

HUMAN RESOURCE DEVELOPMENT SYSTEM IN THE CONTEXT OF PUBLIC MANAGEMENT REFORM

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The fundamental changes associated with public management reforms calls for a significant transformation of the human resource function in general and human resource development responsibility in particular. Therefore, the article seeks to develop and substantiate the theoretical model of the human resource development system in the context of public management reform and to verify it by examining congruence of enabling characteristics of the strategic HRD system with those in Lithuanian central and local government institutions. The results of the empirical research have revealed that there is limited congruence between the theoretical model of strategic HRD system in the context of public management reform and the current HRD system in the central and local government institutions of Lithuania. The Lithuanian HRD system is not strategically mature in HRD terms and the majority of enabling characteristics are not in place yet.

Keywords: human resource management, human resource development, learning organization, organizational development.

Introduction

The public sector, especially in new EU member states and those aspiring to join EU structures, is under big pressure to improve its performance and provide quality services with fewer resources. New technology, new ways of organizing work, new means of delivering services and an increasing reliance on temporary employment have redefined the nature of public service. Duties are becoming multifaceted and very complex: they may encompass policy advice, management of human, financial and other resources, the provision of critical services and others (United Nations, 2005). Meeting these challenges requires a unique combination of knowledge, skills, attitudes and effective human resource development systems, as well as policies and strategies to nurture these competencies.

This calls for a significant transformation of the human resource function in general and human resource development (HRD) responsibility in particular, creating particular opportunities for civil servants to develop and enhance the necessary capabilities and encourage greater self-development opportunities to facilitate an effective implementation of public management reforms.

The HRD function has been extensively researched by many foreign and Lithuanian scholars. It has been investigated from different perspectives, including the examination of dominant paradigms, roles and status of HRD and as well as the link between business strategy and HRD (Sambrook, 2004; Garavan, Gunnigle et al., 2000; Simmonds and Pedersen, 2006; Smith, 2004; Sloman and Philpott, 2006; Senge, 1994; Auluck, 2006; Auluck, 2007; Gibb, 2003). Importantly, several Lithuanian scholars have carried out extensive research in different areas of HRD, for instance focusing on HRD strategies (Chlivickas, 2007), analyzing develop-

ment trends and models of HRD (Sakalas, 2001; Kumpikaite and Sakalas, 2005) and evaluation of HRD efficiency (Kumpikaite and Sakalas, 2004).

However, despite extensive research in the area of HRD, the scientific discussion requires singleness and a more systematic approach. Various studies acknowledge the potential of HRD to leverage and facilitate the implementation of reforms; however, the theoretical and practical nature of these relationships receives amazingly scant attention (Luoma, 2000).

Therefore, the key scientific problem addressed by this article is the lack of a consistent theoretical perspective and a systematic approach to the HRD system in the context of public management reform. In this context, the main goal of the research is to develop and verify theoretical model by examining congruence of enabling characteristics of the strategic HRD system with those in Lithuanian central and local government institutions.

A comprehensive analysis of the scientific literature was carried out for the theoretical exploration of the problem. Qualitative and quantitative research methods were utilized in the research.

The article is organized into five main sections. Thus, the first and the second sections provide the conceptual framework for the research and deal with the theoretical background for the understanding of the context of public reforms, as well as analysis of different perspectives of HRD. The third section presents and discusses the theoretical model of the HRD system in the context of public management reform. In the fourth part the methods of the empirical research are briefly described and the last section the results of the empirical research carried out in central and local government institutions of Lithuania are presented and the congruence of the theoretical model of HRD system with current HRD system in Lithuania examined.

Theoretical context of public management reform

Over the last two decades, public management has undergone substantial changes in both developed and developing countries. Public sector reforms have focused on the efficiency of governments seeking to transform traditional bureaucratic system of public administration to market oriented, results-driven system of public management. The role of the state was to be reduced and what remained was to be subject to enhanced political direction, increased managerial discipline and greater responsiveness to citizens (Aucoin, 1995). There was a call for “re-inventing” government on the basis of a market economy (Osborne and Gaebler, 1993) and it has become common to talk about the emergence of the new model of public administration – New Public Management – as a collection of ideas and practices that emphasize competition between service providers, a new mix of state and market under provision of collectively financed services, decentralization, freedom of choice for citizens, and more responsive management (Hood, 1991).

Public management reform is an evolving, hybrid phenomenon with diverse and complex body of ideas and practices. In this article the term “public management reform” is used to describe different reform efforts related to modernization

of public administration. In terms of comprised elements, tools and techniques, public management reform provides a “shopping basket” from which reformers can choose according to the local conditions and priorities. Many authors such as Pollitt and Bouckaert (2001), Hood (1991), Aucoin (1995), Osborne and Gaebler (1993) have described and categorized different trajectories of the reforms which can be grouped into four key areas, such as (1) the introduction of market mechanisms (the move from service delivery to its regulation, the creation of quasi markets, and outsourcing); (2) Devolution of authority (the move away from hierarchical structures to devolved management structures, accompanied by devolved budgets and HRM; increased managerial autonomy and the establishment of agencies); (3) Performance management (the move from inputs in management and the budgeting processes towards outputs and outcomes); (4) Civil service reform and decentralization of human resource management. The fourth area, because of its relevance to this article will be discussed in more detail.

Decentralization of human resource management

In order to carry out the above mentioned reforms successfully there is a need not only to guarantee legally correct application of laws and various reform strategies, but to ensure that competent and professional civil servants are in place that are able to lead and implement the envisaged reforms. Individualization of civil service arrangements and decentralization of HRM/HRD responsibilities are seen as a way of overcoming the inefficiency and rigidity in the public sector and are expected to offer flexibility and responsiveness needed for effective administration of public agencies (Coggburn, 2005). According to Osborne and Gaebler (1993) the authority should be pushed downward in the organizational hierarchy as much as possible, so that managers within individual agencies would be “empowered” to run their organizations more effectively.

Thus, agencies and departments assume fuller authority over core HR functions, such as recruitment, selection, training and development, classification, compensation and promotion. Under such an approach, control activities are conceded for a more proactive and involved function of HR and the central personnel agency is called to shift from its customary control orientation to a new consultant or adviser role (Kellough and Selden, 2003; Coggburn, 2005). Furthermore, there is a move towards individualization of civil service arrangements related to the selection process, the terms of appointment, termination of employment, pay and performance management.

However, despite of the efforts to improve HRD function in the context of ongoing reforms the following challenges remain and are emphasized by different authors (Hockey, Kakabadse et al., 2005; Maor, 2000; Gibb, 2003). For instance, lack of systematic approach and very fragmented and reactive nature of the training and development function, poor alignment of training and development with institutional strategies and performance appraisal systems, as well as the inability of HRD specialists to assume a strategic role in addressing organizational problems, other.

Thus, it is evident that current approaches to HRD are insufficient to ensure the development of a new set of competences of civil servants and to create an

enabling environment within government institutions that enhance the organization's capacity to take on large scale learning process associated with major cultural and procedural change (Koch, 1999) brought by public management reforms.

Therefore, the next section will discuss different perspectives of HRD in order to better understand the role of HRD and its possible contribution in contemporary organizations.

The strategic role of human resource development in the context of public management reform

HRD has derived its conceptual basis from three broad areas of organizational theory, economics and psychology (Sambrook, 2004). Based on Garavan et al (1999) the psychological perspective promotes motivation, learning and ownership issues. It tackles the issue of a psychological contract which is attempting to conceptualize the employment relationships using notions of expectations, perceptions and obligations. Organizational theory focuses on organizational learning processes and change. It also deals with the establishment of a learning organization. The economic dimension emphasizes investments in human capital and focuses on resource-based theories.

Hence a universally accepted definition of HRD is non-existent, several scholars have attempted to define HRD or identify its essential elements. The concept of HRD is used to convey different meanings, including those that frame HRD as a synonym for training and development (Trehan, 2004). For the purpose of this article HRD is defined as a process of facilitating long-term work related learning capacity at an individual, group and organizational levels through structured and unstructured learning and non-learning activities to enhance organizational performance.

The „learning organization” and “performance” can be named as key perspectives to discuss HRD, however, we are in consent with Simmonds and Pedersen (2006) that the future of HRD lays in the need to take into account and encompass the inextricably interrelated paradigms. In addition to that the principles of systems theory tell us that no one element of a system can be viewed separately from other elements. Intervening in only one element of the system without creating congruence in other parts of the system will not lead to systemic change. Therefore even if HRD is increasingly concerned with facilitating the learning of individuals, teams and organizations as a key to the organizations sustainable competitive advantage the success of HRD policies will be measured by its impact on business performance.

The strategic approach to Human Resource Development

The fact that the employees today can be competitive advantage of a company has influenced the interest in strategic HRD questioning how in such an unstable environment, the HRD profession can contribute strategically to the success of an organization, through development of its employees. Strategic HRD has become an important component of HRM as a means to improve performance and organizational effectiveness (Horwitz, 1999). According to McCracken and Wallace

(2000b) strategic HRD comprises the creation of a learning culture, within which a range of training, development and learning strategies both respond to corporate strategy and also help to shape and influence it. Similarly, Burgoyne (1997) and Walton (1999) emphasize HRD provision which is conscious and proactive rather than unplanned; it focuses on the maturity of HRD provision to reflect organizational growth and clearly envisages that HRD interventions are valuable only to the degree that they facilitate the organization in achieving its goals. Based on the presented definitions we can say that the strategic HRD is a means to improve organizational performance through the establishment of strong HRD links with organizational goals and strategies as well as the strategic leveraging of learning and development processes to generate and enhance appropriate behavior and competencies of an organization.

The strategic HRD approach maintains a strong focus on adopting a learning organization perspective and the application of the learning approach to strategy, as well as the shift away from individual concepts of training and development towards more integrated concept called learning. McCracken and Wallace (2000b) emphasize the importance and interrelation with the learning culture and Horwitz (1999) suggests that a key focus of strategic HRD is the creation of a learning environment and structural design which promotes learning and development for performance improvement and competitiveness. Key characteristics of strategic HRD discussed by different authors are the following: HRD is proactive in shaping organizational strategy and it is well integrated with HRM, HRD specialists have innovative and strategic roles and facilitate change, line managers assume responsibility for HRD and top managers are committed to HRD. The cost effectiveness evaluation is taking place and the organization has become strategically mature in HRD terms and a strong learning culture.

Theoretical model of human resource development system to facilitate the implementation of public management reform

In a period of such rapid organizational change as discussed in the first section, the consequences, challenges and changes related to contracting out, decentralization, and empowerment mean that civil servants need to be more flexible and undertake continuous learning rather than periodic training (McCracken and Wallace, 2000a). Hence, this calls for significant transformation of the HRD system to reflect the demands of public management reform by creating a learning competence or capacity within the government institutions to generate new knowledge and facilitate learning on a continuous basis.

Based on the discussion above we can conclude, that HRD system will be perceived as having strategic value in the context of public management reform, only if it has the capability to develop a supportive environment for learning, where there is a clear connection between HRD and the strategic goals of the government institutions, which in turn has been aligned with objectives of public management reform. Consequently, institutional strategy of the government institution needs to be expressed in the behavioral terms and implemented through the

strategic HRD system, which facilitates learning and generates appropriate behaviors and competencies needed to implement the goals of public management reform and does this on a continuous basis.

Therefore, the suggested theoretical model of HRD system is based on the strategic HRD approach promoted by number of scholars such as Garavan T.N, Heraty N., McCracken M. and Wallace M, Wognum A. A. M, Hockey J, Kakabadse A., Kakabadse N., Luoma M. and others. It integrates two main perspectives – learning and performance. The model has been built on the premise that strategic HRD is a prerequisite for the learning culture to emerge and for the learning organization to develop. Strategic partnerships between key stakeholders – HRD specialists, line managers and civil servants – are also central for strategic HRD to emerge.

Proposed theoretical model of strategic HRD system defines strategically matured government organization in HRD terms, which has the capacity to learn and diffuse knowledge effectively and where HRD is shaping organizational strategy. HRD is not anymore limited to training, but extended to facilitating and supporting learning processes within an organization focusing on different forms of learning, including informal and incidental learning (Buyens, 2001). Learning is regarded as a normal part of everyday work and working is seen as a rich source of learning.

HRD shaping the mission and goals of the government institution is at the core of the model. If HRD reaches the position of being able to shape organizational strategy, then, we can argue, it will be in the position to shape organizational culture.

The model proposes to divide the process of strategic HRD into three stages – formulation, implementation and evaluation. The first stage is the formulation of the institutional strategy, which is shaped and influenced by HRD. The second stage is implementation of HRD systems based on the HRD strategy aiming to generate appropriate behaviors and competencies. The final stage is evaluating and reviewing the effectiveness of HRD strategy. It is a holistic and dynamic model and the three stages are closely interlinked.

Each stage has enabling characteristics, which are crucial to facilitate the process of strategic HRD. Presence or absence of these characteristics would influence the level of HRD maturity in government institutions and would anticipate the success of implementation of Public Management reform. As presented in the model, the enabling characteristics are attached to each of the three stages, assuming that particular set of enabling characteristics have a bigger influence at a particular stage. At the same time, it is evident that enabling characteristics are important and have a significant influence on the entire HRD system.

HRD policies are not implemented in the isolated public administration environment. Based on Hall (1996) environmental context plays a crucial role in institutionalization processes in organization. Values, goals and procedures become strongly established not because managers choose them as a most efficient means, but in most cases as a result of environmental influences and exchanges.

Consequently, various external factors very much influence HRD strategies and systems, and needs to be taken into account.

Research goal and data collection methods

The main goal of the research is to verify the theoretical model by examining the congruence of enabling characteristics of the strategic HRD system with those in Lithuanian central and local government institutions and identify the gaps to be addressed. The research object – the Human Resource Development system in Lithuania.

In order to define key factors qualifying enabling characteristics a methodological framework has been constructed to clarify and focus the research issues to be explored in the empirical survey. The framework defines key factors to qualify enabling characteristics presented in the theoretical model of strategic HRD system. It provides evidence based assessment tool and facilitates the identification of the gaps in the HRD system in the context of public management reform.

Qualitative and quantitative research methods were utilized in the research. Firstly, the quantitative survey has been performed to assess the enabling characteristics of HRD system. Secondly, semi-structured in depth interviews with selected experts have been carried out to clarify and follow up on different outstanding issues and details of the HRD system in the selected central and local government institutions. Finally, document analysis has been carried out to supplement the evidence obtained in the survey and interviews, and to establish some evidence to assess the presence of characteristics unobservable via survey/ interviews.

Conclusions

The findings of the empirical study on the enabling characteristics of the strategic HRD system in the context of public management reform in Lithuania revealed “weak” evidence of a majority of enabling characteristics and confirmed that there is limited congruence between the theoretical model of strategic HRD system in the context of public management reform and the current HRD system in the central and local government institutions of Lithuania. The Lithuanian HRD system is not strategically mature in HRD terms and the majority of enabling characteristics are not in place yet. Therefore we can conclude that the current HRD system in Lithuania is not able to ensure the successful implementation of significant changes associated with public management reform.

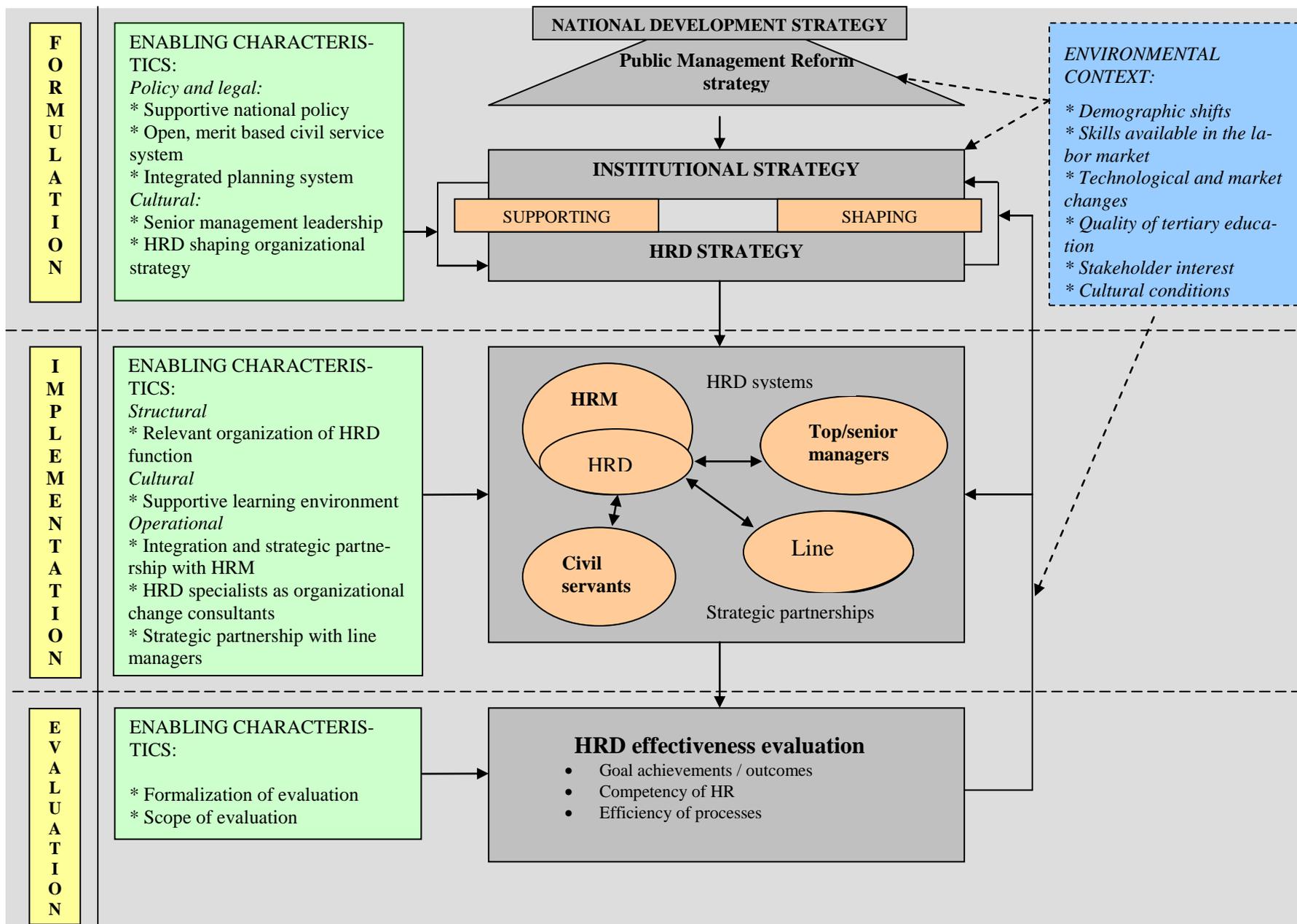


Figure 1. Theoretical model of strategic HRD system to facilitate implementation of public management reform
 (Source: Offered by the author)

The conclusion presented above is validated by the following main findings:

The overall policy environment in the Lithuanian public sector is relatively supportive for strategic HRD/training to emerge and develop. However, several shortages have been identified by the research, which impact on the development of strategic HRD approach, namely: (1) national HRD policy is absent and HRD function is mainly identified with “training” and limited to formal training activities as prescribed by the civil service legislation; (2) the HRD approach is also restricted by an ineffective performance management system, where individual performance goals are poorly linked with the strategic objectives of the department and institution;

Although senior management is widely perceived to provide a supportive role for HRD/training, they are not seen as playing a proactive and strategic role in leading and shaping HRD/training policies and strategies. There were few indications that such support went beyond passive compliance into anything remotely resembling the active leadership as defined in the methodological framework.

There is little evidence of integration between HRD and institutional strategy and definitely a strategy shaping role of HRD is not yet in place. HRD/training still appeared to be reactive and operational in most central and local government institutions.

The most prevailing roles of HRD specialists still link strongly to traditional training practices. A more reactive role as training organizer is most prominent in the central and local government institutions. Analysis has disclosed that HRD/training specialists have not yet developed expanded roles as innovators and organizational change consultants. However, there were some encouraging indicators that HRD/training specialists were adopting consultancy roles in their institutions and some of them are becoming more involved at a strategic level.

Line managers have not assumed the responsibility for HRD/training of their subordinates yet. It was confirmed that it is difficult to fulfill this role, either because of their work load or lack of skills in this field. Cooperation between line management and HRD/training exist, however a lack of line managers’ support and involvement in HRD issues indicates that the strategic partnerships suggested by McCracken and Wallace (2000a; 2000b) as an indicator of strategic HRD does not exist in the central and local government institutions of Lithuania.

HRD and HRM integration is insufficient and there are lack of relevant mechanisms to sustain and reinforce appropriate competencies and behaviors generated by HRD with the help of other domains of HRM – selection, appraisal, rewards and communications.

There is little evidence for the emphasis on HRD/training evaluation. Central and local government institutions mainly evaluate HRD/ training activities based on Kirkpatrick’s level 1 – assessing immediate learners’ feedback, which is usually carried out by training organizations. There is no evidence for an emphasis on cost effectiveness of HRD evaluation.

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ŽMOGIŠKŪJŲ IŠTEKLIŲ VYSTYMO SISTEMA VIEŠOJO VALDYMO REFORMOS KONTEKSTE

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Santrauka

Straipsnyje aptariami fundamentalūs pokyčiai, susiję su viešojo valdymo reforma, kurie reikalauja iš esmės keisti žmogiškųjų išteklių vystymo funkciją, kuriant palaikančią aplinką ir sudarant galimybes valstybės tarnautojams nuolat stiprinti ir tobulinti reikalingas kompetencijas. Straipsnyje analizuojamos pagrindinės viešojo valdymo reformos kryptys, pokyčiai, susiję su žmogiškųjų išteklių valdymo decentralizacija, valstybės tarnybos reforma, taip pat atliekama teorinių požiūrių į žmogiškųjų išteklių vystymą analizė. Remiantis teorinės analizės rezultatais parengtas ir straipsnyje pristatytas teorinis žmogiškųjų išteklių vystymo sistemos modelis bei patikrintas šio modelio pritaikomumas Lietuvos centrinės bei vietinės valdžios institucijose. Remiantis atlikto tyrimo rezultatais nustatyta, kad atitikimas tarp teorinio strateginės žmogiškųjų išteklių vystymo sistemos modelio viešojo valdymo reformos kontekste ir esamos žmogiškųjų išteklių vystymo sistemos Lietuvos valdžios institucijose yra ribotas. Nustatyta, kad Lietuvos žmogiškųjų išteklių vystymo sistema nėra strategiškai subrendusi ir dauguma indikatorių, patvirtinančių sistemai galimybių suteikiančių charakteristikų egzistavimą, nėra akivaizdūs. Straipsnyje daroma išvada, kad šiuo metu esanti žmogiškųjų išteklių vystymo sistema Lietuvos valdžios institucijose nepakankamai užtikrina sėkmingą reikšmingų pokyčių, susijusių su viešojo valdymo reforma, įgyvendinimą.

Raktiniai žodžiai: ištekliai, išteklių vystymo sistema, kryptys, modelis, valdymo reforma.