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Innovative or Proactive Recruitment and Employment Strategies? The Challenges of Shaping Workforces in Papua New Guinea Greenfield Mines

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ABSTRACT

Recruitment being the first and perhaps one of the most important objectives of any organisation is the procurement of an ample and reliable supply of skilled labour. Ideally, the aim at this stage is to capture the interest of the very able, irrespective of their origins. While, for large scale mining operations, looking for the right kind of skilled labour in many countries is routine, however, this is hardly the case in a lot of developing countries with constrained labour markets. This study investigates the ongoing recruitment and employment challenge multinational mining companies (MNNCs) face in operation of the PNG greenfield mines. The findings from an investigation of perceptions of human resource (HR) managers and other senior managers of several PNG mining operations confirm the inherent challenges in shaping workforces in rural settings. Amongst other findings, there is overwhelming consensus amongst the interviewees that it is proper for MNNCs to favour local communities in employment communities in order to maximise economic efficiency, civil and political security guarantee. The paper will explain that this mode of biased deployment of recruitment and employment strategies by MNNCs is more necessitated by the prevailing unique social and economic circumstances. And arguably, unlike most developing countries with mining operations, in PNG they have become HR policy imperatives assisting in their safe and successful operations.

INTRODUCTION

The functional area of workforce recruitment and employment under the old Personnel Management (PM) paradigm was underwritten by assumptions that are now largely irrelevant in today's globalised capital investment regime. Assumptions that recruitment, employment, labour and industrial relations were all relatively routine issues under the purview of the PM function are no longer tenable. The new paradigm shift to human resource development (HRD) and management places the human factor in organisations as an unavoidable, pervasive responsibility of all organisational functional areas, be they personnel management, industrial relations and other work organisational areas. Under this new paradigmatic understanding, the organisational human factor becomes an exceedingly dynamic, complex, and hostile (even confrontational) issue that demands new management thought and innovative practices. All this litany of problematic issues are, moreover, compounded by an overarching context of globally disparate economic, socio political and cultural facets.

Against this backdrop of global paradigm shift, still the orthodox (and also current) international human resource management (IHRM) literature identifies recruitment as a routine function that can be handled with ease and less difficulties. As Kerr, Dunlop, Harbison and Myers (1973) acknowledged earlier in their famous "logic of industrialisation" thesis that recruitment is the easiest to handle out of commitment, advancement, and maintenance in the typology of processes in the development of an industrial workforce. While there are various recruitment approaches multinational companies (MNNCs) adopt to staff their operations overseas (i.e., Dowling &

Welch 2004), they assume the readily availability of both parent country and host country suitable labour markets where a subsidiary overseas would have access to labour. Despite the MNCs' recruitment strategies being standard, there is still leeway for contextual consideration in the formulation of their HR strategies to implement in the respective areas of operation (Schneider & Baroux 2003). Although recruitment challenges in complex environments are often mentioned for delicate navigation by MNCs, there is a paucity of literature to suggest overwhelming pressure exerted on them by host government and local communities on their HR policies.

Against this background of global paradigm shift, and prevailing mainstream IHRM literature, this paper examines the recruitment and employment strategies adopted by MNCs in PNG in their bid to structure the mining labour force. They embark on them while taking into account that reliance upon an undeveloped labour market might produce unacceptable economic risks. Although any course of action to recruit sufficient workers, whether they be skilled expatriate or indigenous workers is not without concerns, dilemmas, and issues relevant to both the developers and host government and its people. One of the objectives of this paper is to examine recruitment and employment strategies in the context of these complexities in various PNG greenfield mines. They are referred to as 'greenfield mines' primarily because of their locations in some of the most isolated parts of rural PNG inhabited by predominantly subsisting local communities (Imbun 2006a). In the discussion it will become obvious that in the PNG mining industry there are some exceptions to the usual practice of recruitment strategies adopted by MNCs. Yet, the challenge of staffing particularly mining operations from local labour markets is typical of developing countries.

MINING AND RECRUITMENT

The mining industry in the developed countries is not a large employer compared with other sectors of those economies. The capital intensive nature of the industry only requires a few workers to staff the highly mechanised extracting machinery. Lately, in the last decade, however, what had been a stable industry that had a reliable and continuous supply of appropriate labour for centuries 'hit a snag'. Coupled with a general image of the industry, declining numbers of graduates from mining related programmes and an exodus of talented and knowledgeable personnel to competing industries, and rapid turnover of experienced personnel due to retirement had posed a challenge to the industry (MRCcorp 2008). The impact is felt not only in traditional developed mining countries such as the United States, Canada and Australia, but globally. The challenges of recruitment and retention of mining labour has become an unprecedented acute issue for the usually stable industry. As mining companies in developed countries contemplate new projects, the reality of the looming labour crunch would not go away quickly as a strong world demand for mining products has added pressure on the industry (Rodgers 2006). Up until now the mining industry has had an uncoordinated approach to recruitment and retention of mining personnel, but the current unprecedented demand for labour has forced a lot of companies to be proactive towards HRD and management of existing staff, particularly those with a wealth of experience (Techno Mine 2007).

Mining and Recruitment in Developing Countries

In developing countries with mining operations there are some parallels with the developed countries on the issue of recruitment of mining personnel. The difference is the degree of management of the issue of which imposing social, cultural and political landscapes impact profoundly on the operations of mining projects in developing countries. The demand for skilled labour may have become a global issue within the last decade. However, the demand for skilled as well as general mining labour has been an ongoing challenge for developing countries since the advent of mining operations in their countries. The demand and recruitment of mining labour has been more telling in some countries than others.

International migration of mining labour has had a profound impact on the development of South Africa more than any other country in Africa. In the twentieth century its economic development had been premised on the exploitation of massive mineral resources through utilisation of an elaborate labour contract migration system. The creation of the regional labour market or 'labour empire' included long standing suppliers such as Mozambique, episodic suppliers like Malawi and Zimbabwe, and occasional suppliers such as Tanzania, Zambia and Angola to populate the vast minefields of South Africa with mainly manual labour. According to Crush (2006) at any point migrant labour formed about half of the gold mine workforce in South Africa and this continues to be the case.

Whilst in neighbouring African countries their mines also have had to deal with the issue of recruitment, but rather on a relatively different scale. For example, in the Zambian copper belt mines, the availability of jobs was an issue in itself in proportion to the huge demand for manual work shown by Zambians and others from adjacent countries (Kok, Gelderblom, Ouchuo & Zyl 2006). In other continents, such as in Latin America, recruitment of mine labour is entangled with some form of forced labour, particularly in Brazil. The International Labour Organisation (ILO) estimated that some 1.3 million forced labourers worked in Latin America and the Caribbean, and that a third were in Brazil (ILO 2005). Despite the industry employing only few contrary to huge availability of unskilled labour, recruitment of skilled labour has had been an issue for mining companies for decades.

The supply of mining professionals in developing countries has been limited and does not meet the requirements of the unprecedented rapid development of mines that is occurring in some regions. In Sub Saharan Africa and South East Asia there is the 'greatest demand' for technologically capable graduates to meet the needs of an increasingly sophisticated mining industry. The demand has increased progressively since the last decade because these industries have experienced high growth, averaging five to seven per cent a year. On the supply side recruitment strategies utilised by MNMCs varies from country to country, but a long way off from utilising the conventional strategies where the supply and demand for mining professionals is in balance (Katz 1994, Imbun 1998, 2000, Dansereau 2000).

Often faced with the uncertainty of finding the requisite number of workers of the right quality in the prevailing labour markets MNMCs have recruited some of the core workers for their operations. The ethnocentric approach to recruitment and staffing of key personnel in subsidiaries overseas is dominantly evident with mining (Crawley & Sinclair 2004). This move may not be in line with the host government's policies, but given the commitments on the part of the mine management in respect of cost, quality and schedules, reliance upon the indigenous labour market may result in not just inefficiency, but as unacceptable hazards (UNDP/ILO 1993). In the Association of South East Asian Nation (ASEAN) countries, much of the slack is still taken up with a considerable number of expatriate mining professionals.

MNMCs have recruited professionally skilled expatriates from parent and third country locations to cover deficiencies in the host country labour supply in the mines. However, many countries have implemented training programmes specifically to enable indigenous labour to replace them. On the whole, expatriates may not represent a large proportion of the mining workforce, but they dominate the skilled and managerial position in parts of the developing world. According to the ILO the proportion of expatriates working in the mining industry of some African countries (i.e., Botswana) fell from 10 per cent in 1998 to eight per cent in 1994. In Zambia about 1400 or 2.5 per cent of the total workforce were expatriates in 1999 (ILO 2001). For reasons which will become apparent, PNG is an example where MNMCs deploy recruitment strategies strategically in their endeavours, particularly in responding to local community aspirations.

Recruitment and Employment in PNG Greenfield Mines

Generally, development of mining has brought novel forms of work organisation and benefits to PNG workers, although it has been fraught with human resource management (HRM) challenges. The industrial development has brought with it the classic problems of how to underwrite the supply of HR and create an industrial workforce. Recruitment and training programmes were required in a context where technical skills, literacy and experience of industrial work routines are in short supply. MNMCs have found the initial recruitment phase of workforce development too problematic. One of the major reasons has been that mining seems to be one of a relatively few employment opportunities for the vast majority of the country's population. This situation is because PNG so far has had a 'snail pace' progress in meeting its general development challenges (Hess & Imbun 2003). Thus, most of its population still exists independently devoid of government services, sometimes in harsh conditions.

Employment Issues

The employment issues are obvious particularly in large scale modern mining operations in PNG. At the beginning of each mine's operation, employment and recruitment has been problematic. As the mines settled, issues of training and localisation has come to the fore. In general, the demand for labour was more intensive two to three decades ago than today. Two examples of large scale mine operations typify the employment predicaments developers had undergone. When Conzinc Rio Tinto of Australia (CRA) began the country's first (modern) mining operation on the island of Bougainville in the early 1970s, there was no pool of trained personnel on which to draw. The earlier exploratory phase of the project (like other mines to come) employed 600 locals, mainly unskilled labourers (Bedford & Mamak 1976). Although when the mine entered the construction phase there was an urgent need for a stable workforce that forced the company to make a major shift in recruitment policy. Initially, it recruited locals, but as more skilled positions quickly became available, CRA was compelled to look elsewhere. The island had very little pre existing economic activity, and the company could not draw on massive numbers of sub contractors so the mine looked to other parts of the country for its workforce.

A significant portion (30 per cent) of the Bougainville mine's labour force had to be brought in from other parts of PNG between 1971 and 1972. They came as sub contractors who arrived along with their entire labour force. A relatively core number of mostly skilled Australian workers were present throughout the mine's construction and more visibly during its commissioning in 1972. But it was the inflow of other Papua New Guineans that the local residents resented above all. Subsequently, this dramatic increase was followed by a fall in demand for labour as the mine neared production.

When Ok Tedi, the country's second largest open cut copper and gold mine (at the time) was about to begin construction in one of PNG's remotest border areas along the Western Province in the early 1980s, employment

problems again severely impinged on the mine's development. Feasibility studies commissioned by Ok Tedi Mining Limited (OTML), the mine developer and the government reached the same conclusions. A lack of skilled labour was the 'biggest single constraint' to expansion of local capacity in all sectors of the project (Fluor Mining and Metals International 1980, Jackson 1993). This was despite a significant increase in skilled labour supply since the period of Bougainville construction in the early 1970s. While the PNG government's own socio economic study of the mine saw that because of the relatively small size of the PNG skilled workforce, Ok Tedi could have an adverse impact on the country's economy. There was particular concern expressed regarding the effect the project would have on the very small skilled labour market for even without Ok Tedi it was predicted that there was going to be a shortage of skilled labour at least during the 1980s. Moreover, advisers feared that wage pressure in PNG caused by an excess demand for skilled labour would 'push up' the wage rates for this labour thus, increasing national wage differentials within the economy. There was the possibility that Ok Tedi would act as a pace setter for national wages (Jackson, Emerson & Welsh 1980), and much pressure was put on the developer to realise the potentially disruptive effects that a higher wage would have on government wage policy.

The obvious solution, aired in the employment debates was to import expatriate labour as predicted by the Kerr, et al. (1962) model. This initially created a few problems, which were not, however, envisaged by him and his associates. One problem was that in many developing countries there are laws reserving employment to citizens. In PNG the Employment of Non Citizens Act required that some of the jobs, which were exclusively for nationals (i.e., brick laying, painting, driving) were to remain as such. But with the very low supply of skilled labour in most technical areas in the country, recruitment of expatriate labour became a necessity. Another problem was that the recruitment of expatriate labour was inconsistent with the optimistic localisation targets proposed by Fulor, the consulting engineering company. However, government advisers deviated from their earlier position and supported expatriate employment to meet the deficiencies. In the event, employment of expatriates became a complicated issue. In contrast to the Bougainville mine, which employed a core of Australian construction workers, Ok Tedi was expected to draw its labour mainly from Asia. The employment of Asians was favoured by mine management on the grounds that they were to be paid lower wages than Australian workers, and were expected to be more disciplined, and less unionised (Imbun 2002).

As mines developed also issues of training and localisation have come to the fore (Imbun 1997, 1998). In general the demand for labour was more intensive more than three decades ago than today. The gradual development of skilled in country mining labour had taken place in conjunction the county's establishment of legislation and policy framework commencing just prior to and after PNG's political independence in 1975. Table 1 highlights the advancement and characterisation of local mining workforce participation since 1800 when mineral exploration and mining was first embarked on in PNG. Over the decades the industry continued to rely on skilled expatriate labour in some of the critical areas (i.e., geology, engineering and chemistry) of greenfield mine operations.

Table 1 Advancement and characterisation of PNG workforce participation in PNG mining

1800s	Mainly independent miners.	Australian alluvial and	Basic ad hoc recruitment policies, if any.	Casual work arrangements, employment mainly done for adventure	Independent voluntary basis and shovel and pick assistants	Expatriate miners and local
1900s to 1960s	Conveniently assembled companies, such as Guinea Dredging Ltd with British significant PNG mining.	Colonial and Bulolo Goldfields Ltd. Both 1960s and crucial players in PNG mining.	Paternalistic recruitment and employment policies intended to safe guard rights and safety of indentured labourers. In 1960s introduction of legislations and recruitment employment policies.	Expatriate workforce for bulk of demanding jobs. Local workers in semi skilled and menial jobs. Newly established unskilled and semi skilled labour educational institutions assisted in formation of local workforce.	Totalled 3,000 in hey days of 1920s to 1940s. Mainly unskilled and semi skilled local workforce. Skilled expatriate miners.	
1970s to 1990s			Emergence of independent PNG in 1975. Employment and recruitment of workers of regulated by existing laws and policies. Bulk of local jobs advertised in the mines. But still many formally. But more and manageable interest held by demand for specialist skilled jobs advertised in the mines. outside of PNG.	Emergence of skilled local workforce, however not sufficient to operate six large mines. Some 7,000 local workforce in total, many semi skilled workers. Continue to rely on skilled expatriate labour in highly admin and technical areas.		
2000s	New non traditional investors from -	Recruitment areas	Emergence of formidable local skilled and semi mining workforce. Mainly	Consolidation of local		

established in both skilled mine workforce. A skilled workforce such as South Africa, China and some European countries have also come into the PNG mining industry. public and private little over 8,000 aggregate sectors. Still demand in local workforce in the PNG mining for more greenfield mines. Also a skilled jobs. They are trickle down of local skilled advertised in Australia miners to getting jobs in and other developed Australian projects has countries. also occurred. supplemented with semi skilled workers from customary landowning mining areas. However, handful of expatriate labour continue to be in critical areas of mine operation

Source: Imbun 2006a, 2006c.

Preferential Employment Policy

The urgent need for extra skilled labour was generally resolved with the importation of expatriate labour. But attempts to fill the large quota for local skilled and semi skilled jobs were confronted with the acute issue of whether to employ residents or immigrant labour from other parts of PNG. The experience in all PNG mine sites has invariably been local pressure from tribal land owners (of project sites) to have locals hired where ever possible so as to maximise the benefits of the mine to those whose lives and culture are disrupted by the mining activity. Additionally, the isolation of the site and high costs of the employment packages and repatriation provided an incentive to employers to recruit local labour. Responsiveness to the aspirations of the landowners has become a priority for the mining companies (Jackson 1991). At the same time the managements of these developments experience considerable tension between maintaining a viable mine and responding to the expectations of the landowners. Consequently, mine operators are compelled to develop unique employment policies in order to cater for local landowner aspirations, often at the expense of other Papua New Guineans. The systematic recruitment of workers, starting with the local area (adjacent to the mine), then moving to the provincial or regional level, has become a matter of priority. The central government has acknowledged the concerns of the local people and has not hindered such recruitment and employment policies.

The issue of who should get first preference for employment opportunities became evident early on some mines, while for others it became evident during the operational stage. In Bougainville the demand for greater recognition for the host community in employment opportunities became acute only as a steady stream of outsiders from the PNG mainland went to Bougainville. As the mine operations progressed Bougainvilleans' dissatisfaction with increasing social disorder resulting out of rapid growth of the male migrant workforce and stiff competition for jobs between the 'outsiders' and locals became obvious. Frustration was generated by the drop in demand for unskilled labour, rising competition for jobs, and a growing vagrancy problem (the result of cessation of employment of some departing contractors) led to the formation of the Panguna Mungkas Association whose demands included an increase in the proportion of Bougainvilleans in the mine workforce (Bedford & Mamak 1976).

As a direct response to this pressure BCL and its subsidiaries began to increase the Bougainvillean proportion in their workforce. At that time there was no statutory guidelines or government policy directives on the employment of Bougainvilleans as distinct from other PNG nationals. The matter was left to the company's discretion, and was the beginning of a preferential treatment of the locals in recruitment for jobs, which other mines were to follow. As the mine continued production there was a recruiting bias in favour of applicants from the island. The company made sure that at least half of its entire workforce was Bougainvillean and just before the forced closure in 1988, locals made up 48 per cent of the total workforce of 3560 employees (Quodling 1991).

In Ok Tedi's case, a regional labour market comprising the Western and West Sepik provinces in close proximity to the mine did not really exist. The 'green' labour force in the area was considered to be 'not suitable material' for the operation of the mine because it had little formal education, was mostly illiterate, lacked technical and clerical skills, and was unsuitable for reasons of health. The virtual non existence of a suitable local labour force led almost all parties (government and OTML, women's groups and locals) to fear an influx of mostly 'outsiders' from other parts of PNG. In particular such fears focused on the populated Highlands, which was expected to provide the main supply of labour. The hope, was if possible, to avoid employing the highlanders and in turn avoid such social problems as the development of squatter settlements near the project site and social friction between immigrant workers and locals. The government tailored its policy to more local participation in opposition to outside recruitment of labour. The concept of 'Preferred Area Employees' (PAE) became an influential criterion for the recruitment of labour for the mine (Jackson 1993). Although it was difficult to apply and monitor, the issue of equity and discrimination in employment, which was implicit in the concept in PAE, was never argued in the public arena nor advocated by any of the groups, including highlanders. Everyone took it for granted that it was proper for the landowners to get preferential employment.

Unlike other earlier PNG mines, in 1989 Porgera became the first mine to go through a pluralistic style of mine development negotiation process to devise policies on the anticipated distribution of the benefits from the mine. The negotiating parties were made up of representatives of landowners groups, mining department, developer representatives and Enga provincial government. The policies of the Porgera Forum were also to be applicable to all

mining projects to be developed in PNG. For the existing major projects (Ok Tedi and Misima) it was too late. Nonetheless, there were community expectations that benefits would in some way be provided (West 1992). Out of the several policies on the distribution of benefits ranging from royalty distribution to infrastructure and social improvements funding, the forum also called for preference in employment, training and business to be given to local people. They argued they were most affected by the adverse impacts such as disruptions to lives, culture an environment by the mining activity. Above all, they were the traditional owners of the mining lease land and they argued that, as such, they were to have first preference in receiving the material benefits from the mine (Porgera Agreement 1989). In Porgera's case, subject to normal commercial and operating requirements, priority was to be given, in order, to landowners, people from the mining area, from the (Enga) province, and finally to nationals (other Papua New Guineans).

In fact, the Porgera mine agreement was the first written employment policy in the country, systematically stipulating who should (and should not) get preference in employment opportunities in the mine. For the existing mines it legitimised the tacitly yield affirmative policies they used by encouraging them to employ more locals around the project areas. In turn, the Forum called for a criteria where balance in job allocation from the resource projects be maintained to ensure landowners and non-owners have equal access especially to the mining labour market (Post-Courier 1989).

For the existing mines (Ok Tedi and Misima) the preferential employment policy only endorsed their tacit affirmative employment policies that had been in place since their establishment. For example, one feature of the Misima mine management policy was that only Misiman born workers or those related to Misimans by marriage were normally recruited for mine work. That recruitment policy was a product of the mine development plan which was earlier negotiated by the Misima (island) people and their (Milne Bay) Provincial Government, and had been strictly adhered to by the management (Imbun 1999a). Because of Misima island's isolation and the medium sized operation of the mine, its employment policy had not received the limelight that Porgera received a few years later. As for the host of subsequent mines that came on like Tolukuma, Lihir, Kainatu and a few others, they eagerly embraced the preferential employment policy for locals in their recruitment.

Passive Acknowledgement of Localised Recruitment Strategy of Greenfield Mines

The embracement and systematic implementation of preferential employment policy by the PNG greenfield mines is generally accepted by government, local mining communities and general population as standard practice. In some sense as a discriminatory policy it has not provided a backlash from the public as one might have anticipated. But some legal and academic observers labelled the affirmative action employment policies as 'overtly segregative policies' which would create a 'them' and 'us' type of relationship between landowners of mining projects and non landowners in an already volatile country. They saw the policies as a dangerous precedent which would deny many non landowning people access to employment. Furthermore, they warned that any inconsistency in the distribution of wealth from resource projects could be contradictory to the 'Eight Aims' which stand for equal participation in job opportunities by all Papua New Guineans. They mentioned the potential of a repeat of the Bougainville experience where 'outsiders' were referred to as 'redskins' by 'blackskin Bougainvilleans', contributing to the prolonged discontent on the island (Imbun 2002). Despite the concerns everyone seem to grudgingly accept the reality of the power landowners and communities adjacent to mining projects wielded in influencing both government and developers to give them attention first before anybody else. This has indeed become the order of managing greenfield mines in PNG.

Despite the embracement of the preferential employment policy by the greenfiled mines, employment and recruitment issues have continued to be more challenging than the general assumption of HR availability made by mainstream HRM commentators (Phatak 1995). An abundant supply of unskilled tribesmen coupled with excessive employment demands for their inclusion in the mine workforces and contrasted by the scarce availability of technical and administrative skills have made recruitment more challenging for the mine operators in PNG. This study examines the recruitment and employment strategies MNMCs deploy as they navigate tensions between maintaining viable mines and responding to the unyielding expectations of government (s) as well as local communities, and in particular traditional landowners.

METHODOLOGY

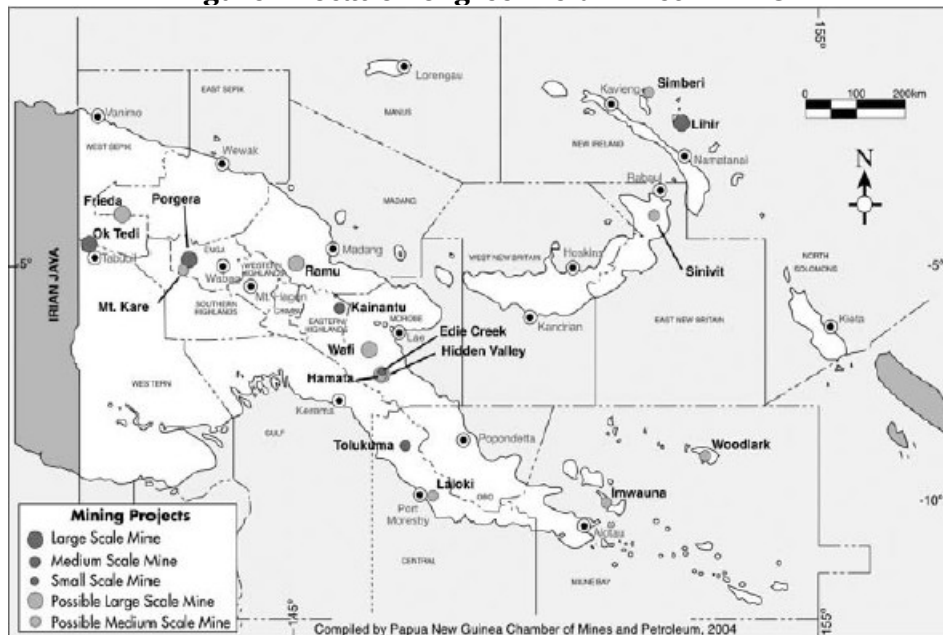
Premise and Site

This study incorporated the presented emergent themes (Moore & Gardner 2004) and concentrated on investigating the recruitment and employment strategies MNMCs utilise in staffing their greenfield mining operations in PNG. However, a review of previous works on PNG mining (Imbun 1998, 2000, McGavin, Jones &

Imbun 2001) reinforced three other themes that were investigated. These themes are listed below.

- MNMCs' accommodation of stakeholder expectations in recruitment and employment of workforce
- Economic precedence over the mode of recruitment and employment strategy adopted by a greenfield mine
- Preferential employment policy

Figure 1 Location of greenfield mines in PNG



The study also wanted to find out the perceptions of HR personnel on the preferential employment policy, and also their views on the management of recruitment and employment functions in the greenfield mines. Further, it also wanted to find other HR strategies of MNMCs which were influenced by the five themes and other issues. The five PNG large operational mines and four others in their various development and construction phases towards operation were selected as the subjects for this study (see Figure One for location of the greenfield mines). The mine sites of the study are Ok Tedi, Porgera, Lihir, Tolukuma and Kainatu. Although there were also several smaller operations, the hand pick of the nine greenfield mines were thought to have relatively more challenges in recruitment and employment of workers (Imbun 2000, 2006a). In fact, some of them had gone through a pluralistic negotiation process acknowledging government and community groups before actual mining operations. And they were mainly financed and managed by MNMCs with a couple of them having significant Australian interest. Some portions of the equities were maintained by local interest in addition to provision of labour and contractor services. Three of the nine mines rank in the top six of Australasian mines, and two in the top five world mining operations. With a combined workforce of over 8,000 in a predominately subsistence economy, and 45 per cent of the country's total export income, they are the jewel in the crown of the PNG economy.

Procedure

Phase One Study

The study was undertaken between 2005 and 2006 and involved the mailing of questionnaires to the HR managers in each of the nine mines. A letter explaining the study (highlighting necessary research protocols and caveats) together with a separate self addressed envelope accompanied the five item open handed questionnaire. A line in the letter requested that if the manager responsible for HR, in particular recruitment, was either not available or for some reasons wished not to participate in the study, the next person in line was requested to respond to the questions. After a little over seven months wait, five fully responded questionnaires were returned in an interval of two weeks between them. Further, the remaining (four) mines in the development phase of mine operations did not send in completed questionnaires despite numerous 'follow up' emails and telephone calls to them at various intervals. The responses varied. One mining enterprise was in the process of setting up its HR section, and, therefore, was not able to 'comment', and another HR manager was 'powerless' to act without upper mine management acknowledgement. The rest (two) did not both to respond at all. Therefore, the five operational greenfield mines formed the sample of this study and their (broad) characteristics are provided in Table 2.

Table 2 Some salient characteristics of the five greenfield mines

Mine	Year of operation	Origin of operation	Number of workforce	Employment policy	Location
A	1985	Australian	1,800	Inclusive	Rural
B	1989	Canadian	2,000	Inclusive	Rural
C	1994	British	2,200	Inclusive	Rural
D	1997	South African	1,000	Inclusive	Rural
E	2005	Australian	850	Inclusive	Rural

Notes: a. Three HR managers requested anonymity in their responses, and, therefore, the greenfield mines are referred to them as mines A, B, C, D and E. They had some form of government and local community employment pressures acknowledgement in their recruitment and employment policies, however, extend and emphasis differed between mines. All mines produced gold except one had combination of gold and majority copper. b. Source: Various PNG Mining and Petroleum Review, 2006.

Phase Two Study

The second phase of the study involved interviewing of representatives of the mines who were attending the biannual 2006 PNG Mining and Petroleum Conference held from 4th to the 6th of December in Sydney. This meeting was a showcase of the PNG mining and petroleum industry to the international finance and investment sectors. Therefore, the main attendees were mining executives, politicians and local community representatives of existing and potential mines. However, the main objective of the Phase 2 Study was to confirm the initial findings through interviews with several representatives of the sampled PNG mines. The author used the conference publicity brochure and the main delegate listing to identify the managers representing the five mines that responded to the questionnaire. In total five of them were interviewed, with each one of them representing one of the five sampled mines.

The initial questionnaire was completed by the managers. Although a couple of open ended questions were more specific for HR specialists the managers nonetheless, responded displaying sound knowledge of the recruitment and employment issues of their mines. The interviewer managed to have an audience with each of the five managers at different intervals, although the time spent varied between fifteen and twenty five minutes. Four of the interviewees were key management personnel (in various capacities; sustainable development, operations, logistics and security) who represented the mines, B, C, D and E; respectively, whilst one was the manager of community relations affairs for mine A. Each of them was briefed of the study and invited to say something about their mine's recruitment and employment policies in response to the five questions. The responses in many ways echoed the HR managers' responses.

The five open ended questions were rephrased and the study basically wanted to evaluate how the recruitment and selection function was managed and valued in each of the five mines. For instance, did a mine have an independent recruitment process and system or did it have external community representation. A further aim was to clarify the availability of any policies and laws pertaining to recruitment and employment and what mode of approach a mine had in accessing the existing labour markets to recruit potential labour. The issue of economic efficiency was also of interest in the context of often pressured and conflicting recruitment and selection decision making. Since the questions were open ended, the author expected to find common practices as well as differences in the handling of the recruitment and selection function between the five greenfield mines.

Measures

A qualitative approach was used to sort and cluster data that formed the emergent key themes (Chang & Tharenou 2004). The significance of each key theme in influencing recruitment and employment activities of the mines was noted with qualifying sub themes tabulated from the responses. As a result of the small sample size of only five HR managers and another five (general) managers hailing from each of the sampled projects, it was infeasible to calculate correlations to assess if their responses yielded similar assessments. A study by Chang and Tharenou (2004) also confronted a similar concern as the small sample size restricted them only to assess the percentage of respondents and interrater reliability of their twenty managers and twenty subordinates concerning HR competencies. This study similarly analysed data on the basis of frequency of responses to the main themes characterising recruitment and employment of workforces in PNG greenfield mine sites.

RESULTS

Table 3 lists the relative frequency of perceptions on the five topical areas of recruitment and employment held by five HR managers and five (other) managers who were conference attendees in Sydney in 2006.

	Number of respondents	Interrater reliability	Percentage of respondents	Interrater reliability
Expectations on recruitment and selection function				
Mine management	5	100	100	100
Local community	4	90	80	90
Government	3	100	80	100
Employee referral	3	100	0	0
Applicant	2	90	20	100
Others	2	100	20	90
Factors associated with locals				
Cost effective	5	100	100	100
Security	3	90	60	90
Legal and policy	3	100	100	100
Compensation	3	100	40	100
Productiveness	2	90	0	0
Others	2	90	0	0
Perceptions on preferential employment policy				
No opinion	0	0	0	0
Strongly disagree	0	0	0	0
Disagree	20	90	20	90
Agree	40	100	20	90
Strong agree	40	100	60	100
Recruitment and selection criteria				

	Number of respondents	Interrater reliability	Percentage of respondents	Interrater reliability
Skills/competency	100	100	100	100
Job specificity	80	100	80	100
Costs	80	100	80	100
Preferential policy	60	100	60	100
Personality traits	40	90	20	90
Others	60	90	0	0

Challenges on recruitment and selection phases

Recruitment	40	100	60	100
Interview	60	90	0	0
Selection	100	100	60	100
Induction	20	90	0	0
Placement	60	100	0	0

Note: a. Five major themes were recorded in the questionnaire and interviews. Sub themes derived from them and their presence in the questionnaire and interviews were recorded with their scores. b. Themes and sub themes coded from responses to questionnaires and interview. c. Themes and sub themes of the study: Study 1 (questionnaire), Study 2 (interviews).

From the interview questionnaire five themes were recorded which characterise recruitment and employment strategising and implementation in the greenfield mines. These themes are: (a) management of recruitment and selection expectation, (b) factors associated with locals, (c) perceptions on preferential employment policy, (d) recruitment and selection criteria, and (e) statement on recruitment and selection. The sub themes under each of the five themes were tabulated resulting from the number of citations by the five HR managers and also cited by the five managers interviewed at the PNG mining and petroleum conference in Sydney. The discussion integrates both feedbacks on the interview questionnaire and actual interviews.

Statement on Recruitment and Selection

The interviewees were asked of the challenges they faced in regard to the phases of recruitment and selection process. Five sub themes were tabulated from their responses and only two of the five HR managers viewed the recruitment phase of shaping a mining workforce as a challenge. One mentioned of the different audiences they have to target at the same time when trying to fulfil relevant policies and legislations with which they have to comply from the initial 'start up' phase and through out the operations of the mine. The numerous oral (telephone) and written responses to potential and actual applicants on existing and upcoming job vacancies were mentioned by another manager as a challenging task to handle. Further, another three of the five managers viewed interviewing of applicants as challenging in order to select the right applicant. Three managers of the sample, who were interviewed in the PNG mining and petroleum conference, concurred the challenges that are inherent in recruitment and selection phase of shaping the mining personnel.

But all five of the HR managers experienced the selection phase as 'stressful' as it mainly involves culling of appropriate applicants from the pool of applicants. The juggling of inherent compliance issues and meeting stakeholders' expectations, particularly the mines' choice, was acknowledged by most of the respondents. All mines had to maintain their employment policy largely taking into account the preferential employment policy they had

signed earlier or had been tacitly implementing without a fully endorsed policy. Similarly, all mines had to send quarterly training and localisation figures to the government authorities indicating the number of jobs held by expatriates, localised personnel, apprentices and trainees from their in-house training programmes. Regarding recruitment the managers, however, had some element of uncertainty in their responses as they were not absolutely sure the person selected was in fact the most competent and skilled amongst the rest of the applicants and were compatible with the respective job. The whole issue of recruitment failure in identifying and selecting the wrong person for an available job was a matter most of the HR managers endeavoured to avoid in managing the recruitment and employment responsibilities of their mines.

Recruitment and Selection Criteria

In the questionnaire sent to the HR managers in the greenfield mines they were asked to identify the level of importance attributed to their recruitment and selection criteria. From the analysis of their feedback six factors comprise their selection criteria and these features are listed as sub themes in Table 3. It seems skills and technical competence on the job was rated high and agreed to by all interviewees and confirmed by the managers. Job specificity was next, which recorded 80 per cent of both categories of interviewees, and shows skills and technical competence attributed to specific jobs as the primary determinants of success in the demanding mining jobs. The skills and technical competence required in greenfield mines are mainly in geology, engineering, chemistry, environment, accounting, and management. There is a respectable amount of skilled Papua New Guinean mine labour available. However, they are thinly spread around the mines in the country. They occupy mostly the lower and middle strata of the workforce leaving the top administrative and technical jobs exclusivity of expatriates with the exception of the community relations manager job in some mines. Viewing the significance of the mining industry, the PNG Government is emphasising technical education as the medium to build a formidable workforce in the country.

The HR managers also identified costs and personal traits as determining factors in recruitment and selection of workers. Recruiting particularly expatriates is done on the basis of unavailability of suitable national labour in PNG which characterise highly technical and administrative jobs. While costs may be overlooked for the recruitment of expatriate labour, it certainly becomes a factor when national applicants are pitted against locals who also possess the same skills and competencies for a job under advertisement. More often than not many greenfield mines would go for the local applicants to comply with pre determined mine development policies (preferential employment policy which was acknowledged by three managers) and also to save costs on transport, accommodation and a host of other areas.

In the questionnaire on recruitment and selection criteria the HR managers also identified personal traits (by two) and others (by three) as sub themes. For the national and local applicants it was less of a challenge to assess the ability of the individual to deal effectively with his/her superiors, peers and subordinates. However, it was a challenge to recruit expatriates who would have the appropriate relational abilities for jobs in an uniquely diverse country such as PNG. Tung (1981) identified this as one of the variables that greatly influences the probability of successful performance. In the 'other' sub theme, ability to cope with environmental variables and family situations were also considered by three of the samples and also endorsed by three of the five managers who were interviewed in Sydney. Most of the jobs in the greenfield mines were carried out on commuter mode of operations. Nevertheless, key jobs requiring presence at the mine sites were sometimes accompanied by families. And for expatriate and other non local applicants, environment and family were also additional factors critically looked at by the recruitment and employment staff of the greenfield mines. The mines are predominately financed by international capital, and, therefore, their recruitment and employment strategy is based on cost effectiveness and efficiency. The sub themes identified as recruitment and selection criteria reflected this imperative.

Management of Recruitment and Selection Expectations

Table 3 also shows responses to the questionnaire which asked of extent of challenge in management of expectations in recruitment and employment function of HRM in the greenfield mines. The interviewees (HR managers and five other managers interviewed in Sydney) concurred overwhelmingly that responding to 'stakeholder' expectations is considerably challenging in carrying out recruitment and employment responsibilities. The pressures exerted on greenfield mines in influencing their scope and direction of recruitment and employment function originates from mainly adjacent local communities, province, politicians and educated elites from the immediate regions of the project establishments. Two of the managers agreed that it was a gamble between investing in the mine's security and future by employing a lot of local people or risking stability in operations by favouring mostly 'outsiders' of whom many were going to be skilled labour. One mine made up for the local skill deficiencies by investing heavily in skill formation or HRD activities that later turned out to be a huge success. Under the sub theme on management expectations all five HR managers agreed that each executive management of a greenfield mine put pressure on them to handle the recruitment and employment function with effectiveness and sensitivity. Although skills and competencies of potential workers would matter most for available jobs, each management requires their recruitment and employment officers to be also accommodative of special local communities needs. "This is really a hard call," wrote one HR manager on the questionnaire as, "...we are also

mindful of our community obligations”, and, therefore, the recruitment and employment policies are not routine as in many organisations.

The reservations are well founded. For the greenfield mines to keep operating they have to acquire and maintain local consent from all the stakeholders, not the least, from local communities. Although the consent of the PNG national government is explicitly legitimated and entered in contacts, how the local consent from communities is cultivated and maintained in order to operate safe mine operations is an on going challenge. The ways and means the companies explore and use to get approval from local people is via numerous avenues. One of the obvious strategies is through the utilisation of preferential employment policies. The other avenues are through having extensive corporate social responsibility activities in provision of regular school fee assistance for local children, sponsorship of college and university students from local areas, maintenance of social service infrastructure such as hospitals and school buildings and construction of schools and a host of other assistances. Usually, the development activities are coordinated and managed by the Community Relations Sections of the mine, a section or division purposely set up to liaise and build formidable relationship with local communities. The atmosphere of calm and normalcy is maintained through the mines’ extensive corporate social responsibility activities (Imbun 2006c).

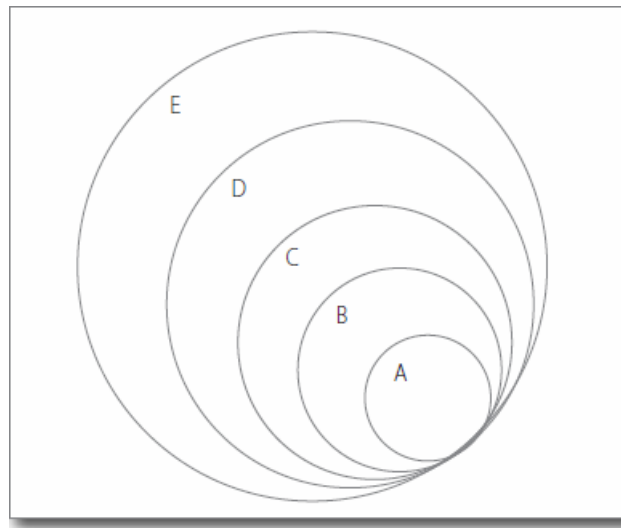
A local community hosting a greenfield mine can also in its own manner and behaviour influence recruitment and employment in pursuance of its own goals. Identified as a sub theme, four HR managers and another four of the five managers acknowledged community sentiments on recruitment and employment as critical. The influence of local community varies between mines as direct (intervention) in some and tacit in others. For example, in mine A to avoid resentment amongst the local community, who saw the project as the first major source of cash income, the management asked the local community to set up their own employment committee where eligible locals were put on the register. This committee liaises with mine recruitment and employment office and recommends names to new and vacant jobs, the bulk of them for blue collar work. This mode of local community mine interaction on recruitment and employment matters is still in force at several mines (Imbun 1998, 2006a, 2006b). Equally crucial, government expectations are high as well when it comes to monitoring the recruitment and employment statistics of greenfield mines, which are sent to the Department of Industrial Relations on a quarterly basis. The government scrutinises training and localisation programmes of greenfield mines particularly in recruitment and retention of expatriates and the 80 per cent of managers interviewed in Sydney confirmed this commitment.

The HR managers identified 1) employee referral, and 2) applicant pressure as challenges they encounter in their jobs. Three HR managers and two of the five managers who responded to the questionnaire identified the two sub themes, respectively. Another two HR managers identified other pressures (sub themes) such as temptation to receive bribes and incentives from potential applicants and threats from unsuccessful applicants. However, the five managers did not mention these sub themes as issues as they were more confined to the occupants of recruitment and employment responsibilities. Above all, management of expectations of various sectors point to the challenging role of recruitment and employment in the greenfield mines.

Factors Associated with Locals

The analysis of data in Table 3 concerning the theme on factors associated with locals on the implementation of preferential employment policy point to an overwhelming endorsement in the greenfield mines. Existing literature on PNG mining also points to a well entrenched preferential employment policy which is positively biased towards people of local communities within the jurisdiction of the mining operation and beyond (i.e., Imbun 2006a, 2006b). The policy is, however, a product of each mine development negotiation prior to operation involving local communities, MNMCs and government. This is amongst other requirements a mine is compelled to implement as part of its overall operation policy. Imbun (2006a) illustrates conceptually how a greenfield mine accesses the labour market for labour recruitment. And Figure 2 shows in the immediate labour market the bulk of unskilled labour demand is filled by locals, while skilled labour is mostly provided by ‘outsiders’. The more technically and administratively challenging jobs are advertised in the national labour market and beyond (international) for expatriate labour.

Figure 2 Areas of labour market availability for recruitment of greenfield mine workforce



Notes: Circle A The near absolute majority of non skilled manual workforce comes from this labour market, many customary landowners of the project and tribesmen from adjacent villages. Circle B Represents the next area of recruitment, as potential workers would have skills of which the former usually lack. Circle C Represents the labour market of the entire province where the mine is located. Unclaimed jobs by the previous two groups would go to anyone hailing from that particular province to pick up the job (s) provided they have the credentials. Circle D Represent the national labour market where most of the skilled people are usually found, as only a small number of skilled people would be found in the first three areas of labour market. Circle E The most administratively and technically demanding jobs are filled by people from overseas labour market as there is high degree of labour shortage in the country, particularly in the fields of geology, engineering and accounting. Source: Imbun 2006a.

In the questionnaire each HR manager was asked to identify which factors were instrumental in the embracement of preferential employment policy in their mines. The same question was posed to the five managers each representing the five mines in the PNG mining and petroleum conference in Sydney. The sub themes emerged from the open ended question are listed in Table 3. Of the responses, all of them (in both categories) identified economic and compliance factors as critical to employing of more local workers. Economically, the isolation of the sites, fly-in fly-out mode of operations, high costs of the employment packages and repatriation provides an incentive to MNMCs to recruit particularly local labour (McGavin, et al. 2001). It was emphatically stressed by each of the four (general) managers who justified their preference for local labour to be economically sound. Confirmed by the manager of mine C, "... a local hire is two times more strategic a benefit than an outsider ..., and we reflect this dynamic in our overall (employment) policy" (Author Interviews 2006). The responses also indicated high compliance to the preferential employment policy which was a product of pluralistic mine development negotiation process before project operation. While security was also mentioned by more interviewees, they also viewed having more local workers in the greenfield mines to be associated with a sense of continuity. The three managers interviewed in Sydney concurred and viewed local workers as strategic partners for the long term security of their operations. One pointed out they have learnt 'heap of lessons' from the Bougainville civil uprising that resulted from disgruntled landowners. Not only to nullify civil uprising, but one HR manager and two managers thought that having more local employees can also have implications for the orderly conduct of employment relations at the mines. In mine A, for example, the respective mine management is confident the emotion and loyalty of the local workers including villagers will prevent the occurrence of industrial activities whenever there is likely to be a threat of an industrial strike by the unions. In cases where industrial strikes occur local workers were used as strike busters and often colluded with mine management to challenge the trade union (Imbun & Morris 1995).

Also set out in Table 3, another three of HR managers viewed the inclusion of more local workers in their workforces was done to compensate for the mining projects' adverse social and environmental impacts on previously peaceful and tranquil communities. The traumatic experiences of the Bougainville civil uprising and the Ok Tedi environmental debacle, involving two huge Australian mining companies, have spurred on other MNMCs to treat local employment and other spin offs from their operations more delicately. Local employees were thought to be more productive than others (two responses) and one manager made reference to the general reluctance of locals to join trade unions. Two other HR managers viewed local people are likely to be more eager to look for jobs and obedient at the workplace. However, above all local people were favoured more than others as mines acknowledged economic costs and compliance with specific mine development and operational policies to be more critically significant.

Perceptions on Preferential Employment Policy

The employment of individuals in an equal and non discriminatory manner is mandated by public policy in countries such as Australia and the United States (Still 1988, Kramar 1995). However, despite the prevalence of equal employment laws, a number of countries (i.e., Fiji, Malaysia) go beyond these 'equal share' provisions to

harbour biased employment policies in order to remedy workforce imbalances between native peoples and other sections of their populations. This practice is in contrast to affirmative action policies of other countries such as Australia and the United States where the aim is to provide members of under represented groups with the skills and credentials necessary to reach employment eligibility, and once there, to compete equally on merit alone. In contrast to both the equity and the 'biased employment policy' models is the PNG labour market, which is quite unique and paradoxical when it comes to shaping and implementing employment opportunity policies. Like most countries, PNG has equity policies, which allow men and women to have equal, but unrestricted access to employment. This seems to be not the case in the recruitment and employment of workers in the greenfield mines.

Differing opinions expressed by HR managers and sectional managers on preferential employment policy in Table 3, however, highlights the concerns inherent in the implementation of the policy in the PNG greenfield mines. Three of the five managers interviewed in Sydney each highlighted a particularly difficult aspect of the localised recruitment policy issue involved the treatment of those non local employees who were recruited to do certain jobs. Some of them who were hired mainly in semi skilled jobs such as driving, catering, and cleaning because of their former extensive experience complained of rapid layoffs when recently trained locals were slotted into their positions. In one greenfield mine, these workers, mainly other nationals, were there for a pre specified period of not more than two years. Usually locals recruited through the preferential employment policy understudied them. The disgruntled workers in this mine and other mines complained at times of discrimination to the management, but given the explicit employment policy favouring locals over others they did not get far with their complaints. Some of them were also laid off as educated and trained locals came to the mines to work. Not surprisingly, in the three mines, the managers comprised a significant portion of the workforce, in two cases making up 75 per cent of the manual workforce.

There is overwhelming acknowledgement between the interviewees that giving preference to local people in employment opportunities is proper given the unique local social, economic and political circumstances. Only one HR manager and one general manager thought the practice was unfair, and, therefore, a biased policy implemented at the expense of the entire PNG population. Despite the misgivings, which is also indicative of a lot of Papua New Guineans already labelling the policy as 'unfair' and 'unnationalistic', the landowners or in general local identity has in fact become one of the major criteria for employment determination in the greenfield mines (Imbun 1999b).

It seems the PNG example follows several other countries in accommodating preferential employment policy despite the prevalence of equal employment laws. Although the preferential employment policy does not wholly resemble 'positive discrimination' policy where steps are taken to ensure that predetermined 'quotas' of under represented groups are present in specified bureaucratic and industry positions. In this policy if the quotas are not met the appointment of members such groups on the basis of their social (ethnic) status rather than their ability to do the job is required. For example, as Roberts (1994) points out Fiji and Malaysia harbour 'biased employment policies' where the employment acts to allow employers to take 'affirmative action' to remedy workforce imbalances between native Fijians, Malaysians, Indians, and Chinese; respectively. In the PNG case, quite contrary to its national equity principle, the implementation of preferential employment policy in the greenfield mines demonstrate that ethnic affirmative action in employment opportunities results in running economical and safe mines. This practice would have generated controversy and legal challenges if it was practised in mines in Australia and other developed countries. But in PNG, for obvious reasons, it has become a standard practice in the greenfield mining projects.

DISCUSSION

This study has found that MNMCs operating in PNG shape innovative recruitment and employment strategies as way of 'adapting' their mining operations into the local political and economic environments. The HR managers and other senior managers interviewed for this study overwhelmingly acknowledged that unique issues of underdevelopment, and, therefore, less exposure to outside world, adverse impacts of mining and economic efficiency are some of the reasons which are responsible for influencing their mining operations to maintain a pro local community approach to shaping of their operational workforces.

The results of the study show the recruitment and selection function, which is a routine and stable function of HR in most organisations, is not the same in the PNG greenfield mines. This is compounded by the unusual challenges they face in their operations when contrasted with mines in developed countries. It is typified by recruitment and employment which poses delicate choices in strategies for MNMCs to make in order to operate economically and politically efficient mines. The affirmative action policy positively discriminates in favour of the local community in terms of gaining employment at the mines. For the MNMCs the policy has offered advantages in terms of cost minimisation where local employees can economically replace expensive other nationals and in some instances expatriate labour. The occurrence of such a situation was not envisaged by Kerr, et al. (1960) nor did other contemporary scholars on international HRM view the scrambling for limited job opportunities presented by MNCs as contentious issues.

Although the ethnic affirmative employment policy and other practices by MNMCs seem controversial in many ways, quite surprisingly, they have not become 'hot issues'. It seems that in theory the country's equity policies

prevail, but in practice the government is quite content with the way land owning people and project operators go about establishing and implementing their own employment criteria. This would not be likely if it was in Australia or another developed country. However, because of the deprivation in the areas where projects are located, affirmative action in employment and other benefits is viewed as legitimate compensation for landowners.

In the context of international HRM literature, the MNMCs' experiences with recruitment and employment of a predominately indigenous workforce are not without challenges. What, however, does demonstrate is that the orthodox IHRM literature's treatment of recruitment and employment as routine and basic is challenged by the PNG greenfield mines case. The presented findings in this paper demonstrate an existence of an exceptionally different recruitment and employment system functioning in the greenfield mines. It has in many ways been influenced by a pluralistic form of community and government participation in drawing up the recruitment and employment policies of each greenfield mine. This in itself remotely resembles the process involved in mobilisation of workforce in other mining operations, let alone locations of developing countries.

Notwithstanding the collection of valuable data in the two phases of the study, which both had compromising results, apparently this study has some boundary conditions. Despite the relatively small sample size of nine PNG greenfield mines (mainly in their operational phases) the findings cannot be viewed as conclusive. In order for the findings to have overwhelming validity, a significant (larger) number of HR managers and officers, and other (top) managers would need to be interviewed to find out if the recruitment and employment practices favouring local communities of mining projects are also viewed and held by them in the entire PNG mining industry. Equally crucial, it may also be imperative to develop a research methodology that is appropriate to measure the perceptions and practices of recruitment and employment personnel of the greenfield mines undertaken in this study and find out if those are widely held across the industry.

One other shortcoming in this study is the lack of input from HR officers who are actually at the forefront of employment of mining personnel. Although some of the key technical and administrative jobs may require the attention of the HR manager and respective divisional managers of a greenfield mine, the bulk of the blue collar and white collar positions are filled routinely through recruitment officers. A mine may be dictated either by the whims of divisional managers, who are hard bent on who they want for their respective jobs, or by a policy obsessed HR manager, who wants to adhere to the preferential employment policies and other guiding policies at all cost. Whatever is the practice, at the most HR officers serving in the recruitment and employment capacities do play a determining role in influencing recruitment decisions. Therefore, for a conclusive study on recruitment and employment practices of PNG greenfield mines, recording of thoughts and practices of HR officers is obligatory. However, in this study views of mainly HR managers and other managers of the five mines were recorded and their overwhelming congruence in adhering to preferential employment policy is obvious.

Finally, there is more scope for research on the perceptions and practices of recruitment and employment personnel in relation to embracement or lack of it vis-à-vis preferential employment policy in the PNG greenfields mines. It would even be more intriguing if a comparative study on the topic is done between mining and other resource extraction areas such as gas and petroleum, forestry and also fishing to establish relative adherence to accommodation of preferential employment policy in PNG. There is anecdotal evidence indicating that there is wide spread practice of deployment of preferential recruitment and employment policies within these sectors in PNG. A larger study comparing the recruitment and employment practices of companies engaging locals of natural resource areas would provide a more conclusive study in what is currently seen as ad hoc and 'convenient' practices for mainly large overseas companies.

CONCLUSION

The dominant paradigm in HRM and the emerging IHRM is that recruitment and employment is mostly an unproblematic issue, requiring little research effort, given its largely routine nature. Indeed, this view is underwritten by the old paradigm, that firmly left the recruitment and employment within the traditional narrow PM function. The paradigm shift from PM to HRM has broadened the focus on the human element within organisations.

The aim of this research paper was an attempt to argue and show the HRD and HRM could no longer be underwritten by universalistic principles that apply across all regions of space and time. Rather, it requires a more valid approach - which takes a contingency approach - that is sensitive to disparate environmental circumstances. Thus, in investigating the theory and practice of recruitment and employment, as they relate to 'greenfield' mines in PNG the research took, as its point of departure, the new paradigm shift. It designed its inquiry and methodology around five relevant themes and their sub themes. This was pursued in order to tease out the views of the research subjects on their perceptions, which can be listed as five salient topics.

- Expectations on recruitment and selection criteria
- Factors associated with locals
- Preferential employment policy

- Recruitment and selection criteria
- Challenges on recruitment and selection criteria

The research was undertaken in two sequential phases of empirical investigations (i.e., mailing of questionnaires to HR managers in a sample of nine greenfield mine sites in PNG in 2005 to 2006). This was Phase 1 of the investigation. The interviewing representatives of mines who attended a mining and petroleum conference in Sydney in December 2006 was Phase 2 of the study.

As argued in the paper, the findings and conclusions that were reached must be seen against the particular and peculiar circumstances of PNG society. While this means that the conclusions may not be generalised in the traditional natural scientific fashion, they, nevertheless, provide valuable insights for relating to other similar societal settings, especially in other developing countries. Furthermore, this research duly acknowledges at least boundaries, and hence, room for future research. First, reliance on a small size sample renders the research findings and conclusions statistically weak. Second, perhaps a more appropriate research methodology could have been designed to measure the perceptions and practices of recruitment and employment of personnel in greenfield mines in PNG in an attempt to determine the degree of consensus among them on the research issues posed. Third, the absence of input from HR officers at the forefront of recruitment and employment, particularly with respect to the blue and white collar positions routinely filled, did not enhance the validity of the findings and conclusions drawn from the research. Last, more insights may have been gained if a comparative study had been undertaken across a wide cross section of PNG natural resources industries, including gas and petroleum, forestry, fishing and other extractive industries.

Against the backdrop of the foregoing boundary conditions at least two salient issues emerge from this research. First, the paper poses a challenge to the stakeholders in PNG greenfield mines (project developers, local communities, especially landowners, and government) to develop a first time industrial workforce capable of meeting the competitive challenges of today's world. The sectional interests of project developers, who are invariably the MNMCs, are centred around achievement of economic efficiency and profitable operations, while avoiding economic risks, and civil and political insecurity. The government's own sectional interest is to view mining as one of the most dynamic sectors, bringing in much needed revenue. The interests of landowners, local communities and local tribesmen is to maintain an exclusivity standpoint, debarring 'outsiders' from any benefits that accrue from mines. These pluralistic interests pose formidable recruitment and employment challenges that dictate the need for innovative and adaptive employment strategies.

Second, one of the implications of these challenges dictates that an 'equity employment policy' be adopted and practised. Broadly, this policy requires an equal and non-discriminatory recruitment and employment approach, as in Australia and the United States of America. Its modus operandi is that under represented members of the population be provided with skills and credentials to reach employment eligibility, and, thereafter, be enabled and empowered to compete equally on merit in the labour market. In PNG, this 'equity employment policy' is honoured in theory, but ignored in practice. Instead, it is the 'preferential recruitment policy' that is prevalent in practice, particularly in resource extraction industries. The arguments in justification of this rest on the claim that PNG circumstances are unique in socio cultural, political and economic aspects. Specifically, the claim is that PNG mines are located in isolated parts of the country, with less exposure to the outside world, and characterised by extreme underdevelopment in rural areas hosting foreign dominated enclaves of extractive exploitation. Moreover, the capital, intensive nature of these extractive industries means that the workforce will attempt to scramble for the few labour dependent jobs. As such, both the landowners and the tribesmen in the local community are not likely to welcome outsiders from other communities and tribes. The result is more often than not likely to lead to land disputes, inter community, inter tribal conflicts and problems of peace and security. And the development of the mining industry is of very recent origin, compared to elsewhere. All these constraints and disadvantages, they argue, strongly militate against, and defy, 'the logic of industrialisation' and the development of an effective industrial workforce. These anti equity recruitment and employment claims are further advanced to justify the view that preferential recruitment policy is a legitimate practice to promote ethnic affirmative action policy directed, in part, at compensating local communities and landowners for their adverse social and environmental brought about by the introduction of the mining projects in their once peaceful and tranquil environment.

It should be noted that other countries, such Malaysia and Fiji, have also subscribed to the preferential employment policy. But their approach is different from that of PNG. While their approach seeks to rectify the imbalance between different ethnic groupings (e.g., Chinese verse Malays verse Indians) in their society (because of unequal wealth and opportunity), the PNG approach, on the contrary, is not based on different ethnic origins, but on local community and tribal divisions within the same ethnic grouping.

In the final analysis, it can now be seen that PNG strongly desires a mining industry that has solid fundamentals in economic viability in the face of global competitive challenges. And yet its pluralistic form of owners of capital, the local community and the government equally propels the society to a divisive preferential recruitment policy and practice based on local community and tribal divisions. It is this acute tension between economic viability based on sound economic principles, on one hand, and the socio political pressures from local communities as more over riding. On the other hand, it is the challenges which require innovative and adaptive recruitment and employment strategies. These dilemmas should form an important research agenda for further research.

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