
- What are the drawbacks?
- Did Customs management deal effectively with the negative effects on staff of the Tori Puata case? Why or why not? How would you handle the shades of grey of being a public servant in a law enforcement agency where the rules are black and white?

4. Teaching objectives

This case is intended for a postgraduate level course in public sector management. A participant may be working in the public sector or aiming for a management position in this sector. The case could be used by a change management, leadership or HR tutor as an example of issues around staffing, integrity, change and growth, values and public sector culture.

Analytically, students will be required to identify the problems and critically analyse the solutions presented in the case study. The case study examines a series of activities and opinions on the Puata incident and general recruitment practices. An initial reading allows an analysis of the concepts at a beginners level. Students should be able to develop alternative solutions and assess whether these would be more or less successful. Intermediate students should be able to identify that some solutions are not presented and that a broader underlying theme of organisational control is presenting itself. The case offers sometimes contrasting opinions and highlights inconsistencies and discriminatory attitudes and behaviours. Subsequent rereading should uncover issues not explicitly stated. Students should be able to identify and analyse the theme of organisational control and debate solutions.

The theory used for this case study includes strategies for recruitment, selection and induction as a means of creating commitment to an organisation. The Puata case highlights the differences in approach between using the personality trait of integrity

as a recruiting and selecting tool versus teaching and inculcating integrity within the organisation. The Customs Service uses explicit and implicit mechanisms of social and cultural control which are particular to its role as a public sector law enforcement agency. Students will learn the complexities of dealing with staff, the reasons HR strategies are in place, if they work, and issues of integrity in the public sector. Intermediate students will be able to identify the complex and often paradoxical issues arising in the case study. Paradoxes include the development of family values in the workplace, its positive and negative effects and the incongruity between public servant and private citizen. Students will be able to develop an understanding and strategy for dealing with these issues in their workplaces.

5. Suggested student assignment

Class discussion.

In groups discuss the following:

1. Do you agree or disagree with the resolute viewpoints of the Investigations' managers who dealt with the Tori Puata case? Why or why not?
2. What recruitment, selection and induction strategies could be put in place to ensure staff integrity, especially in light of the numbers of new staff?
3. Divide into two groups with one side the Investigations' managers and the other the National Manager, Goods Management. The Investigations managers are primarily concerned with recruiting staff with the highest level of integrity. The National Manager Goods Management also wants the right staff but has a business to run. Decide what you would do. Also discuss the best method to mitigate the risks around integrity when recruiting so many new staff into the organisation.

Intermediate

1. Identify the explicit and implicit mechanisms of cultural and organisational control used at Customs.
 - How are these valuable in creating the culture that Customs management want? For instance, what is necessary or unnecessary?
 - Are there any drawbacks to the controls in place?
2. Thinking about all law enforcement agencies, what are the complexities and paradoxes between being a public servant and being a private citizen? How might this impact on staff behaviour when an incident like this occurs?

6. Suggested additional reading/data gathering

- State Services Commission – Integrity Programme for the State Sector
<http://www.ssc.govt.nz/> Values and Integrity section

- See also statements by Michael Wintringham on integrity in the public sector.
- Arusha Agreement on integrity.

7. Possible teaching aids

Walking the Talk – Public Sector integrity workshops – Video and exercises.
This demonstrates the values of the Public Sector and identifies the behaviours expected of public servants.

Guest speaker – SSC representative involved with development of Public Sector integrity package. Discussion around why integrity is so important.

Guest speaker – Simon Williamson, Investigations Manager, New Zealand Customs Service. Discussion around the case, other examples and the difficulties of identifying potential staff problems.

8. Additional discussion questions for use in class

- Identify the organisational cultural issues surrounding Customs' values and behaviours. Identify other agencies with similar issues.
- Other examples of controls placed on public sector employees. For example, the 2004 Foreshore and Seabed Hikoi that public sector employees were discouraged from attending. See statement issued by Michael Wintringham.
- Discuss any ethnicity/cultural issues that arise in the case study.

9. Case analysis

Students should be able to understand and apply the following theories:

- A) How to have a productive organisation through people, especially applying the following practices:
1. Employment Security
 2. Recruitment and selection practices

In, **Jeffrey Pfeffer**, 1998, *Seven Practices of Successful Organisations*, Chapter 3 in *The Human Equation – Building Profits by Putting People First*, Harvard Business School Press, Boston Massachusetts.

- B) Control is a fundamental issue in organisations and is “the central concept for all management systems” (Pfeffer, 1997:100). The mechanisms of social control in organisations are:
1. Rewards, Incentives, Sanctions and Surveillance

2. Commitment and socialization processes
3. Organisational Culture
4. Leadership

In, **Jeffrey Pfeffer**, 1997, Mechanisms of Social Control, Chapter 5 in *New Directions for Organization Theory*, Oxford University Press, Oxford.

C) Issues around building conformity and commitment in law enforcement agencies using various mechanisms:

1. Symbols
2. Training
3. The community

In, **Herbert Kaufman**, 1960, Developing the Will and Capacity to Conform, Chapter VI and Attainments and Dilemmas, Chapter VII in *The Forest Ranger: A Study in Administrative Behavior*, John Hopkins Press, Baltimore.

Case Analysis

Questions	Key Issues to Identify/solve	Theory/concept
Do you agree or disagree with the resolute viewpoint of the Investigations' managers who dealt with the Tori Puata case? Why or why not?	Decision was inevitable given it was criminal activity. However, their attitudes to it are very black and white. If you are a Customs Officer, what are the complexities involved for you?	Student's experience. <i>Is being a Customs Officer your identity?</i> <i>Is this a fair assumption on the part of Customs management?</i>
What recruitment, selection and induction strategies could be put in place to ensure staff integrity, especially in light of the numbers of new staff?	Employment security – perception of Government Department offering job security and long-term career prospects. Recruitment and Selection procedures must be robust and start to build commitment to the organisation.	Pfeffer 1998. <i>Offer Employment security.</i> <i>Rigorous recruitment and selection procedures, police and customs checks, group exercises, reference checks.</i> <i>Hiring the right people for the job and who fit with the organisation, not just the brightest.</i> <i>Hiring people who believe in authority and who are 'trainable.'</i> <i>Have a rigorous and multi-faceted recruitment procedure to build commitment.</i> <i>Involve senior people in recruitment processes.</i>
Divide into two groups with one side the Investigations' managers and the other the National Manager, Goods Management. Discuss the best method to mitigate the risks around integrity when recruiting so many new staff into the organisation.	With an ageing workforce and the need to bring on new staff, how do Customs Management ensure values of honesty and integrity are transferred and maintained? What socialisation/enculturation practices are in place? Should the Investigations unit be responsible for internal investigations of this nature? Would it be better to have an internal investigations unit?	Socialisation into the organisation (Pfeffer 1997, identifies 6 processes used to socialise new staff pg – 118-120). <i>Rigorous recruitment and selection procedures.</i> <i>'Humility inducing' experiences at beginning and isolation in the job to make the individual susceptible to social influences emanating from within the organisation" (119).</i> <i>Robust induction training including</i>

Questions	Key Issues to Identify/solve	Theory/concept
		<i>integrity workshops and communications from leaders on values.</i> • <i>Systems and processes in place which reward behaviours.</i> • <i>Develop trust between employee and organisation and adherence to organisation's values.</i> • <i>Folklore, war stories as part of culture.</i>
Identify the explicit and implicit mechanisms of cultural and organisational control used at Customs. How are these valuable in creating the culture that Customs management want? For instance, what is necessary or unnecessary?	What mechanisms (i.e., social, organisational, cultural, legal) do Customs management use to impose controls on their officers?	Cultural controls (Pfeffer 1997, pg 121-126). <i>Implicit</i> • <i>Personal relationships.</i> • <i>Mechanisms from PPO to Customs Officer.</i> • <i>Sense of family and loyalty.</i> • <i>Travelling and working together.</i> • <i>Recruitment behaviours, ie mandatory attendance at orientation day and start date.</i> • <i>Intrusion of professional obligations onto private life.</i> • <i>Recruitment of people motivated by achievement rather than money.</i> • <i>Outspoken management views on behaviour.</i> • <i>Identification through uniform and ranking system – similar to the Navy which dictates level of authority and hierarchy.</i> • <i>Encourage movement around Customs, so that Customs becomes their family; everyone works together towards a common goal.</i> • <i>Sanctions for personal misadventures or misbehaviour in private life.</i>

Questions	Key Issues to Identify/solve	Theory/concept
		<i>Explicit</i> • Detailed rank structure – military style. • Uniforms/stripes/Visible hierarchy. • Proud traditions and war stories. • Extension of behaviour to private life. • Code of conduct and Integrity workshops. • Recruiting in intakes. • Remuneration system and ranking of positions. • Role of Investigations Unit. • Language of betrayal about Puata and other incidents. • Risk management training for managers.
	What are the good and/or necessary aspects of this in terms of working for a law enforcement agency?	Commitment – Kaufman 1960 • Creates commitment. • Self-policing/monitoring created through peer loyalty to each other and Service. • Obedience to authority. • Respect for rules and regulations.
	What controls are self-imposed by officers on themselves and their peers?	Commitment – Kaufman 1960 and Pfeffer 1997. • Social pressure to not 'let down' their family in the work they do. • Fierce pride in protecting the community. • Patriotism – they want to conform to the organisation and so accept decisions.
	What are some of the drawbacks of the controls in place?	Commitment –Pfeffer 1997. • Lack of innovation, too much commitment can create myopia, set in ways, adverse to change. • Loss of personal freedom and choice.

Questions	Key Issues to Identify/solve	Theory/concept
		• <i>Concept of family can discourage proper performance management.</i> • <i>Self-policing/monitoring created through peer loyalty to each other and Service can cause threat to peer investigation.</i>
Thinking about all law enforcement agencies, what are the complexities and paradoxes between being a public servant and being a private citizen? How might this impact on staff behaviour when an incident like this occurs?	Are there any alternatives for dealing with these issues in a law enforcement agency? What are the rights of an employee versus you as a citizen with your own non-work identity? What staff behaviours are acceptable or not acceptable in a corruption case?	Creating commitment in a law enforcement agency– Kaufman 1960 <i>Public Sector staff experience.</i> <i>Theories above aggregate to thinking about the rules and regulations of working in the public sector and applying them to you as a private citizen.</i>

10. Suggested time plan

See Case Teaching Plan.

11. Teaching suggestions

- Students are given the case study to read before the class.
- As this is designed for postgraduate students, it could be more effective to ensure they cover both the beginning and intermediate level analysis.
- If possible, divide students who work/ed in law enforcement agencies into each of the groups.
- There are no right or wrong answers to the more complex questions. This should make students realise the difficulty in managing in the public sector and in a law enforcement agency. Will raise awareness of these types of issues in daily management decisions.
- A more detailed analysis of this case could be required in the form of an essay. A paper on the subject would allow a comprehensive examination of the key concepts and theories and their in-depth application to Customs and/or other law enforcement agencies.
- Customs' managers could use Case Study for internal training purposes.

12. Case teaching plan

CASE: THE NEW ZEALAND CUSTOMS SERVICE: RECRUITMENT, SELECTION AND SURVIVAL OF THE FITTEST

<u>Time</u>		<u>Agenda</u>
5 Minutes	1.	Introduction.
5 Minutes	2.	Questions to be answered in group discussion - comments/questions.
2 Minutes	3.	Move to groups.
40 Minutes	4.	Group discussion of case study. Answering questions.
20 Minutes	5.	Report back by group.
15 Minutes	6.	General discussion.
30 Minutes	7.	Teaching Aids, i.e. guest speaker, SSC video. - Optional
10 Minutes	8.	Conclusion/Wrap up/Suggestions for further research.
127	Total	2 hours and 10 minutes.

Assignment Questions

1. Do you agree or disagree with the resolute viewpoint of the Investigations' managers who dealt with the Tori Puata case? Why or why not?
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3. Divide into two groups with one side the Investigations' managers and the other the National Manager, Goods Management. The Investigations managers are primarily concerned with recruiting staff with the highest level of integrity. The National Manager Goods Management also wants the right staff but has a business to run. Decide what you would do. Also discuss the best method to mitigate the risks around integrity when recruiting so many new staff into the organisation.
4. Identify the explicit and implicit mechanisms of cultural and organisational control used at Customs. How are these valuable in creating the culture that Customs management want? For instance, what is necessary or unnecessary? What are some of the drawbacks of the controls in place?
5. Thinking about all law enforcement agencies, what are the complexities and paradoxes between being a public servant and being a private citizen? How might this impact on staff behaviour when an incident like this occurs?

Board Plan

Decision Criteria	Actions	Alternatives?
Recruitment, Selection, Induction Strategies		
Risks	Investigations	
	Goods Management	
Mechanisms of control	Positive?	
	Negative?	
Issues with working in a law enforcement agency		Assumptions
Private person versus public servant		Assumptions