

MANAGING HUMAN RESOURCES BETWEEN REFORM AND CHANGE WITHIN PUBLIC ADMINISTRATION

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Abstract. *Public sector management reform driving strategic and organizational change within public administration is leading public organizations to rediscover the role of public office as vocation for developing effective and cultural changes driving behaviors of public employees. The aim of this study is to elucidate how promoting change within Italian public administration relies on public management reform driven by a 'laws and regulations perspective' that has influenced the processes of change and the design of work relationships within public employment. In Italy, public sector reform processes tend to follow a legalistic and juridical view to change leading to hybridization between traditional administrative culture and managerial culture. Public sector management reform following a legalistic perspective is leading to process of change in which new values drawn from managerial principles and administrative principles drawn by law-based tradition and legalistic culture tend to emerge and orient innovation and change. The study relies on the analysis of literature to understand the dynamics of change and reform within public sector with regards to public sector management reform and public employment reform in the Italian public sector. Reform supports the introduction of new behaviors and mentality within administrative culture of public employees and servants.*

Keywords: *human resources; public sector reform; change; law and public employment; public organizations.*

Introduction

As driving strategic and organizational change within public administration, public sector management reform is leading public organizations to rediscover the role of public office as vocation to develop effective and cultural innovation within behaviors and acts of public employees (du Gay, 1996). As institutions serving the public interest, public organizations should rediscover bureaucracy as form of organization that preserves ethic values, impartiality, equity and justice in governing the relationship between public bodies, citizens, businesses and no profit organizations (du Gay, 1996; du Gay, 2005). Rediscovering bureaucracy helps to rediscover the office as vocation and enhance the ethical attributes of good bureaucrat (du Gay, 1996; du Gay, 2005; Olsen, 2005).

The aim of this study is to elucidate how promoting change within Italian public administration relies on public management reform driven by following a *laws and*

regulations perspective that has influenced the process of change and the design of work relationships within public employment.

Sustainability of public organizations relies on driving public sector reform as a source for change by ensuring modernization and effectiveness of public administration, overcoming bureaucratic culture as the main obstacle to considering public administration as a community of people (public servant, citizens, organizations) that sustain efforts in order to promote innovation in public services delivery and quality in order to create social and public value.

In Italy, public sector reform processes tend to follow a legalistic and juridical view for change. The study relies on the analysis of literature on understanding change and reform within public sector and with regards to public sector management reform and public employment reform occurred in the Italian public sector since 1990. The analysis relies also on considering legislative innovation as source that enables processes of change and exerts influence on behaviors and culture of public servants.

Reform supports new behaviors and mentality but re-acknowledge the special nature of legal discipline on public employment and sector. It is possible to distinguish between the formal or legalistic side of reform and desired end or scope of administrative reform process evolving towards the change. Reform does not proceed and evolve towards an effective change of practices and administrative culture without people are willing and motivated to absorb new schemata and assume coherent behaviors (Capano, 1992).

Change is driven by behaviors, values and culture emerging in antithesis with previous paradigm and norms. Change may occur as new organizational behaviours experienced by people are introduced and implemented through explicit and tacit tasks (Dente & Lo Schiavo, 1999; Solari, 2007). Governing and managing change based on legalistic and juridical culture of public servants may fail in achieving results in terms of effective impact and consequences about public value creation (Rebora, 2012).

Creating public value relies on public managers sharing responsibility with other officials and citizens to decide what is valuable to produce with public resources by interacting with people to determine and organize the ends and means of service delivery and production (Moore, 1995).

Public institutions have to serve the public interest promoting effective collaboration with citizens as partners (Vigoda, 2002a; Vigoda, 2002b), encouraging shared responsibilities and public values (Bourgon, 2007), promoting the quality of human resources systems (Vigoda, 2000) driving public servants to engage in reciprocal communication with the public and helping citizens to meet their shared interests (Stivers, 1994; Denhardt & Denhardt, 2003).

The paper is structured as follows. After the introduction, in the second paragraph, understanding change within responsive public organizations is elucidated. In the third paragraph, reforming Italian public sector following the law-driven perspective for change is presented. In the fourth paragraph, a legislative view for governing and sustaining human resources by reforming public employment is presented. Finally, conclusions follow.

Understanding change within public organizations

In 1980s-1990s as theoretical and managerial response to inefficiency of traditional model of managing *res publica*, Npm doctrines have driven cultural and managerial change within public sector leading public organizations to import managerial practices from the private sector, focusing on re-organization of public bureaucracies disaggregated into agencies more flexible and output oriented, on financial efficiency and performance measurement, on separation of spheres between politics and management, reducing government functions through privatization (Hughes, 1994), stressing the private sector styles of management practices towards flexibility in hiring and rewards; a stress on greater parsimony and discipline in use of resources doing more with less, by cutting direct cost and resisting to union demands (Hood, 1991).

Thereby, the management state driven by public sector management reform has shown some limits, constraints and contradictory effects (Lane, 2009): neglect of meaning, no preservation of intangible values, unresponsiveness to requests and demands of citizens, democratic deficit within institutions. As stimulating competition mechanisms, public sector management reform driven by Npm doctrines have increased the chances of unethical behaviours associated with individualistic values reversing equity and legality as traditional values of public servants (Maesschalck, 2004). Npm doctrines contributed to deteriorate the corporate culture, the traditional work ethos and non-functional values, increasing a decline in motivation and work satisfaction, greater workload and stress (Diefenbach, 2009).

Governments should act to correct problems created by market dynamics and to maintain law, justice, individual rights, social organization, security and stability, and to promote prosperity for communities. Governments tend to protect public values as psychological and social constructs (Rainey, 2009). «Public values consist of outcomes based on what a government entity is supposed to be doing, and based on what citizens want it to do» (Rainey, 2009, p. 70).

Even if the interaction between public and private organizations is leading to a new public service ethos concerning honesty, community service and competition, consumer choice (Brereton & Temple, 1999), lawfulness, incorruptibility and impartiality tend to emerge as prevailing and specific values within context of public organizations (Van der Wal, De Graaf & Lasthuizen, 2008).

Reformers should take account of the value implications of reforms in order to correctly assess the ethical value and value consequences of public sector management reforms (Kernaghan, 2009). Achieving efficiency, efficacy and effectiveness does not comprise values and principles that inform the dynamics and life of public organizations. Innovation and traditional values of public service tend to coexist within public management reform. Public management reform should promote values as social equity, justice, fair treatment, inclusiveness and equity in compensation. Public management reform should support training and educational opportunities for sustaining human resource development, foster democratization and empowerment to improve citizen engagement and participative decision-making (Wise, 2002).

Reforming Italian public sector management: following a 'law and regulations driven' perspective

Reforming by laws and regulations helps to reinterpret the content of administrative reform driving change by following a bureaucratic paradigm rather than public management approach (Longo, 2003) without facing effectively the operational complexity and uncertainty of task and emphasizing the distance between formal organization (rhetoric) and reality (Adinolfi, 2004). Since public sector reform is to be codified in laws and regulations the legalistic nature of the political and administrative context may influence reform (Ongaro, 2010).

Since 1990 many public sector reform processes started in the Italian public administration. The Italian public sector reform introduced during the 1990s is part of an international trend (Npm) as global paradigm. Since 1992 the Italian public sector reform process has been implemented through a continuous flow of new legislation concerning: the reform of financial management and performance measurement; the reform of the civil service in terms of growing privatization of work relationships of public employees; the devolution of powers and tasks from the central government authorities to regional and local government autonomies. Public sector reform by law and regulations has driven performance management systems within Italian public administration (Panozzo, 2003).

Governing change and innovation within public administration relies on developing the quality of human resources as a source to enhance the autonomy of governing bodies (Rebora, 1991) and develop accountable public administrations (Valotti, 2000). Change within Italian public sector should transit through decrees and regulations view leading public administration to abandon bureaucratic approach and follow a public management performance-oriented perspective to drive learning processes and developing public employees as individuals motivated to public service and to assume new behaviors and attitudes (Rebora, 1999; Giannini & Bonti, 1997; Bonti, 2000).

The cultural variable is of essential importance to understand why administrative reform can vary in nature and follow very different paths (Capano, 2003). Introducing within public sector values, concepts and paradigm of Npm is exerting influence on the administrative culture (Pollit & Bouckaert, 2002). The prevalence of the administrative law paradigm influenced the process of change in countries with a legalistic culture or *Rechtsstaat* tradition driving the implementation of administrative reform merging the administrative tradition based on the respect of formal rules and the realization of the *public interest* as perspective coherent with an Anglo-Saxon system driven by New Public Management doctrines leading the Italian public system to orient behaviors of public servants and officials following a laws and regulations view (Pollitt & Bouckaert, 2000; Fedele & Ongaro, 2008; Panozzo, 2003).

Reforming public administration for change relies on sustaining the quality of human resources by proving a legal framework that enables public employee to rediscover public service motivation to serve the public interest and contribute to creating value within communities.

Reforming public employment: sustaining human resources

The nature of public service demands a sense of loyalty and attention to service on the part of public employees. Public organizations should support the employee work motivation and commitment public service rediscovering the organizational mission of public administration as service organization that creates public value with people (Wright, 2007). Public organizations should create an environment in which employees feel they can contribute both to the public goal and to an organization performing valuable services (Moynihan & Pandey, 2007).

People represent an important resource driving public administration to serve the public interest (Todres, 1994). The competitive advantage of organizations relies on sustaining the quality of human resources and on the capacity to manage people as human resources (Pfeffer, 1995). Human resources practices permit to improve and achieve high performances in public sector organizations and to communicate to employees the extent to which organizations trust employees (Gould-Williams, 2003).

Reinventing government relies on investing in human resources and professionalism of public employees in order to improve quality of public services for citizens and society (Crozier, 1988). Sustaining successful change within public organizations relies on providing resources in terms of training employees, developing new processes and reorganizing the structure, on employees able to learn new behaviours drawn by new policies or innovation in order to effectively institutionalize change in the institutional context (Fernandez & Rainey, 2006).

Reforming public employment: a legislative view for governing human resources¹

Traditionally, governance and management of work relationships within public administration implies to consider the need to maintain both protection of subordinate work and pay attention to the role played by public servant as acting for executive branch of public administration. In the public employment regulation, it is possible to distinguish the organic relationship that refers to the organizational relation between administrative office and the individual having the job in the public office and becoming an essential part of public administration and the service relationship that refers to the work or employment relationship between the individual as worker and employee and public administration as employer. In the Italian Constitution few rules govern the work in public administration: equality and prevision of competition-selection in access to public employment (articles 51 and 54); it is a mandatory duty for all the public employees to perform public functions by discipline and honor; penal, civil and administrative responsibilities of public employees (article 28); the design of internal organization of work units and departments within public administration in order to ensure impartiality and the *good way (buon andamento)* in the acting of public administration (article 97).

Preserving the constitutional principles that govern public administration system relies on ruling public employment by public and administrative laws and regulations as a means to ensure impartiality and the *good way (buon andamento)*.

¹ Eufrasia Sena is the author of the paragraph.

Since the promulgation of law n. 93/1983 the collective bargaining in public employment tends to assume a relevant role with regards to rewards and compensation management, extraordinary work, professional training and personnel mobility coherently with constitutional and legal principles.

Reform driving change within public administration occurred in 1990s by introducing in the administrative law the principles of efficiency and efficacy and economic management as imported by private companies or organizations for profit.

Since 1990s the role of legislation is to drive change. The law n. 142/1990 concerning the reform of local governments and autonomies and the law n. 241/1990 governing the stages of administrative processes, the efficacy of administrative action and the separation between selection and implementation of political choices have opened to introducing new behaviors in the framework of public employment. The Decree n. 29/1993 introduced private work rules for public employment and attributed to the civil judge the competence in jurisdiction about the controversial between the employee and public administration. The civil judge is competent to evaluate trial regarding public employees. Previously, the administrative judge was absolutely competent for matters concerning controversial motives in public employment between the employee and public administration. Constitutional Court has blessed (sentences n. 313/1996 and n. 309/1997) the *Copernican devolution* occurred in public employment. Privatization of public employment does not obstacle but reinforces both the autonomy and the independence of public servants and officials in virtue of principles of impartiality and considering the *good way (buon andamento)* of managing *res publica* as a principle informing behaviors and action of public administration (Rusciano & Zoppoli, 1993).

Legislative innovation helps to consider the importance of work relationships between the individual as public employee and public administration as employer because it tends to stress the relevance of collective and individual bargaining as a source to restore the relationship between the individual and public administration as organization. The *Aran (Agenzia per la rappresentanza negoziale delle pubbliche amministrazioni)* as agency in charge of representing public administration in the collective bargaining and public employment unions having particular requisites of representativeness according to quantitative measurable parameters. To have access to collective bargaining in the public sector, only the unions that are mainly representative having a rate of representativeness not less than 5% considering both fees and the percentage of votes in the elections of personnel's representatives. As providing a link between public administration and *Aran*, the *sector committees* communicate to *Aran* the organizational needs of each work unit or department within public administration checking the coherency of the bargained document. Finally, the Court of Accountants checks formally and legally the agreement and the accounts verifying that the limits of expenditures are respected. The agreement is effective for all the public employees even if some of them do not adhere to any union because principles of equitable treatment are prevailing (Carinci, 2013).

Public management reform should contribute to redefining the relationship between political sphere and administrative sphere enhancing competence, autonomy and accountability as ethical values and principles that drive the culture of public employment. Only public management is in charge of directing the administrative action. Political bodies should be competent in defining the objectives and general

guidelines to orient behaviors of public servants and the action of public administration. Public management reform processes have followed a perspective oriented to cut the *connubium* between political sphere and administrative sphere in order to avoid blurred roles and tasks in the attempt to identify specific responsibilities, powers and duties that should allow to judge and evaluate strategic and operational choices of political and administrative bodies.

Law-driven reforms tend to follow a path of discontinuity than continuity following a contradictory and not always coherent logics. Public management reform processes were reinforced by the decree n. 165/2001 in which regulations on public employment were revisited and a new wave of laws and decrees (since 2009) contributed to qualifying public employment as a special matter to re-orient public employment towards the administrative law.

Recently, new rules for private employment were promulgated without any application to public employment. Some trends seem to be identified: centralization of selection procedures and planning; evaluating the merit coherently with new procedures to assess performance and contribution of employees; designing flexible forms of employment as the exception to the rule of full time employment and protection about the stability of job; special rules for public management.

The emerging and recent framework refers to a public servant who benefits of better law protections than private employees because the guiding principle that orient the vision and role of civil service is that better protection should ensure and enhance both the autonomy and the independence of public employee in terms of actions, behaviors and prerogatives. Thereby, today in the new scenario, acknowledging the autonomous and independent role of public employees implies control and evaluation and relies on designing mechanism of assessment to reward and/or sanction economically and financially the conducts based on merit and support productive behaviors coherently with goals and the ends of the public interest to serve citizens as users and beneficiaries of public administration outcomes (Zoppoli, 2018; Fiorillo, 2017; Giubboni & Colavita, 2016).

Conclusions

Reinventing public administration for change relies on managing strategically human resources rediscovering the role of public employees as drivers of strategic, organizational and cultural change and a source for design and implementation of public sector reform.

The aim of public sector management reform is to introduce and promote new and innovative behaviors, attitudes and procedures that involve public organizations to sustain the dialogue with citizens by ensuring high quality of public services and increasingly interact with citizens as people that play a relevant role as co-designers and co-producers of services they need and help the community to develop a path for growth and welfare over time by creating public value.

Reconstructing an organizational culture within public administration merging administrative tradition and managerial principles is an issue emerging from reform process and a challenge that public organizations and citizens have to face along a

continuum between rhetoric and reality using regulations and management principles as a source to improve public sector organizations to create and maintain social and public value.

Reform as a set of laws, regulations and decrees is leading the process of change in terms of new behaviors and values adopted by people managing techniques and interpreting laws. Change may proceed through people educated to values, beliefs and ideas coherently with enhancing the transparency as a value leading behaviors that effectively serve to restore the relationship of confidence with people as co-producers of public value by legitimizing behaviors, strategic and operational choices of public administration. Laws and regulations provide a platform that enables public employees and servants to develop behaviors coherent with a public service perspective that contributes to reinforcing the meaning of community where public organizations, businesses, citizens and other stakeholders interact in order to create public value.

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