CAREER PATHWAYS IN THE ROMANIAN

CIVIL SERVICE: THE NEED TO ADJUST THE

NEW PUBLIC MANAGEMENT TO A COUNTRY

PROFILE

By

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Executive Summary

The main objective of administrative reform is to include management practices in the civil service in order to increase responsibility, efficiency, and technical capacity in state bureaucracies. This new approach is called New Public Management, simultaneously being an ideological challenge, a managerial doctrine and a practical reform project. The three key features of reform are the size of the bureaucracy, the introduction of a merit criterion for the officials' selection and promotion, and the more flexible management of human capital. In addition, another principle gains supremacy: letting 'managers to manage', subsequently increasing their role in establishing and developing sets of performance indicators. Nonetheless, these reforms vary across countries in their profoundness and effectiveness. While countries such as New Zealand and the United Kingdom represent the outright success of the NPM principles' implementation, transition countries, e.g. Romania, base their reforms on an easier manner, i.e. the reproduction of 'good practices', especially concerning personnel management. What the effects are and what undertakings should be made in this regard, these are the questions to which this thesis will answer. Basically, I argue that all the reforms must be adjusted to the country profile, and, foremost, must be gradually implemented in order to diminish the risk of failures.

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Introduction

The reform of the so-called 'Old Public Administration' has brought in a new approach of the civil service structure, the **'**New Public Management' (NPM), which focuses on the centrality of citizens as customers, on the public administration as the deliverer of efficient services based on strategic management and on accountability for outcomes. In addition, the new public reform promotes decentralized control through a wide variety of alternative service delivery mechanisms, including quasi-markets with public-private partnerships. Although the NPM is criticized for being the promoter of the 'privatization' of all public sphere services, it is already known that it is conceived as a means to improve the political actors' efficiency and responsiveness.

At the same time, borrowing practices from the private business model, countries adopting NPM principles are also engaged in a process of elaborating new human capital management based on the merit criterion. A very important reform is the creation of semiautonomous agencies, the so-called phenomenon of 'agencification', for different service deliveries. Furthermore, the new agencies bring new types of public commitment for the civil servants, who have opportunities for creating arrangements based on time-limited contracts, which provide performance incentives. In this regard, a logical question is what happens with the classical civil servants' career which gained a lot of supporters during the years, exactly due to its stability feature (the 'job-for-life' principle) and the difficulty of the political actors to fire public administrators in any circumstances.

However, the literature on the NPM approach also presents several criticisms. Among them, one important weakness of the NPM core element, the human resources management, is

the difficulty of performance measurement, especially when it comes to appraisal and promotion in the career ladder. Even though countries in which the NPM originates (New Zealand – NZ or the United Kingdom - UK) still confront perverse effects of the NPM implementation, transition countries began to copy the new management's characteristics in a 'form without fund' manner, especially in the personnel policies. In addition, given that the literature has not yet presented clear evidence of positive evaluations in the NPM implementation process, this thesis addresses the following **research question**: *to what extent can transition countries adopt with success the features of the NPM in the public employees' career*? One **hypothesis** is formulated: if transition countries adopt the NPM model, in a gradual manner and adjusting it to their context and to country profiles, then the reforms will be successful.

This research does not claim to offer a general answer available for all transitional countries. The main focus is Romania, a former communist state from Eastern Europe, which became member of the European Union at the beginning of 2007. This case was chosen because the literature regarding the public HRM reforms in this part of the world omits Romania, although the newest changes have had several successes which are worth analyzing.

The **claim** of this thesis is that instead of exactly 'copying' NPM characteristics from other successful states, transition countries must adapt it to their own realities and, essentially, through a gradual approach and change. Due to the fact that reforms can be realized only through resources (and human capital is the most important of these), the first step should be the creation and promotion of incentives, i.e. a new system of public career, based on performance and merit criteria and not on the seniority in the system, as it is the current case in Romania.

The **methodology** of the thesis is based on a thorough *literature review* of existing research both concerning NPM perspective and HRM; three countries will be examined and *compared* with the Romanian administration. In order to do this, I will apply the method displayed by Dogan and Pelassy (1984: 27-32). Firstly, the 'most different systems design' will be used for comparing NZ and the UK with Romania: NZ is the "world's laboratory" of NPM and the UK is selected for showing that NPM in this country involves a total transformation of the civil service. Consequently, as the thesis will show, Romania cannot only copy the British model, without taking into account the risks involving a complete transformation of the system. This method compares countries that do not share common features, but in order to stress a particular outcome, some explanatory factors are keep constant. Secondly, I will compare Romania with Brazil, by applying 'most similar systems design', in order to identify the key features that are different among similar countries. The Brazilian model is analyzed as the path which should be followed by the Romanian administration due to its success of continuous adjustment of the classical bureaucracy to the NPM mutations.

This thesis is **structured** in four chapters. The first one will offer an overview of NPM principles, emphasizing the role of HRM as a core element. At the same time, in order to highlight the fact that this 'mega-trend' in the global administration (Lynn 2006) also presents a dark side, the main criticisms will be analyzed. The second section centers on the effective analysis of the personnel management and the changes brought in the civil servants' career by NPM. One conclusion of this part is that given the important position of the state as the provider of public services in transition countries, any real transformation in service delivery must begin with the civil service's reform. Furthermore, the case studies will be analyzed.

In the third chapter I will evaluate the current reforms in the Romanian public function based on the implementation of the NPM characteristics. I will prove that the big mistake of the Government which brought failures in the administrative reform (e.g. corruption, especially nepotism and favoritism) is the fact that it tries to copy exactly the NPM from countries such as the UK, refusing to adopt gradual steps in the reforming process of public career. Finally, the fourth section will provide specific recommendations for creating a similar system to the Brazilian one, i.e. the conjugation of elements from both administrative models.

Chapter 1: Implementing the New Public Management – Literature Review

This chapter focuses on reviewing the literature about New Public Management (NPM). Briefly, the NPM literature can be divided into academic literature; documents provided by the international organizations involved in the process of reforming public administrations through the NPM doctrine; and the official reports and statements of national governments. In order to answer the research question, i.e. to what extent can transition countries successfully adopt the features of NPM in the public career?, my thesis analyses and, later on, makes recommendations based on all three types of documentation. Thus, taking into account the well-known debate between the academic and the official literature for providing the most accurate information, this research avoids the critiques of being too much academic and less realistic (weakness of the first group of literature) or being too much 'official' and, therefore, unwilling to present both the successes and the failures of the NPM ideology (as in the case of the last two types of documents).

The chapter is divided in two main sections, the first one presenting the strengths and the essential achievements of the NPM, and the second one centering on the deficiencies of public management.

1.1. The Bright Side of NPM

It is generally accepted that almost all countries in the world aim to modernize and to reform their administrations in order to make them more efficient and more citizen-oriented. This new management for results in public services delivery is called New Public Management.

However, it is less known that NPM was first a theoretical perspective before being an administrative framework. As Lynn shows (2006: 105), managerialism in public services emerged in Great Britain, in 1972, with Desmond Keeling's work, *Management in Government,* and other publications having the same topic in the 1980s. In 1990, C. Pollitt wrote *Managerialism and the Public Services: the Anglo-American Experience,* a volume considered a milestone in the NPM literature due to the new ideas of introducing private performance managerialism into the public sector.

In fact, the metaphor 'New Public Management' was coined in 1989 by Christopher Hood (1991), defining the 'administrative doctrines' which are common to countries like Canada, Australia, New Zealand, the United Kingdom (the UK) and the United States (the US). Through this new 'mega-trend' (Lynn 2006: 108), Hood succeeded in demonstrating that the 'old' public administration became too 'old' and failed in actually fulfilling its normal functions (i.e. mediating the relationship between citizens and political leaders, and providing efficient public services). He suggested that the NPM should focus on the creation of measurable performances; quasi-autonomous institutions with delivering competitive services instead of traditional bureaucracies; Strategic Human Resources Management (HRM) with managers who manage according to the private sector model; self-regulations instead of 'command-and-control' system; the reduction in size of the public personnel; the 'subsidiarity principle' in service delivery.

At the same time, international organizations such as the World Bank (WB) or the United Nations were promoting efficiency and economy on a global scale, along with national governments, which were supporting competition, performance and incentives in the public field. Notably, all these countries facing similar metamorphoses had a real separation between

politics and administration (Toonen 1998, cited by Lynn 2006: 108): the main purpose of the 'old' public administration, i.e. the neutrality of civil service toward political interference (Hughes 1998: 23), had been achieved. Subsequently, NPM principles began to be implemented in professionalized and operational administrations.

What does NPM change in comparison with the bureaucratic model? The common NPM 'package' contains six main features (Kettl 2000: 1-2):

1. *Decentralization* – transferring more responsibilities to local levels in order to make service delivery closer to people (the 'customers'/ the 'clients') or delegating more attributions to the line managers in central institutions;

2. *Marketization* – utilizing market strategies and management in order to substitute the bureaucratic 'command-and-control' system;

3. *Policy* – the separation of government functions: the purchaser of services (policy function) and the services' provider (service-delivery function);

4. *Orientation on results* – managers try to put citizens first, because they are the tax-payers, and therefore, the latter are the employers of the civil servants, in an indirect manner. Hence, the 'clients' should have the possibility to choose between efficient competitive services;

5. *Efficiency* – there will be always the problem of a limited public budget, and therefore, the outcomes of public policies should be more competitive, but with the same amount of financial support;

6. *Accountability* – the bureaucratic system of top-down implementation is replaced with a bottom-up perspective, holding the line managers more accountable towards citizens for outputs than for the processes as such.

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However, these general features can vary from country to country due to the different ways in which political leaders and reformers view the changes to their administrations. Gargan (2007: 1171) considers that according to these various perspectives, countries follow either of two NPM approaches. Firstly, there is the **Westminster model**, including countries such as the UK, Australia, Canada, with New Zealand as the most successful example from the mid-1980s to the present. These countries have adopted the purest NPM, by changing almost the entire structure of the 'old' bureaucratic system. Secondly, the **Reinvention model** or the 'management for results' is represented by the single case of the US, which is an 'impure' system of NPM (Gargan 2007: 1171).

Nonetheless, in my view this classification omits the countries that started to implement NPM principles as 'good practices' or as external pressure for reform from international donors or organizations. I argue that these countries should be included in a third category: the **Adoption model.** This group includes developing or transition countries and other developed countries which do not implement the whole package of reforms and changes brought by NPM, preserving several characteristics of the bureaucratic administration as well. These countries are helped in their initiatives to implement privatization and marketization in administration by specialists of countries from the first two categories. In addition, depending on different factors (for instance, the political will), they can be more or less successful in achieving the established goals.

The vast literature on NPM can also be divided in terms of authorship. First, there is the documentation provided by international organizations (the WB, the OECD, the UNDP, etc.) which is not so critical of the results of NPM values' implementation, exactly due to its official character. As Minogue argues (2001: 7),

Awkward questions about the effectiveness of NPM remedies, or the transferability of political values across different cultural boundaries, will rarely be found in the official literature. Failures are largely blamed on the recipients of the failed reform packages; successes are seized on and promoted of examples of the virtuousness of the donors (for example, a 1985 World Bank report on Mauritius is entitled *Mauritius: Managing success*).

Second, there are more academic writings, which underline both the successes and the failures of managerialism in the public field (Cutler 2004; Jones 2004).

I would argue that this distinction, however, omits a third type of documentation: publications by national governments in countries adopting the NPM style. This category is also official, like in the case of the international organizations' documentation, and so runs the same risk of being less critical of NPM. Nonetheless, this literature is the one used by transitional and developing countries; sometimes, indeed, it is the only one. I am referring to the strategies of development, the guidelines for specific areas of administration, or the 'good practices' of developed countries, which can be found on their official web-sites. These sources are of particular importance because public officials from transition countries try to literally copy these strategies and to apply them to their own levels of governance, without any ex-ante evaluation or without taking into account the risks of not receiving the same results as in the original environment of implementation. Countries following the Adoption Model, such as Romania, often rely upon when designing administrative reform.

1.2. The Dark Side of the NPM

Following the strengths of NPM, I will now concentrate on the model's **weaknesses** in order to see if NPM is a reform which can be successfully realized in other countries besides the ones in which NPM has its roots (New Zealand, the UK, the US, Australia, and Canada).

Bearing in mind that NPM brings managerial decentralization, line managers, in the last decade, have enjoyed increased power, but have also borne higher risks, which cannot be always assumed only by a single institution (Minogue 2001: 8). As a result, public employees have started to take fewer risks, especially when their jobs are threatened by personnel reduction and the privatization of particular services. Furthermore, the 'marketization' of the public sector does not resolve the problem of 'market failures', which is the very cause of state intervention policies.

NPM introduces, in line with the private sector model, competitive values into public organizations that may reduce the level of communication between and within organizations – whereas the 'old' bureaucracy promoted a high level of communication and collaboration. More generally and perhaps more seriously, the introduction of NPM features in transitional and developing countries has not been empirically assessed, or, in other words, there is no evidence that the NPM really works in these types of countries. However, transitional countries continue to adopt these characteristics in a 'high-track' manner (Guess 2007), with the hope that what is good in some 'blessed' regions will function for them as well.

Even if countries like Tanzania and Uganda showed some successes in terms of administrative reform after introducing several NPM principles, it is unclear whether NPM can be properly credited for these results. Clark and Wood argue (cited by Minogue 2001: 11) that in this environment the most essential factors were the adaptation of the Western model to the local conditions and the willingness of the political actors to collaborate with the international donors, and not the NPM as such.

The consequence of the NPM adaptation of 'form without fund' is the failure in the implementation of particular public policies. Or, as Polidano shows (2001: 64), NPM should

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add a fourth value, **Experimentation**, to its three main important principles, namely the three 'E's of Economy, Efficiency, and Effectiveness. I sustain that the principle of experimentation is the most essential one for transition countries due to the risks that NPM involves by promoting the values of competition and marketization in the public field. The very question is if these countries are really prepared, in terms of human and financial resources, to embrace the new practices. I argue that only by experimenting and adopting individualized mechanisms of implementation, can NPM be effective. This idea will be more developed in the last chapter, by providing some recommendations for Romanian case.

In line with the above comments, the research question can be formulated as follows: **is NPM a suitable formula of reform in transition or developing countries?** Would one expect the same benefits as in countries from the Westminster or the 'Reinvention' models? Up to now, the experiences of developing or transitional countries (with a few exceptions, like Brazil, Uganda, or Tanzania) have shown that the new management yields limited benefits or, even more dramatically, has perverse outcomes such as corruption. Polidano gives some explanations (2001: 57) of the NPM failures.

One explanation is the 'stages of development', theory which argues that absence of expertise and precarious information systems are incompatible with the characteristics of performance-assessment systems. This argument, however, is unfounded due to the fact that international donors offer their own expertise in the implementation of different projects, not to mention the various non-governmental organizations, think-tanks or even academics who are interested in providing unconditioned help.

Another justification is that public administration is already affected by corruption in these countries. Therefore, the decentralized system implied in a NPM reform package will

only increase the phenomenon of bribery or favoritism in the absence of central control. And while decentralization has many advantages (e.g. governance closer to citizens), in countries with fragile political, economic and social systems, central institutions' supervision is a necessary, even if not sufficient, condition of reforming the civil service.

Other authors, in line with the aforementioned 'form without fund' criticism, analyze the intrinsic characteristics of managerialism to demonstrate its weaknesses. Hughes (2003: 62-70) argues that whereas economic principles of supply and demand can be applied in the private sector, the public field is not compatible with them due to its complexity and uniqueness. Additionally, the private business model of changing the focus from inputs to outputs, in order to increase efficiency and accountability, is not so relevant for the public field. Hughes' argument is based on the difficulty of measuring performance and results in the civil service. However, I believe that the third type of literature, namely the one provided by the national institutions from countries which implement NPM features, stresses exactly the manner of establishing and assessing performance indicators in public service delivery (examples: Bramhall 2006, the UK Government 2006, the Office of Personnel Management in the US 2007).

Another critique is that, by requiring a closer relationship between public managers and political leaders in order to increase accountability, NPM over-politicizes the administrative system. NPM supporters sustain that this politicization is not a 'big problem', as long as the anticipated outcomes are yielded. In this case, the question is: what should countries from the 'Adoption model' do? These countries have an essential dilemma: the legacy of former systems produce corrupted networks, whose public officials are strongly politicized. Consequently, in order to decrease corruption, the neutrality of the administration is required. However, the

NPM package implies the politicization of top public officials. Ergo, one could ask: politicization or neutrality? What road should the transition or developing countries follow in their reforms?

In order to answer this question, one comment must be made: as Echebarria and Cortazar assert, the public administration is the unseen part of the state apparatus' iceberg (2007: 124). Although public service forms the most voluminous part of the state employees, the administration continues to be the executive instrument of the government and of the other two branches of state power. Consequently, in my view, the isolated and completely neutral civil service promoted by the 'old' public administration is a utopian project - desirable, yet impossible. Therefore, administrative systems which seek to implement NPM features should obtain political support through permanent collaboration, and at the same time serve the rule of law.

Finally, Hughes sustains that the problem of accountability is also a critique brought to NPM due to the fact that citizens do not have any mechanisms for calling a public servant to account. While political actors can be replaced during the elections, civil servants are not directly accountable to citizens, even if NPM principles involve the consideration of the latter as customers.

Another shortcoming is analyzed by Moynihan (2006). He sustains that the failures of implementing the NPM are caused by the fact that national governments (e.g. the US) support only partial implementation due to the 'selection' of some convenient ideas about management from the whole package of reforms, and thus ignore maybe the most important ones. In short, although state governments emphasized strategic planning and performance measurement, they ignore the need to implement reforms that would enhance managerial authority. This is also the

case of Romania, where line managers are supposed to yield efficient goals, without having sufficient decision power.

In conclusion, aiming to demonstrate that NPM cannot be implemented in transition and developing countries exactly like in systems in which NPM was born, this chapter presented the strengths and the weaknesses of public management. In addition, it highlighted the types of documentation which is specialized on the NPM analysis. Moreover, this section represents the theoretical background for introducing the topic of Human Resources Management as one of the core elements of managerialism. The next chapter will analyze the permutations in the public employees' career caused by the implementation of the NPM perspective.

Chapter 2: Remodeling Public Administration: How Do the Features of the New Public Management Change Civil Servants' Career?

After having presented the main NPM reforms this chapter analyses one of its core elements, Human Resources Management (HRM). Whereas personnel conduct has long been a neglected function in transition countries, nowadays there is growing recognition that the manner in which HR activities (e.g. recruitment and promotion) are implemented has a direct effect on the policies' outcomes. In addition, given the important position of the state as the provider of public services in these countries, any real transformation in service delivery must begin with the civil service's reform.

2.1. Human Resources Management – a Core Element of the New Public Management Package of Reforms

According to Taylor (2001: 175), one of the most essential characteristics of the NPM is Human Resources Management. NPM assumes that personnel management is a high-priority reform due to the importance accorded to public sector employees and their professionalization. In addition, according to the resource-based theory[1] any organization has a competitive advantage in the implementation of its strategies if it focuses on the basic inputs, including

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[1] Resource-based theory, often applied in administration but borrowed from business, is used to determine the strategic resources available to an organization. Its fundamental principle is that the basis for a competitive advantage of a firm lies primarily in the application of the bundle of valuable resources at the firm's disposal.

human capital (Barney 2001; Boxall 1991). Thus, the latter in itself becomes the organizations' competitive advantage.

In NPM, public institutions begin to compete not only among themselves in service delivery, but also with the private sector. Hence, the administration should be able to motivate its employees in this permanent competition. In order to do this, the public sector transplants the HRM from the private business model. According to a World Bank report (1997: 9), civil servants can be motivated to perform effectively through a combination of mechanisms to encourage internal competition: a recruitment system based on merit, not favoritism; a merit-based internal promotion system; and adequate compensation.

HRM sends the same message to the employees, namely, that the era of a 'job for life' is gone and the manner in which they perform will determine their professional future. Following the main components of NPM, Taylor (2001: 177-8) examines the implications of public personnel management in the civil service. Starting with the element of 'giving management back to line managers', he shows that the traditional administration failed in managing skills due to the high-level of concentration of workforce management in the personnel departments. The latter are too involved in obeying both the strict lines of the laws and the top-down commands. Thus, NPM suggests that line managers become responsible for choosing and maintaining the right people at the right moment, in order to yield institutional results. Moreover, Gargan sustains that the reform intent 'is freeing mangers to manage' (2007: 1179), and therefore, the line managers should create an organizational environment which promotes personal initiative and responsible risk-taking.

Secondly, HRM brings a new approach about people's role in public organizations. While the financial, logistics and informational resources are of essential importance in

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classical administrations, NPM emphasizes the great impact of employees on institutional performance. Therefore, in order to increase public servants' commitment to the organization, HRM promotes individual and collective incentivization, especially through performance-based payment and promotion. Moreover, people's management is conceived as an integrated part of the whole organizational strategy, establishing clear goals and actions to take in the field of selection, recruitment, rewards, evaluation, or retiring.

The core component of the HRM strategy is the principle of merit. However, while all administrations stress the importance of the **concept of merit,** this notion has been poorly defined in the literature and is often interchangeably used with other notions like performance, qualification, ability, or competition (Carter and Kitts 2007: 384). In this thesis I use the Stahl's definition (1996: 42), who is one of the first theorists of the concept: the merit system is a "personnel system in which comparative merit or achievement governs each individual's selection or progress in the service and in which the conditions and rewards of performance contribute to the competency and continuity of the service".

Over the past century, the components of the civil servants' careers have been transformed by the introduction of the merit principle in selection and promotion and by the personnelists' specialization in the concepts of testing skills and capacities. Nevertheless, the merit criterion is criticized by authors such as Krislov and Rosenbloom (1981: 52-57, cited by Carter and Kitts 2007: 392): it can only have an impure form in reality due to the fact that specific information or informal access to gatekeepers constitute advantages exclusively available to particular networks or levels of management. In other words, regardless of how well a civil servant does her job, she will never be promoted only due to efficient performance,

but also due to being in the right network or having the appropriate information at the right moment.

2.2. The Main Instruments of Career Management

Career management in the public sector can be generally defined (Roll 2004: 8-10) as an improvement in the employment situation of civil servants (higher position, transfer, rotation, and training). Additionally, a distinction is made between two types of career management:

1. **The career system** (Bossaert *et al* 2001: 82) is characterized by public-law contract; appointed personnel only at the bottom of the career ladder, thus the recruitment for higher positions being realized through internal mechanisms; the remuneration systems are laid down by statute (advancement based on the seniority principle, i.e. the number of years serving in administration); Code of Conduct for civil servants (including special disciplinary law); 'job for life' principle; work process based more on rules than targets; special pension systems.

This system is closer to the bureaucratic model of administration in promoting the job for life principle and the security of the career path. At the same time, it aims to achieve specific standards of neutrality, incorruptibility and compliance with the law. The Romanian administration is based on structures with a classical career path, in which civil servants are promoted by seniority. One reason for choosing this was the fight against politicization and patronage. Nonetheless, this decision has not decreased the instability and the over-

politicization of the civil service. Therefore, the reforms from the past years tended to implement the second system presented below, which is more specific to the NPM reforms.

2. **The position system** has the following features (Bossaert *et al* 2001:83): recruitment to posts at all levels of the profession, no maximum age limits, specific skills as requirements for specific posts, differentiated and individual rates of pay, and no statutory pension system.

Following the differences analyzed by Bossaert *et al* (2001: 73-5), Table 1 presents the aforesaid distinction in a more structured manner:

Table 1

Classical administration - the career system	The NPM - the position system
Public law statute	No abolition of public statute (except the UK) but increasing number of private law contracts
Hierarchical organization (top-down)	Greater responsibilities for line managers and bottom level employees
Often organizational structure according to careers (e.g. A, B, C, D or I, II, III)	More flexibility in career systems and emergence of senior civil service systems in position system
Centralized competence in Personnel Management	Move towards decentralization and individualization
'Job for life' principle	Measures to increase all forms of mobility
Limited possibility to dismiss civil servants	Legal possibility to dismiss civil servants for poor performance
Pay according to seniority, plus financial bonus systems	Pay according to performance plus seniority, reform of allowances and bonus system
Specific pension schemes, calculation on the basis of last salary, better pensions than in the private sector	Alignment with the private sector, increase of own contribution, calculation on the basis of life-time income
Specific recruitment procedures	Decentralization and diversification in the hiring

	process
Nomination and oath	The same
Public administration dominated by males in the top management	Slow but steady increase of senior women in public administration
Inputs-oriented administration	Outcome-related management (performance management)
Principle of secrecy and confidentiality	Trend towards more openness and transparency
40-hour working week	Working time flexibility

Regardless of the administrative system (classical or NPM), the main tools of career development can be categorized as[2]:

1. **Recruitment** is one of the most critical personnel function due to its complexity; hiring in a civil service is even more difficult due to both the political nature of the issues involved (especially at the central level) and favoritism towards specific categories of people. As Ban sustains (2006: 144), the recruitment process in the public sector is directly linked with key political debates almost all the time, particularly in countries with NPM, which involves a re-politicization of the civil service.

2. **Internal career ladder** offers promotion possibilities within the public institution. NPM highlights the importance of merit in the promotion system. In addition, it stresses that the career management realized by the employee, together with her supervisor, is necessary to focus individual attention on the institutional strategic plans in the long term (Daley 2006: 169).

   Concerning the promotion policy, a crucial question is what the main selection criteria for advancement to a higher position and in the pay scale are. Regarding this issue, countries

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[2] The name of each class can vary, but the characteristics are the same.

can be divided into two groups (Daley 2006: 170). On the one hand, there are states with fixed promotion systems, in which the civil servant is promoted on seniority principle and increasingly on merits as assessed in an annual evaluation. On the other hand, there are states without a system of internal promotion in a specific fixed order. In these systems civil servants are recruited for a specific vacant post. If they want to change posts, they have to apply for another one and demonstrate that their individual qualifications and competences match the requirements of the vacant position.

Another important manner of promotion is the accelerated career procedures for young competent civil servants, introduced in countries like: Denmark, Romania (e.g. Young Professional Scheme), or the UK (the Fast Stream Program of the British Government).

3. **The Training systems –** due to the continuous changes in all domains, the public institutions can no longer take it for granted that their employees have the necessary skills for all the situations which could appear in their work. Therefore, the permanent revision of the employees' profile through training and workshops represents one of the key elements in achieving the organizational goals.

4. **The Civil Servants' Appraisal –**NPM stresses the need for performance evaluation in order to set the criteria for rewarding the employees who participate in institutional development. Kellough describes three ways of performance measurement for individual civil servants (2006: 178-9): measuring specific outcomes or the results through *performance indicators* (e.g. the number of projects completed, the number of forms processed, or the number of clients served); *behavior criteria*: for example, the timely

completion for reports or other papers, the role in the team work, attitude towards customers etc.; and/ or *personal characteristics*: cooperativeness, honesty, diligence, initiative, etc.

Regarding the appraisal process, both the manager and the personnel department should pay attention to the specific errors in the evaluation system: the halo effect (poor employee's performance in one sector can influence the wrong interpretation made by manger in other field as well, even if is not the case), the first-impression error, the similar-to-me effect, etc. (Kellough 2006: 182-3).

5. **The Compensation System** – pecuniary and non-financial motivation always should be done by respecting specific standards applied to all employees, considering the principles of equity, impartiality and non-discrimination.

   Much has been written about motivation and about what can make people work hard and well[3]. Of real importance here is that the NPM approach emphasizes even more the necessity of shared values and the incentivization in public institutions (Rainey and Kellough 2004; Ingraham and Moynihan 2004; Ban 1995). The competition that has emerged through the marketization of the public sector can be sustained only through recompensed skills and organizational culture.

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[3] Different theories exist since the beginning of the past century (e.g. Murray's List of basic needs -1938; Maslow's need hierarchy – 1954; Alderfer's ERG Model -1972; McGregor's Theory X and Theory Y; all these theories are briefly described in Rainey 2003).

2.3. Performances in Human Resources Management

2.3.1. New Zealand (NZ) – the Eulogy of the NPM

NZ is known as the success of the NPM all over the world. This country is described in the literature as being the "world's laboratory" for NPM reforms since the mid 1980s (Asquith 2007). According to Mulgan (2004: 1-2), the core components of the NZ system are the specification of ministers' role as being responsible for 'outcomes' and of chief executives' position in delivering the 'outputs'; the separation between the government's role as 'purchaser' of public services and its position as the 'owner' of government agencies; the total autonomy of non-departmental agencies from the ministries and the independency of monitoring agencies; and the specialization of ministries in more narrowly defined policies.

Regarding the civil servants' role in this environment, Stark speaks about four values reflected in their professional activities: anonymity, merit, permanence, and neutrality. However, in the NZ system of NPM, only two of these remain of essential relevance (Stark 2002: 141-5, cited by Gargan 2007: 1182):

> there is nothing about NPM that requires or even allows public servants,…, to be hired on any principle other than merit; nor is there anything about NPM that requires new public managers to be anything other than neutral implementers.

Moreover, the appraisal of the public employees is made by using indicators and targets covering the whole area of performance measurement: output quality and quantity/ volume, efficiency, and effectiveness in providing services. As Jones sustains (2004:193), performance measurement is particularly important in contractual agreements by holding accountable each public institution for its activity (e.g. the annual purchase contract between a department and

the answerable minister). In addition, of great success is the system of rewards for performance or sanctions where results are insufficient.

Three additional characteristics must be specified (Jones 2004: 95-6): firstly, a key incentive is the correlation between the budget allocation of a specific department to the output targets. Consequently, by aiming at a bigger budget, the answerable personnel will set and achieve higher targets. Secondly, another method of incentivization is the exposure and embarrassment of chief executives or other managers through the system of open reporting and parliamentary scrutiny. Finally, due to the fact that chief executives are hired on a five-year contract and performance will ensure their job extension, the former must prove through high results that they really deserve to further lead the department.

Nevertheless, even NZ has encountered some drawbacks in implementation. As Jones argues (2004: 196-7), the main limitation of NPM in this country is performance measurement, especially at the central level. An example given by Jones is the appraisal of output quantity for ministerial services. For instance, the number of letters sent or replied cannot say anything about the real results of ministerial activities because the letters can vary in length, details, type of information, or fact findings. The quantitative indicators, in this case, are difficult to interpret and often subjective.

In conclusion, the career system in New Zealand's civil service has been transformed by the introduction of NPM features, through the public employees' financial or non-financial incentivization and through the direct correlation of the achieved results with the payment and promotion in the career ladder. However, NZ confronts the same situation as other countries with NPM: the difficulty to create measurable and unbiased performance indicators.

2.3.2. The United Kingdom model

The UK seems to have taken the lead in Europe in introducing private sector values in the public service and seems to represent the main model followed by other countries on the continent. This example has been chosen for analysis due to its great impact on the Romanian reformers.

According to Roll (2004: 14), the main features of the British civil service of the last decade are: the merit system; the delegation of HRM decisions towards the departmental level; thus, the Cabinet Office gives total discretion to the agencies and departments for career choices; flexibility in the assessment: for the senior civil servants' level, there is no formal grade structure due to the individual appraisal and the managers' placement in nine overlapping pay bands; and appointment of candidates for public jobs from the private sector (with special emphasis on this type of profile).

The essential British reform in this domain is the importance given to skilled young people and to public institutions' leaders. The UK's Fast Stream program targets high-potential individuals early in their civil service careers, as well as recent college graduates[4]. The program places participants in specific jobs designed to provide experiences, each of which is linked to strengthening specific competencies required for admission to the Senior Civil Service. The Senior Civil Service is managed at the central level, which offers the necessary support and information for providing general lines of development (Roll 2004: 29). In this broad framework, each manager develops her own institutional strategy and promotes specific measurements of performance, competences, skills and knowledge.

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[4] For detailed information, see the official webpage of the British Cabinet Office: www.faststream.gov.uk;

The NPM changes in the British civil service are based on making a personal impact for others by leading by the example of the Senior Civil Servants; strategically thinking, especially when it comes to HRM; getting the best from people through motivation and training; learning and permanent improving in order to professionalize the corps of the public employees.

2.3.3. The Latin American Prototype: Brazil

Following the Western European model of NPM, like other European countries from the former communist block, Latin America introduced in the past decade models inspired by the private business system, with the support of multilateral financial organizations. Brazil is a successful example of implementing partial NPM features in its civil service. According to Gaetani (2003, cited by Echebarria and Cortazar 2007: 127), the Brazilian reforms started in 1995 with the first Cardoso administration. The main changes implied new forms of quasi-autonomous agencies and nongovernmental organizations, and the introduction of the merit-based system at the central administrative level.

Furthermore, the reforms of the Brazilian administration could stand as a great example for countries such as Romania, due to their exceptional character of adaptation of the classical administrative bureaucracy to the NPM challenges. For example, instead of reforming the entire state apparatus (like NZ or the UK) by shrinking the number of civil servants, Brazil opted to focus on the merit-system in order to make efficient current employees (Felicio 2003). Furthermore, meritocracy began to represent the core feature of being a civil servant in Brazil: while in 1995 barely 39% of public employees had a university degree, in 2001, the percentage increased to 63% (Echebarria and Cortazar 2007: 145). Thus, combining elements of both classical bureaucracy (job stability and perpetual depolitization) and NPM (merit criterion for

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promotion in professional careers) the Brazilian civil service can be considered highly instructive by Romania.

Concluding Remarks

This chapter analyzed the changes introduced in personnel management by the NPM approach. The main new element is the merit-based criterion in recruitment and promotion. However, some problems are identified in the performance measurement in those areas where indicators are unclear and biased. In addition, this section described the differences in the career management between the two systems of administration: the classical one and the NPM. In order to create a clear image of the administrative transformations, the essential tools of career management were analyzed, emphasizing the value of the merit touchstone in the NPM perspective.

Furthermore, three countries have been examined in order to design a holistic image of the changes in the public career: NZ, as a success sample of implementing the NPM; the UK, as a European model of complete civil service transformation; and Brazil, as the Latin American archetype of an effective mixture of classical model of administration and the NPM.

The UK case was selected to show how NPM can involve a total transformation of the civil service. However, as the thesis will demonstrate in the next chapter, Romanian administration cannot simply copy from the UK only the components within easy reach due to the presence in Romania of some specialists at a specific moment or due to the existence of 'good practices' on the British Government website. These HRM practices are successful in the UK thanks to a complete modification of the system. As I will show in the final chapter, the model of Brazil should be pursued by Romanian administration through gradual change, i.e. continuous adaptation of the classical administrative bureaucracy to the NPM challenges.

Chapter 3: Romanian Public Administration – Reevaluating the Human Resources Management

3.1. The Structure of Romanian Public Service – A General Overview

According to the Constitution, Romanian public administration is divided in central and local public administration. The **central administration** is formed by a variable number of Ministries, depending on the political program of the parties in power. The general trend is a decreasing number of Ministries and the proliferation of agencies and autonomous institutions, phenomenon known in the New Public Management (NPM) literature as '*agencification*' or '*corporatization*'.

In addition, the central public administration contains other institutions which are organized under the subordination of Government (e.g. the National Institute of Statistics or the prefectures of the forty-four counties), of the Ministries (e.g. the National Agency of the Civil Servants, subordinated to the Ministry of Interior and Administrative Reform), or as autonomous administrative authorities. The Government assures the implementation of Romanian external and internal policy and exercises the general management of the public administration (Romanian Government 2007).

The **local public administration** is organized according to local autonomy principles, including the decentralization, the eligibility of the local public administrative authority, and the consultation process of citizens in solving local problems. The local administration consists of 4,300 public authorities (NIS 2006), namely local councils (deliberative authorities), mayoralties (executive authorities), and county councils, which are local authorities, directly

elected by citizens. Local Public Administration seeks to achieve the principle of local autonomy within the villages and towns.

The Romanian public function is different from its counterparts in other countries, due to the fact that it does not incorporate occupations such as professors or doctors, like for instance in France, where the latter are also part of the civil service. In Romania, according to Law 188/1999, civil servants are 'bearers of public authority', being the intermediaries between the citizens and the state. Thus, only the employees of state institutions are covered by the legislation regarding public servants. At the same time, contract employees can also work in the public sector, although as they are not civil servants, they are subject to the provisions of private employment law. Romanian public servants are classified into senior public servants, management public servants and executive public servants. The latest figures given by the **National Agency of Civil Servants** (NACS 2007) for the number of public servants is about 110,000 (both in local and central administration).

Concerning human resources (HR) policy, the legal framework is proposed by the National Agency of the Civil Servants. The HR management of HR and civil service positions is developed within each institution by a specialized department which cooperates directly with the NACS. The latter is the main central organization, which has the role of developing and monitoring the implementation of the public policies from the civil service field. Moreover, it is the foremost initiator of the legislation regarding the public function and the civil servants' career development.

3.2. Problems identified at the level of civil servants' career

This section describes the major problems and challenges of the public function in Romania. The Romanian public administration bases its activity on Law no. 188/1999, with the most recent modifications from June 2006 and January 2007. The latest legislative adaptations to the process of administrative reform were conducted by the NACS, in partnership with international organizations, such as the European Union, the World Bank (WB), the SIGMA (Support of Improvement in Governance and Management), the British Government, and the Council of Europe, promoting programs based on NPM principles.

A research from January 2007 conducted by the organization '21 Agenda' and the NACS has demonstrated that it is generally accepted both by the Romanian citizens and the public administrators that the classical model of bureaucracy is not so efficient in yielding *outcomes*. The goal should be to better provide public services for citizens as customers and tax-payers. On the contrary, the *inputs* in a public policy, i.e. excessive legislative acts for regulating every possible situation, and financial resources, are regarded as essential. As a result, public administration is confronted with a huge lag between the formulation and the implementation of specific projects.

Moreover, public officials are perceived as bureaucrats without any idea about what really happens in the field, conserving their 'old fashioned' model of paper dossiers, being unable to adapt to the new electronic systems provided by the global changes in communication. Due to this rigid bureaucracy which poses difficulties for recruitment in the civil service, people wanting to be employed in the public workforce resort to becoming members of political parties, which propel them in the career ladder. The civil servants are

considered by more than half of survey participants (IRSOP *et al* 2007: 9) to be members of particular political parties. Therefore, they are perceived as being motivated and controlled by political actors who drive public policies according to their discretion.

Having described a general overview about the problems of the Romanian civil service, the next section will reveal the most significant strengthens and weaknesses of the Human Resources Management (HRM) in the public sector and the civil servants' career. The analysis focuses on several problematic areas, considered by scholars as essential HR elements and organizational management. The last chapter of this thesis will provide recommendations and guidelines which should be adopted in order to create a professional civil sector able to increase efficiency in delivering public services.

3.2.1. Starting with the civil servants' **perception by citizens**, it can be argued that the general level of satisfaction is quite low (IRSOP *et al* 2005: 40) due to the negative manner of treating the public by the executive civil servants and the personnel who work in the Public Relations departments. In most institutions citizens must wait for a long period of time to solve their problems (especially in the financial organizations and the institutions for public pensions) and often only those with powerful 'relations' have the opportunity of receiving the expected services. A potential explanation is that regardless of what public servants do during their office hours, their salaries and promotions depend on seniority and on the evaluation by their superiors.

3.2.2. According to the Romanian Civil Service Barometer (IPP 2004: 3), the Romanian administration continues to perform as a **'traditionalist' system** formed by civil servants who

have unclear information about the institutional image, mission, and principles. In addition, the high level of bureaucratization promotes a 'culture of papers and buzzwords', creating confusion and overlapping duties. As a result of this confusion and diffusion of responsibility, it is hard to hold any one individual accountable for the failure of specific projects.

3.2.3. Another weakness of the public system is the so-called **'stability'** of the employment in the public workforce. It is already known that the public administration has created legal safeguards in the last decades to avoid political interferences and arbitrary decisions regarding hiring or dismissal. However, an essential problem is that under the pseudo-name of 'administrative reform', political interference and 'forced' mobility occurred in the last five years as **'renewal'** of the civil service, a policy that creates a controversial rate of personnel fluctuation (five times higher in the last three years – IPP 2004: 3). Specifically, if political actors are 'disturbed' by some employees, the latter are transferred to less relevant institutions. However, in the NPM perspective, the 'renewal' of the civil service, i.e. the public employees' mobility and new people employed for the professionalization of the system, is considered to be a means of decreasing corruption and political interference.

The same is true in the American civil service under the name 'turkey farms', i.e. institutions engaged in low-priority work, where 'problem' employees cannot divulge information which could harm their political superiors (Ban 1995: 176). A relevant example in the Romanian administration is the National Institute of Statistics, which is perceived as the 'turkey farm' of the Government (Dinu 2006) because public servants who displeased political officials are moved to this organization.

In line with this, another pessimistic scenario is the willingness of more than half of the current civil servants to leave the public sector for jobs in other countries or in the private field, a phenomenon called the migration of the public workforce. Moreover, this happens especially among young people up to the age of 30, who feel having no incentive to stay in the public sector. The main reasons are the low salary and the professional stagnation caused by the rigid legislation and favoritism in promotion.

3.2.4. Concerning the **motivation**, which is an important element of a civil servant's career, several intrinsic incentives must be mentioned. According to the Activity Reports of NACS (2007), on the one hand, during their evaluations, public employees sustain that the reasons for which they continue to work in this domain are the prestige of the job, the stability and the wish to improve the administrative system.

On the other hand, disincentives are linked to the low salary[5], or salarial differences for people working in similar structures but in different cities (administrators from Moldova receive less money than their counterparts from Transylvania) or for civil servants having the same duties but with a different academic background. For instance, someone with economic or Law background receives more money than a graduate in Public Administration, even though they often have the same duties. Concerning the organizational culture in which Romanian civil servants deploy their duties, which constitutes an important factor of motivation as well, the overall image is a negative one (IRSOP *et al 2007*: 17) due to biased criteria in recruitment and promotion (favoritism, bribes, political affiliation, discrimination based on sex, or education).

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[5] At the entry-level, a civil servant earns during the first five years a salary between 150-200 Euros/month.

3.2.5. The **Human Resources Management,** developed by both the National Agency of the Civil Servants and the personnel departments from each organization, is characterized by increased bureaucratization, overregulation, and lack of interest in issues directly linked with public employees' careers. A critical problem is the manner of recruitment and hiring processes by 'personnelists'[6]. Due to the low level of transparency, almost 50% of the civil servants found out about the selection contests through informal channels, particularly from relatives who are employees in the same institutions. These contests represent a real 'business' for the HR personnel and its leaders, inasmuch as they share the received 'profit'/bribe. In addition, the personnel departments of each public institution act as real 'predators into bureaucrats' (Mungiu-Pippidi and Ionita 2004: 248) because they conduct the internal recruitment and, consequently, represent the main bribe-takers.

Moreover, HRM confronts some dilemmas in the annual process of appraisal. Although the criteria of evaluation are generally defined, managers accord the grades and, consequently, the merit wages (15% from the base salary – Law 188/199) or other financial incentives without any prior information about their subordinates' activities (NACS 2007). This is because they give these incentives only to the employees being their acquaintances or having the same political affiliation. Other negative practices are delegations of particular duties which do not correspond to professional background or established attributes, or mandatory trainings that do not complement with their duties.

Equally important is the **conservation of the seniority-based promotion**, with some incipient attempts to introduce the performance system of payment and merit-based promotion in the career ladder. The seniority system represents one of the most blamed features of the

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[6] The term is used by C. Ban as referring to the personnel from HR Departments.

Romanian system because, regardless of the civil servants' efforts, they are promoted only after a particular period of time, according to the grade and functions system.

3.3. Administrative Reforms in the Field of Human Resources Management

One might argue that the changes in the Romanian administration during the last five years show the political will to implement the Government Strategies, especially those focused on the creation of a professional body of civil servants. This professionalization should constitute a means to decrease corruption in public institutions. Subsequently, it should increase accountability and efficiency in delivering public services. On contrary, the main policies implemented in the last few years reflect a desire to meet the European Union requirements and not an internal will to actually reform the system from inside.

The problem is not the reform as such or the reasons behind it, but the presumption which the modifications set out: that Romanian civil service is a classical 'old' public administration which should adopt the 'renaissance' of the system, i.e. NPM. However, one of the greatest reforms brought on by the 'old' administration was the neutrality and depolitization of the public function (Hughes 2003: 45). While the Romanian Government bases its reforms on the NPM characteristics copied from the British system, assuming that classical administration is nearing its end, the value of neutrality is barely respected.

The main revisions made in the civil servants' career are foreseen in two legislative acts, Law 188/1999 modified in 2006 and 2007 and the project of the Unitary Pay System from January 2007 which will result in a Government Decision during summer 2007. The most

significant modification in the public function was **the amended Law no 188/1999** regarding the Status of the Civil Servants. Some notifications were made in order to improve public officials' careers, especially recruitment and training. In collaboration with international partners, such as the WB and the Department for International Development from Great Britain, the NACS established a new method for promotion in the career ladder, which should be developed in parallel with the current practices based on seniority.

The 'Rapid Professional Promotion Scheme' (Section 5 – Law 188/1999 republished) relies on the British example of 'Fast-Stream', a national programme which prepares young people for 'reviewing' governance as line managers (Kettl 2000) or, in the Romanian case, as 'public managers'. This is a clear attempt to introduce NPM features in Romania due to the fact that promotion based on merit and professional background also implies decentralization by giving line managers in governmental departments and agencies greater managerial authority and responsibility, i.e. a core characteristic of NPM (Polidano 2001: 55).

Nevertheless, for the time being, this issue remains in the formulation phase, regardless of the requirements foreseen in the Law. The next logical step should be the adjustment of Government Decision 1209/2003 regarding the development of civil servants' career, which settles details recommendations for HRM. However, the NACS does not yet have a project of a new normative act, and this is not even mentioned in the NACS Strategy of Development for 2006-2008. Moreover, without a legal background, the aforementioned program already started to encounter major failures. The main reasons are the huge difference of payment between the public managers and the other employees and the resistance to change in the administration which made the public managers to fail in their jobs' objectives.

Other modifications concern the **depolitization of several public** functions, which before the amendments were fulfilled by political appointees. The corps of senior civil servants becomes smaller and more flexible, including now the prefects of each county, who before were changed according to the political actors' discretion. Aiming to professionalize the prefect's institution through an emergency procedure starting in January 2006, almost all the prefects became part of the senior civil servants' body, after being examined by the NACS and the National Institute of Administration (NIA).

The main consequences of the prefects' depolitization are that they had to give up their political affiliation according to the neutrality principle of the public function, and that mobility is compulsory every five years due to the prefects' rotation system. Experiences from countries like France, Netherlands or Latvia (Roll 2004: 26) show that obligatory mobility brings more advantages than disadvantages by preventing arbitrary decisions among senior civil servants.

Unfortunately, the professionalization of the prefects represents a case of lack of sustainability in reforms. Before the Romanian accession to the EU, the prefects' professionalization was accepted by the European Commission as an example of reform success. Nevertheless, the modification of this measure is on the agenda of the Parliament in order to reestablish the old status-quo (Realitatea 2007) because the political parties in power intend to re-appoint the members of prefect institutions. At this point, the question is not if the Romanian administration did or did not try to reform the current system as much as possible, but whether or not the implemented reforms will enjoy future support and whether as-yet unimplemented reforms will take place.

A positive example of an attempt to improve the system of public career is the joint initiative of the NACS and the NIA to introduce other characteristics of NPM, namely **public-**

private and **public-civic** (with NGOs, think-tanks or universities) **partnerships** in training delivery for civil servants, and the contracting out of some services (e.g. IT development), thus ameliorating the work conditions for public employees.

Last, but not the least important is **the reform of the salary system**. This was often blamed to be the reason of increased corruption among public officials due to the low wages, lack of transparency in allocating financial bonuses (Chivu 2007: 50% of the final salary is formed by discretionary bonuses), or discrepancies between institutions with similar activities. The unitary salary system has been on the NACS agenda since 1998, but due to some surveys required by the WB for providing the necessary aids, the project of the normative act was elaborated only at the beginning of 2007.

The modifications inserted in the payment project cover several problems and solutions, among which of great significance is that the sectors affected by an increased mobility among civil servants (IT specialists, architects or auditors), caused by the competition with the private field, will be better financed in order to motivate people to develop a public career (DAI Europe 2006). Furthermore, a clear structure of the salary distribution is formulated, by identifying and regulating salary components applying to all civil servants: base wages, financial bonuses according to professional grades and stairs, seniority wages plus other rewards, e.g. for overtime work or for higher-education degree. Nonetheless, the new system of payment does not mention anything about the performance-related criterion. A plausible interpretation is that as long as there is no standard for performance appraisal and the civil servants' evaluation depends on their superiors' will, there will be no equal and fair financial reward.

To sum up, after a short description of the Romanian public administration structure, this chapter revealed the essential problems concerning the civil servants' career. The public sector is negatively perceived by citizens, who blame the classical system of bureaucracy for the inefficient delivery of public services. At the same time, the Romanian administration is threatened by an increased mobility of public employees towards the private sector or even other countries due to a career system based on seniority, which is unable to offer incentives for the public employees. Moreover, the political interference through the so-called 'renewal' process jeopardizes the neutrality principle of the public function by indirectly encouraging civil servants to become political parties' members in order not to be moved or even not to lose their jobs.

The last section presented the reforms concerning HRM from the last years. Firstly, the modification of the Civil Servants' Status in 2006 and 2007 brought on a new promotion system based on fast-streaming, which is unfortunately only a formal change, without real effect. In addition, the prefects' depolitization and their permutation in the body of high-civil servants have proven unsustainable due to the new attempts of the Parliament to re-politicize them. Thirdly, the unitary payment system, which is still in a project-phase, only adopts more transparent procedure for salary distribution without referring to performance-based wage or the civil servants' appraisal.

Chapter 4: Recommendations in the Romanian Case: Human Resources as Strategic Partners

This chapter provides recommendations regarding the civil servants' career in Romania. As I mentioned in the previous part, the reform in administration is a priority on the Governmental agenda due to the importance accorded to it by the European Commission. The central agency responsible with the public HRM, i.e. the NACS, in collaboration with some international organizations and with other public institutions from countries such as the UK, started to analyze and implement NPM features, applying them in a total different context. More precisely, the central level began to copy the 'good practices' from the UK.

As shown in the first chapter, the NPM features have both a positive and a negative side. Consequently, the risk taken by the Romanian institutions in implementing these policies is even bigger than in countries where the NPM originates due to the current corruption cases and to the long period of bureaucratization. That is, Romanian public officials (excluding the top managers from the central level) and the personnel departments are still accustomed to the principle of 'command-and-control'. Even if it is hard to believe, they are not capable of creating and implementing HR strategies for developing and retaining the human capital in their own institutions. The NPM means to elaborate a bottom-up approach of development, focused on satisfying the citizens' demands. In addition, it must be restated that even NZ encountered some drawbacks regarding the performance measurement in NPM implementation.

Consequently, the research question, i.e. to what degree transition countries can adopt with success the features of NPM in the public career, must be answered by asserting that the

NPM features can be implemented in these countries, including Romania, though in a gradual way. This means that for a period of time, the characteristics of bureaucracy must interlace with the NPM ones, exactly like in the case of Brazil. Because the NPM represents firstly the reform of human capital, all changes must first and foremost imply new strategies of people's motivation and professionalization. The following recommendations match both styles of career administration. Therefore, they must be put into practice in the Romanian case in order not to enhance the failures in implementation already encountered by other countries:

1. **To change the image of public service** to reflect the challenges this domain meets every day. An **improved performance** of the public administrative field is the best thing that can happen to the image of public service.

2. The acknowledgement of the fact that NPM means to work for **customers/ citizens** and in their benefits. However, Romanian public servants still consider themselves as state employees, with 'jobs for life'. In this regard, the line managers should really apply the sanctions from Law 188/1999 or the Code of Conduct for the neglects of public duties.

3. To provide human capital leadership and services for all institutions, in a manner that balances flexibility and consistency. The strategy of development should serve **the interests of the citizens** as the single employer by sustaining essential values, such as merit system principles and accountability, workforce diversity and family-friendly policies.

4. The seniority system of promotion proved to be inefficient in the fight against politicization and corruption; therefore, in order to professionalize the civil service, the merit criteria should be introduced in all the steps of career management. To create a **model class personnel system** designed to attract and retain professional people, and to

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offer them an attractive benefits package with great products such as a new long-term care option, to offer incentives for exceptional contributions, and to ensure accountability for individual and institutional performance.

5. The over-politicization of the civil service (the Romanian parliamentarians' attempt to re-politicize the prefects), which is one of the NPM features, will only increase the amount of corruption cases at the level of public officials. Following the example of Brazil, in Romania, the main reform of the classical bureaucracy, i.e. **complete neutrality and impartiality** of the public officials, should remain the essential objective to be achieved. Action needed: the appointment of top managers by the political actors should be completely forbidden.

6. In the elaboration of the public policies for civil servants, all **stakeholders** should be involved: central and local institutions and their employees; employee unions; professional and management associations; job-seekers, especially the youngest ones; retirees and their service organizations; minorities, women, and persons with disabilities and their organizations; colleges, universities, and their organizations.

7. Even though the decentralization of management is part of the NACS strategy, giving total discretion in HRM to line managers does not represent a viable solution in the current situation. As long as the top managers will be continuously accused of favoritism based on political affiliation or on family network, by the civil society or mass-media, the success of **decentralization remains just an illusion**. The managerial decentralization should be done exactly as it is foreseen in the Law of Administrative Reform: the whole country is divided in A and B areas/ cities, with A points accorded to zones with institutional capacity and low-level of corruption (e.g. Transylvania) and with B points given to cities

with increased risk of corruption due to the lack of professional employees and political interferences through the local 'barons' (e.g. Moldova). As a result, B regions should be on the area of permanent control and monitoring of the central institution, i.e. the NACS, without the decentralization of functions. This means that these regions will gradually receive delegated powers in the process of career management, but only with the condition of demonstrating real performances.

8. The **line managers** should take into account all the suggestions that come from their employees, including management style. Furthermore, they should fairly and equally award the best performance in the organization, encouraging teambuilding and the risk-taking in order to yield the institutional objectives.

9. The **personnel departments** should concentrate on the employees' management career, by communicating with them and with their superiors and establishing together the objectives and the career paths of the civil servants.

10. As in the Brazilian example, the recruitment in the workforce should be based on the **young graduates**, people who are not necessarily looking for stability in their job. Nonetheless, they are characterized by patience, energy, and will to invest time in their career and in the real improvement of the current situation. Consequently, the young people are the best choice in achieving performance and positive results.

To sum up, through NPM several successes are yielded in the administrative reforms. However, like in the Romanian case, not anything can be efficiently put in practice without failures. I argue that international donors and the representatives of national governments who want to promote this ideology all over the world should bear in mind that the economic, social,

political, and historical context does matter. It is a waste of resources to attempt implementing the model, expecting the same results in a different environment, even if drawbacks already exist in the countries where NPM originates. At the end of the day, imperfection creates malformation, which could be avoided if Romania would adjust its reforms to its realities.

Conclusion

At the beginning of the 1990s, improving delivery of public services became the cornerstone of administrative changes. Human Resources Management, i.e. a core reformer element, implies several modifications, especially an increased decentralization reflecting the shift in control of personnel functions from state-level offices to agency-level. Within this framework, line managers have more discretion in setting performance expectations. Simultaneously, they must involve in the career management of public employees.

While democracies such as New Zealand, or the United Kingdom were introducing best private sector practices and principles of New Public Management into the civil service, former communist countries, such as Romania, endured political, economic, and social permutations which were followed by crucial changes in institutional life. Moreover, international pressure from the European Union or other donors, such as the World Bank, advised this country to start reforming the public administration, as NPM 'flag bearer'. Nevertheless, this ideology was partially understood by the Romanian reformers and, subsequently, failures in implementation did not delay to appear.

In the given context, the research question of my thesis was if transition countries can efficiently initiate radical changes, as in New Zealand or the UK, or, more precisely, if partial implementation of NPM features has the same results as in the countries where NPM was born. The first chapter illustrated that the NPM literature omits important issues. First, the authors examine only countries from the Westminster of 'Reinvention' models, excluding a third type of countries which adopt NPM characteristics in a 'faster' way, i.e. copying the 'good

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practices' from the successful models. This group was named by the author the 'Adoption' model, including the Romanian case.

Second, the NPM authors often exclusively investigate the literature provided by international donors (this type of papers do not describe the implementation failures, given its official role) or the academic literature, often criticized, in the NPM case, for being 'unconnected' with the reality from the field. I argued that of similar importance are the documentations provided by the national governments, especially from countries with experience in the NPM performance. These documents are often consulted by the institutions answerable with the reforms in countries from the third category. Hence, future studies should more concentrate on the successes and failures in implementation of countries from the third model, basing their information on the documents provided by national institutions, as well.

The second chapter displayed that public personnel management endures modifications brought in by NPM, namely the merit criterion in recruitment and promotion, the civil servants' incentivization for professionalizing them in efficient delivery of public services, and the role of line managers in personnel policies. In the second part, I described the main HRM modifications in three countries: NZ, the UK, and Brazil. The last one was selected as the success case of transition countries which managed to adjust the NPM features to characteristics of bureaucracy. This country must continue the reforms in the administration; nevertheless, it succeeded to implement personnel policies, more than any other similar countries.

The next chapter was entirely dedicated to the Romanian case. After presenting the main problems encountered by the civil service, I evaluated the current reforms in the public workforce undertaken with the help of international donors. Moreover, I showed that several

projects follow the NPM principles. However, instead of implementing programmes which can actually improve the system of public services delivery (e.g. performance appraisal and payment, result-oriented policies, increased accountability to line managers, etc.), Romanian political actors preferred to 'borrow' the most convenient features, those for which NPM is already criticized in the literature: top managers' over-politicization; partial reform of salary system without the merit rule; strategic management in public institutions, only on paper, often institutional strategies stagnating at the mission and vision phase; parallel system of fast-stream career based on merit, which proved to fail due to the huge gap between the bureaucrats' mentality and the declared role of public managers (the new category of public employees who benefit from this system).

Following this case study, I argue that transition countries should implement NPM characteristics, but in a gradual manner (contrarily to the radical reforms from states like the UK), continuing to put into practice reforms of classical bureaucracy, namely, the civil servants' neutrality and impartiality. As an alternative to taking over the 'good practices' from other successful states, Romanian administration must acknowledge its problems and create its own mechanisms of implementing NPM features. Due to the fact that reforms can be realized only through resources (and human capital is the most important), the first step should be the creation of incentives, i.e. a new system of public career, based on performance and merit criteria and not on the seniority in the system, as it is the current case.

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