

THE CHANGE MANAGEMENT IN PUBLIC INSTITUTIONS IN ROMANIA WITHIN THE KNOWLEDGE BASED ECONOMY CONTEXT

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Abstract: *Every country in the world is interested to develop a knowledge economy because such an economic system is better, is more efficient, is more able to provide human and professional fulfilment. An important role in this situation has the change management in the public sector.*

At European level, the change management measures in the public institutions are also triggered by the objectives and initiatives of Europe 2020 Strategy made by European Commission, the European public sector reform and administrative reform adopted by the Government of each country.

In any nation, the management of public institutions is also influenced by the applicability of change management, which has an important role in the efficiency, effectiveness and performances of public institutions and the degree of innovative of public management types. Thus evolution from bureaucratic to new public management and then to public value management is directly dependent on the evolution of knowledge economy.

Keywords: Europe 2020 Strategy, changing public management paradigms, new public management, public value management, knowledge based economy.

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1. Introduction

According to the specialists' opinions, the changes that must be made in public institutions should take place on different levels: strategic, considering the state measures, legal framework provided by well-defined laws; organizational, considering the internal changes and cultural, considering values, mindsets, communities etc. In this way we could create a synergy generating performance that meets the citizens' needs and legal provisions of the state. The transition of public management forms from "old" bureaucracy to new public management and to public value management involves changes to these levels, according to the evolution of knowledge based economy. The paper emphasizes the link between public value management and the newest period of knowledge based economy, the knowledge value society.

2. Europe 2020 Strategy and its effects in the public institutions in Romania

The performances achieved by USA and Japan in research and innovation in all their economic fields made Europe to take measures in order to recover the differences and to obtain "the most competitive and dynamic economy in the world based on knowledge, able for a lasting economic increase, offering better and more jobs and a stronger social cohesion". This objective passed on the priorities of Europe 2020 strategy, that support each other: smart growth, sustainable growth and inclusive growth. At this moment, China is the new world economic power, so EU must face China as a competitor that possess the biggest scientific potential, considering the number of scientific articles and invention patents that compete even with Germany and Japan.

Regarding the evolution of the knowledge economy in terms of economic and social coordinates we have to deal with an interesting vision (Ismail, 2006) with a pronounced multidisciplinary character, like the following:

- Information society, which was established to support the Lisbon strategy. In this society the power was given by access to information in the context in which ICT was seen as a sector and human capital as a commodity.

- Knowledge society. In this society social capital and lifelong learning culture has a primary function as well as obtaining value through knowledge products and services.
- Knowledge value society. This is the final aim of Europe 2020 Strategy. This new society is a united one by moral and ethnic values and all citizens have a sustainable quality life, in the context of a competitive knowledge economy.

This development of knowledge economy is based on people as "cell body" of society and on information and all means of communication as a contributing factor, a factor of progress for the entire civilization.

Economy mainly innovates to boost profits and society must innovate in order to obtain benefits and social transformation (Nicolescu, O., Nicolescu, C., 2011). Thus, the strategic directions of the public institutions under the Europe 2020 strategy targets:

- processing the public sector by allocating at least a share of public budgets for innovation (Nicolescu, O., Nicolescu, C., 2011);
- launching ambitious european initiatives, synchronized with major challenges such as the european public sector reform (Nicolescu, O., Nicolescu, C., 2011);
- designing EU directives and regulations to support innovation through specific assessments of key legislation;
- changing public procurement system appealing to new procedures and practices, development of public procurement and public procurement set aside a specific part of innovation;
- opening database of local and central administration system to allow new combinations and create opportunities for citizens to build new services;
- developing partnerships between public and private sector in the transfer of best management practices in order to improve the management performance of public institutions;
- developing of e-Europe in order to build an information society for all citizens of Europe.

Implications of Europe 2020 strategy in the public institutions in Romania are reflected in the National Reform Programme 2011-2013, which will continue in 2014-2016 and will be updated in terms of implementation tools of monitoring the strategy at regional and local level. Another way that European strategies, initially Lisbon, and now Europe

2020 Strategy are present in the public institutions in Romania are programs and projects co-financed through European funds allocated through the current financial period 2007-2013.

In the field of public administration in Romania, European structural funds are specifically funded through: Operational Programme 'Administrative Capacity Development', with the following priorities: improvement of structure and process of public policy management cycle, improve the quality of efficiency of service delivery with emphasis the decentralization process and finally technical assistance. Public institutions participate in projects funded through the Operational Programme 'Increase of Economic Competitiveness' priority axis: ICT for public and private sectors, which aims in particular to implement e-government and finally Operational Programme 'Human Resources Development' axis: modernizing the public employment service. Following this project, we have found some recommendations on:

- projects sustainability ;
- initiation of joint projects / network;
- the need to transfer good practices from other communities, even Europe states, which achieved the objectives of Europe 2020 strategy;
- explicit inclusion of indicators in the National Reform Programme 2011-2013, 2014-2016 respectively measuring local government efficiency and transparency.

Given these priorities Europe 2020 is reflected in the public institutions in Romania as follows:

- Smart growth: the Romanian state should consider as a priority public research and innovation of public sector considering financial resources for this area and that the European Union basic public services are available electronically in all 27 states. Romanian position is lower than the European average situation about availability of basic public services, an average of 84% since 56% percent of Romania (Eurostat 2010). Another significant example is the action of professionalization of civil servants in order to create a professional corps of civil servants, well-trained and politically neutral. This is important as the Ministry of Internal Affairs aims to apply both administrative code and procedures promoted by the European Union.

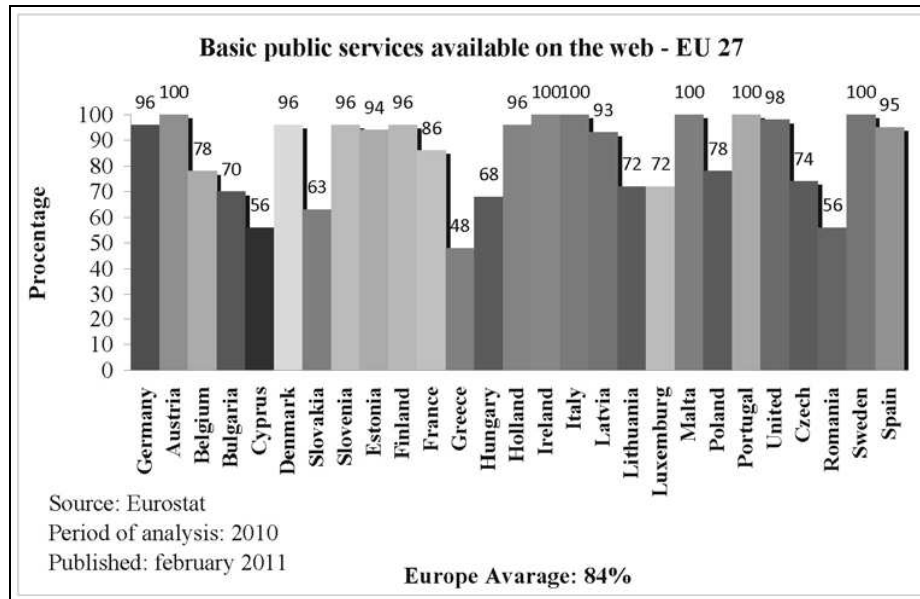


Figure no. 1. Basic public services available in EU 27

- sustainable growth: this is achieved through integrated projects between public and private sector such as ‘wind farms’ that are growing, and public sector projects such enveloping blocks.
- inclusive growth: this objective is achieved in Romania through the activities of NGOs and unions that carry out educational projects and more.

3. International approaches about changing public management paradigms

Organizing and driving a society represent for many sciences a main topic research. In terms of public administration management, the first theories about a modern form of public administration, considering the level of knowledge, belongs to Max Weber. According to him the bureaucracy "means fundamentally the exercise of control on the basis of knowledge. This is the feature of it which makes it specifically rational "(Weber M., 1947). Also, his theory of bureaucracy was founded on three features: the

division of labor, hierarchy structure and rational rules. In addition to Weber, Karl Max, who studied bureaucracy also, considering its faults in terms of religion, the formation of the states, commerce and technology. Thus, for Karl Marx "bureaucracy is a circle that no one can escape. Hierarchy is based on knowledge. Most of rulers believe that those below them know the details, and those above them credited on the top with all knowledge, and so all are mutually deceived."(Karl Marx, 1979).

Given the fast evolution of knowledge and its perishability, in public management have appeared numerous changes, most important being the appearance and development of capitalism in countries like Canada, Australia, New Zealand, where the population began to "rejects the welfare countries, opposes the large public sector, doubts government capacity, public blames bureaucracy, believes in the private sector and emphasizes market competition superiority in service delivery (M. Shamsul Haque, 2001). So, around the 80's a new phenomenon appeared called, the new public management. This represents a new form of management designed to manage the public sector in order to modernize and increase its efficiency by the government. This trend has many varied interpretations by specialists. Christopher Hood (1991), "the father" of NPM believes that is a paradigm shift from the traditional model of public administration to a modern one. This is based on the following components: participative management, performance standard and measures clearly defined, effective measures to assess the results, decentralisation of the public sector, increased competitiveness, "good practices" of management borrowed from the public sector and the rational use of resources.

From the point of view of O'Flynn (2007) NPM is a competitive government type of public management, focused on ensure economy and responsiveness to costumers through achieving agreed performance targets. According to C. Pollitt and G.Bouckaert (2011) NPM reform represents "deliberate changes to structures and processes of public sector organisations with the objective of getting them (in some sense) to run better".

As the time goes by, people and ethical and moral values gain increasingly more importance in all the fields of science. So, for the most developed countries public value management is the newest form of public management based on communities as the society cells. In this case, relationships are very important in order to achieve service outputs, satisfaction, outcomes, trust and legitimacy (O'Flynn, 2007).

According to certain authors, like Robert B. Denhardt and Janet Vinzant Denhardt (2000), public value management owns seven principals to emphasize the role of the public employees for the citizen needs and in the community life and society as follows: serve, rather than steer; the aim is the public interest; think strategically, act democratically given the community; serve citizens, not customers; accountability isn't simple for public employees; value people before productivity and the last one value citizenship and public service above entrepreneurship. Although, for Kelly G. (2002) public value management is based on 3 principles: high-quality services, outcomes that reflect public priorities and trust.

For a comparative analysis of bureaucracy, new public management and public value management, Michael Hess and David Adams (2007) presented the features of changing public management paradigms in the table below:

Table no. 1
Characteristics of changing public management paradigms

Features	Bureaucracy	New Public Management	Community Interface
Theory	legal rational authority	public choice	deliberative democracy
Orientation	procedures	market	society
Organisational Structure	silo	hub and spokes	networks
Aim	status quo	efficiency	co-production
Knowledge	centralised	expert	local
Type	authoritative	positivist	constructivist
Language	rules	numbers	histories
Capital	political	economic	social
People	taxpayers	consumers	participants in communities

Source: Michael Hess and David Adams, 2007, Innovation in Public Management: the role and function of community knowledge.

As results from Michael Hess and David Adams researches, there is a close link between public value management and knowledge economy, especially knowledge management. This fact is represented by the studies of dr. David Platt from the Municipal Association of Victoria, Australia. In his paper, "Creating the knowledge based organisation for the future - From internal silos to information management to knowledge management", dr. David Platt talks about driving business excellence in local government

using knowledge management. His approaches are very interesting from several points of view.

Dr. David Platt begins from emphasize the deficiency of capacity, capability and credibility that exists in society and to the citizens of the state and highlights to the benefits from solving these problems: more productive communities, public prompt services, improved public value, etc. Solving these problems lies in strategic collaboration between public knowledge management and value management, namely through transfer of best management practices of knowledge management in modern management of public sector. Thus, an essential role is played by:

- commitment of leadership that is achieved through the vision and planning and thus enhance organizational, local and national culture;
- human development through education and the right choice of career;
- strategic alliances made between public institutions and private organizations;
- government collaboration and partnership with the community, both regarding the citizen needs and those of organizations;
- technical infrastructure built through Central Information, Semantic Web, security and privacy, shared ICT platforms (eg. GIS - Geographical Infrastructure System).

Public value management seems to be the new public management as appropriate to a knowledge economy, namely a competitive knowledge economy corresponding to a united moral and ethnic society, whose citizens have a sustainable quality of life. This appears to be the final aim of Europe 2020 strategy to the late 2020 that prefigures in Europe a knowledge value society.

4. Romanian situation within changing public management paradigms

Considering even European measures, the presently public institutions management in Romania presents many weaknesses such as:

- institutional waste of structural funds for Romania to secondary targets without significant impact to the country.
- corruption affecting for example the tax system and award procedures for conducting the auction works projects financed by public funds, etc.

- shortcomings of national legislation and its unpredictability considering public sector.
- shortage of truly qualified labor in Romania, especially in the management of public institutions.
- national indifference
- most of public managers are appointed and promoted mainly on the basis of political criteria (Verboncu, Cojocaru, Ciocănescu and Gogârnoiu, 2009).
- most of public managers possess a mentality centred upon expectation, assuming only a “surveillance” role and by no means a strategic or tactical one (Verboncu, Cojocaru, Ciocănescu and Gogârnoiu, 2009).

At the present, Romania is shifting from bureaucracy to the new public management and in creating the premises for the emergence of public value management. Bringing information technology into public administration leads to eliminating bureaucracy and increasing the quality of public services. The general aimed objective is to modernize public administration by introducing an information system in accordance with the requirements imposed by the information society (Dragomir Stefanescu, 2012). In addition to issues related to information technology and financial resources, I believe that these changes in the public sector primarily related to culture, the mentality of people thinking and public sector managers and policymakers.

Some of the strategic measures proposed in order to improve efficiency in public institutions management in Romania, given the passage to new public management, are presented below:

- development of e-governance platform for public services, considering developing countries models which have successfully managed this action;
- continuing public and private sector partnerships between universities and SMEs/s, between research institutes and universities, between research institutes and SMEs/s etc., in order to increase their performance and results;
- creating associations between several local authorities for projects of common interest on the model of Belgium and France (Androniceanu, 2007);

- transfer of best management practices in public sector from other nations that have a successful management of public institutions, such as reorganization of the National Administration Tax Agency according to the model / models of successful European;
- upgrading of tax payment system by creating a single center of paying all taxes on the NAFA National Administration Tax Agency, in two different accounts, one for administrative charges, other parafiscal charges, given that in Romania there are about 20 administrative charges and 280 parafiscal charges, which presently must be paid in different places and this consumes a lot of time of Romanian citizens and/or entrepreneurs.
- enhancing transparency through education, for example creating a guide for ethical behavior for both citizens and public employees and for public sector managers, etc.
- high degree of involvement of all participants in public sector decision making: making social surveys among citizens, public officials questioning (Nastase, 2004) etc.

Refreshing moral and ethical values as part of public value management in Romania refers primarily at trust as a key resource in managing the relationships between government and citizens and the sustainable quality of life. Along with the bureaucracy of the communist system, trust could not be spread because of fear of an economic system with very strict control and penalties applied. Immediately after the fall of communism and after 1989, citizens have started getting more confidence in public institutions because democratic domination. This democratic easily led to corruption because excessive control measures very harsh from communist times have become very flexible and easy to dodge. In order to create preconditions for public value management in Romania must be promoted ethical and moral values, especially in the public sector where there must be reliable, efficient services and income from public interests.

This refresh values can be done in Romania through partnerships between public and private sector, such partnerships can be created between church and police, between police and school and especially between church and school, church and media etc. The role of media in this collaboration is essential. For example, in Romania are promoted both in the press and on television, the negative examples of human behavior in light of the fact that citizens should learn what not to do to, unlike the Japanese who promotes

on television and media mentors, values persons, ethical persons on the principle that citizens should learn what to do good. Another suggestion could be a better collaboration between the media, NGOs and/or unions, which have an educational mission in terms of informing its members to achieve certain programs, to develop projects within institutions at national level promoting ethical and moral approaches a.s.o.

The researches in the public institutions in Romania show that our society tries to respond better to the increasingly needs of citizens, that requires significant changes and that in this way, the public sector fights to diminish the bureaucracy and wants to promote real and representative values.

5. Conclusions

Considering changes in public institutions management, the shift from bureaucracy to the new public management and public value management from the perspective of knowledge economy and management in Romania, this process of change requires still time and resources.

The public institutions reform needs advanced action of redesign systems, reshaping culture, reengineering the processes and the whole process to be oriented towards the meeting of citizens needs and the prosperity of society, diminishing the negative effects generated by the world wide economic crisis.

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