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Author(s): Demmke, Christoph

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Institutional change and increasing ambivalence of reform effects and reform outcomes

Christoph Demmke

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Introduction

The study of public management and HRM has long focused on the state as a sovereign, hierarchical and rational authority – the Leviathan, originally denoting a large monster or creature. Since Thomas Hobbes' *Leviathan*, published in 1651, it has also come to mean a powerful state, which rules and protects the country, yet is a separate entity from society. Nowadays, the concepts of social contract, sovereignty, nation-state, nationality, identity, public powers, safeguarding general interests, public tasks, public values, and the discharge of public tasks have changed. Experts note the process of blurring of boundaries between the state and society as well as the public and the private sectors, the overlapping of public and private sector values, the alignment of public and private employment conditions and increased interaction between public administration and politics. Citizen orientation, co-production and public-private partnerships are to be found at the top of all administrative reform agendas.

However, experts increasingly differ as to the developments of modern forms of governance. The present governance concepts draw on fluid notions and neither offer a clear definition nor set a direction for universally acceptable reform trajectories. Mostly, (public) management science and innovation theories advance the belief in linear development, i.e. that there is always a better way to do things. For example, innovation and digitisation are generally seen as positive developments, likely to increase the transparency, efficiency, and effectiveness of public services. Public management theory therefore often matches our own cultural belief that new things are invariably better and more promising. This typically Western attitude promises change, progress, and ways of improving things. It appears that precisely due to this promise new public management theories enjoyed such popularity, at least until the dawn of the 21st century.

Meanwhile, public policy experts have very different opinions about the developments of the state and public administration, since no public management theory offers a comprehensible explanation of change and the processes which lead to it.

This chapter discusses the loss of Western public administration role models, the public administration reform identity crisis, and the emergence of a new era of politicised and individualised public administration. We will argue that the classic administrative models and concepts based on the principles of standardisation, rationality, and progress, are slowly disappearing. Instead, public management drifts towards fragmentation, individualisation and psychologisation. These trends offer not only opportunities (such as enhanced flexibility, autonomy, individual discretion, responsibility), but also considerable risks (including politicisation, stress, job intensity, instances of organisational and individual injustice). As we shall see, the latter is particularly the case in the V4 countries.

1. From rational administration to behavioural governance

In all Western countries, public administration concepts were designed as rational structures with the objective of making the public sector independent from the private sector and civil servants independent from personal and political interests. Overall, public administrations were designed as rational machines which had democratic and ethical tasks of serving the society and the law, protect the population, operate equitably and in a sustainable manner. When looking back, this traditional, technical, legalistic and bureaucratic compliance and “ethics of neutrality” (Thompson 1985) have dominated governance until at least the 1970s. It was argued that public systems better reflect the Rawlsian principle of justice than private sector systems, which engender numerous forms of injustice. Therefore, experts declared

that no institutional actor other than the public one can combine expertise, continuity, professionalism with impartiality and fairness (van der Meer, Raadschelders, Toonen 2015, p. 369).

Moreover, because of the specific ethical importance of certain state tasks, most countries were reluctant to outsource or privatise core governmental tasks and to completely reverse the specific employment features founded in the 19th century in order to protect the democratic liberal state.

However, in the late 20th century, almost all countries began to depart from the classic bureaucratic model and pursued changes which led to a new diversity of administrative systems. Until today, the prevalent view is that the times of bureaucratic career models are over, because they have underperformed on several fronts.

Today, even though these de-bureaucratisation tendencies continue, there is no common trend towards an alternative universal administrative model. Meanwhile, the varieties of New Public Management have been challenged owing to the focus on results and cost savings (Hood/Dixon 2012), compounded by the tendency to downplay the importance of other values and principles such as quality, fairness, sustainability and impartiality. Some observers even warn against a total marketisation of societies and public policies.

Furthermore, current reform models are caught up in an identity crisis. Individual countries know well what they want to leave behind, but they are not quite sure where to go. On the one hand, many of them implement ever new reforms, which have been successively defined as collaborative government, networking society, co-production of public policies or the emergence of a blockchaining society as the latest reform fashion. On the other hand, certain trends favour the return of a strong state, the Leviathan. Since security issues have come to play an ever more important part in our societies, state interventions are returning in public policies as countries invest in the police, military, and other security services. Nevertheless, some countries still promote good governance concepts and invest heavily in policies which promote ethics, diversity, identity, anti-discrimination and integrity. We seem to be living in an era of flexible governance forms. In this scenario, government policy styles and public administration reforms proceed from policy to policy and from sector to sector.

Whatever is the correct diagnosis of these reform trends, it is worth noting that until today, no government has completely privatised the delivery of public tasks, no public administration works like a private company, and no public systems entirely emulates private sector practices. Moreover, the emerging administrative models of governance cannot be easily classified as left, liberal or conservative; they are simply different.

Administrative reform can also be perceived as a trend towards increased complexity. Let us briefly look at a sub-discipline of public management: HRM. Today, HRM is the preserve of scholars representing management, organisational theory and behavioural sciences with an interest in leadership, organisational justice, psychological, motivation, engagement, performance, as well as social aspects of human interaction and organisational behaviour. Therefore, at least in theory, HRM is no longer a purely technical issue with a focus on traditional HR issues, such as recruitment, staff selection, payroll, benefits, employee relations, performance management, industrial relations, and legal issues. Instead, it integrates motivation theory, leadership theories, linking HRM with organisational performance (Alagaraja 2012; Posthuma, Campion et al. 2013), new evidence in the field of ethics, diversity, social dialogue, participation, empowerment, engagement, and decision-making.

All the current reform trends take place in a context, to use the concept proposed by Robert Merton, in which purposive human action does not imply that it is 'rational' (Merton 1936). This suggests that the most important limitation to properly anticipating the consequences of one's actions stems from the existing limited knowledge in the context of intensifying criticism of the classic rational choice theories. As a result, behavioural economics and behavioural ethics (Bazerman, Tenbrunsel 2011; Bazerman et al., 2015; Tenbrunsel, Chugh 2015; OECD 2018) are viewed as important and increasingly inform policymaking. Today, Thaler and Sunstein (2008), impressed as they are by imperfect individual decision-making and the low costs of nudging, enthuse over the libertarian paternalist nudging in the private and in the public sectors. They identify a host of factors, such as optimism, overconfidence, loss aversion, status quo bias, framing, inertia, inattention and error etc., which may cause humans to err in judgment and decision-making. These behavioural approaches are welcome if they do not lead to a new 'moral relativism' or the revision of rational thinking as such. Given the popularity of behavioural insights, the classic concepts (and instruments), such as the rule of law and principles of administrative law, may be questioned. Accordingly, the epoch of standardised

and rational approaches seems to be over. But what comes next? And what do people know about these changes? It seems that research on these trends is still a 'black box.' Thus, in order to avoid ideological or personal judgments as regards the effects of reforms, we should agree that generally speaking, each policy, instrument or institutional reform can have positive and/or negative outcomes, be effective and/or ineffective. Hesse et al. have pieced together a useful matrix with which to assess various effects of public management reforms (Hesse, Hood, Peters 2003). In this model, reforms may have an impact not only on their main objective, but also on a number of other objectives. In other words, they may have positive or negative side effects, paradoxical effects, or they may have no side effects at all. This implies that policies pursued with the best intentions, such as good governance policies, integrity, anti-discrimination and anti-corruption measures invariably have their side-effects, such as reform paradoxes (Evans 2012). These combinations make it possible to construct a model with different effect combinations. Applying this analytic framework to the field of public management reform in the V4 countries may also help foster a more rational discourse.

2. From state-centric reform evaluations to local, contextual and institutional diversity of reform outcomes

Despite its purpose to serve the citizens and importance for millions of people, the nature of public administration reform is not well known to the wider public. Moreover, public administration as such rarely enjoys a high reputation, at best being an interesting subject for experts. Most people remain indifferent to this issue as it often tends to be seen as managerialist and technocratic. This is strange, since public administration serves the public interest and hence ideas, innovations, and concepts related to its reform should be of great interest to society. However, people combine high expectations with high levels of distrust and request that the delivery of public tasks meets ambitious objectives, ethical imperatives, and certain standards of stability. They want civil service systems that guarantee observance of fundamental values, administrative law, and ensure a focus on effectiveness, efficiency and accountability. Government policies should also ensure equal treatment and fairness, be attractive and competitive in comparison with the private sector, all the while prudently managing taxpayer money and rewarding individual performance. People also expect public administrations to perform while undergoing continuous reform and change in order to make them ever better and more innovative. On the other hand, it is commonly assumed that public institutions are too static (Olson 2016, p. 10). Again, this contrasts with research findings, which demonstrate that most countries very actively pursue ambitious reform agendas (Demmke 2016).

Overall, the number of reforms, reform activities and priorities differ by country, which is also the case with the V4 (Demmke 2016). No wonder, then, that convergence trends cannot be identified. These observations are not new; already in the 1950s, Gouldner claimed that there is not *one* bureaucracy, but a plurality of bureaucratic systems (Bonazzi 2014). According to neo-institutional theories, the political and institutional world is currently moving away from universal or even best-practice institutional configurations towards more specific best-fit context-related models. New developments lean more towards testing new organisational models and work systems that fit into the national, regional, local or even organisational and leader–follower context. Best-fit schools are associated with such a contingency approach and argue that organisations must adapt their strategies while tailoring reforms to specific local contexts and environments.

A comparison among the V4 countries reveals that the Polish civil service corps has very different employment features from other public employees (OECD 2016) in terms of status, job security, recruitment procedures, ethical obligations etc. Similar differences apply from country to country, sector to sector, institution to institution, and organisation to organisation, which means that it is impossible to unequivocally classify their systems as career-based, position-based, or mixed. They only share one element, namely that all of them employ very low numbers of established civil servants. Poland with approximately 6% of the total, Slovakia with 8.3% and Hungary with 14% belong to a group of countries with the lowest proportion of civil servants in the public workforce (data on the Czech Republic are still unavailable due to the recent adoption of the Civil Service Act). Slovakia also employs a high percentage of fixed-term employees at central government level. In Poland, it is

important to distinguish between the small number of elite civil servants (established corps) and other public employees.

While all of the V4 countries focus on measures and instruments intended to enhance efficiency, productivity, and innovation, they are yet to develop a best-practice blueprint how to do it without losing other values and provoking new value conflicts. All of them are eager to move towards a non-Taylorist organisation of work and concur with the proposition that new forms of post-bureaucratic strategies and practices are associated with superior performance (Eurofound 2009). Indeed, modern public officials have more individual decision-making discretion than ever before. Likewise, they are also better educated than ever and enjoy more job autonomy. However, this post-bureaucratic trend towards more job autonomy is also associated with more stress and job intensity, sometimes taking the form of employee exploitation (Guest 2014). As a result, Hungary and Slovakia face a high workforce turnover. Overall, the working conditions and standards are below those of most Western European countries, while politicisation and corruption levels remain high.

In Slovakia, Czech Republic and Hungary, the working conditions of civil servants and other public employees are much more similar than in Poland.

It appears that the reform outcomes are associated with increasingly diverging contexts: political processes, political systems, political conflicts, actor interests, history, institutions, legal requirements, pressures, norms, values, resources, the budgetary situation, demography, and their environments (Pollitt, Bouckaert 2011).

None of the V4 countries belongs to the top performers. For example, the InCiSE Index (Oxford Blavatnik School of Government 2019) analyses the performance of civil service systems in 38 countries. Whereas Poland ranked 28th, the Czech Republic came 30th, Slovakia 33rd, and Hungary 38th, the lowest of the V4. How to explain this diverging trend?

Experts such as Christensen and Laegreid (2016) identify three groups of factors which help to understand the development of reform processes – environmental pressure, cultural path dependencies, and polity features. “In a dynamic interaction, these factors explain why reform initiatives and implementations differ around the globe” (Christensen, Laegreid 2016, p. 39). It is usually argued that the strongest impetus for change comes from the social, economic, organisational and technological developments; such trends being often depicted as ‘universal’ for all the OECD countries, which implies a preference for ‘universal’ solutions. However, reforms are not being pursued on account of a single clearly identifiable and common pressure factor or “of a few elite persons coming along with a bright idea. Neither the persons nor the ideas appear out of a vacuum” (Pollitt, Bouckaert 2011, p. 34). Olson (2016, p. 11) also rejects the idea that a rational actor-centred frame alone can explain the logic of reform processes. In his view, neither actor-centred frames nor society-centred ones suffice to explain reform processes.

Instead, designing, formulating, deciding upon and implementing public management reforms tend to involve negotiations amongst several political, administrative, and societal actors. Depending on the issue at hand, there are “multiple combinations of actors and these combinations depend on the context and the policy area, as well as the phase, goals, financing, the state of digitisation, implementation and functions of service delivery” (de Vries 2016, p. 37). Thus, the design, decision-making and implementation of reforms depend on a number of macro- and micropolitical variables, such as leadership, communication, implementation of IT solutions and digital devices, teamwork, skills, perception of organisational justice, organisational culture, qualifications, age, function, ranking, experience, personal situation etc. Because of the conflicting nature of change processes, they are rarely based on simple rational, top-down strategies or ideas invented by political leaders. Public sector reform is not only voluntaristic (caused by human intervention), deterministic (caused by external forces and laws) or random (governed by the laws of chance). Instead, it is also determined by institutional structures, symbols and processes. “Institutions are simultaneously creating order and change. They are not static and do not always favour continuity over breaks with the past. Change is a constant feature of institutions...” (Olson 2016, p. 17). However, change is always imperfect, uncertain, and leads to undesired and unexpected outcomes (Olson 2016, p. 19) in the public policy making process (Peters, Pierre 2016).

It is therefore surprising that benchmarking and state-centric country ratings are becoming ever more popular, as if reflective of a cult of quantification. Still, in most cases, evidence for the impacts and outcomes of a number of reforms is insubstantial, although research is becoming more

professionalised and evaluation more institutionalised. Still, measuring the outcomes of reforms is beset by numerous methodological problems. Let us again look at the case of the International Civil Service Effectiveness Index (InCiSE) compiled by the Blavatnik School of Government in Oxford, which illustrates the tendency to professionalise public management benchmarking. However, identifying the right indicators, collecting and measuring data on institutional change still pose serious problems. Therefore, it is still very difficult to say whether some countries perform better than others or whether certain reform concepts are superior to others.

3. From standardisation to de-standardisation and individualisation

As was said before, the key underpinnings of modernity included certain assumptions about universal values, absolute values, bureaucracy, and rationality. In contrast, the present reform trends discredit universal and absolute assumptions (Cooper 2006, p. 45). Today, there is a growing awareness that new public management reforms also represent bounded rational strategies (Simon 1957) and produce (albeit in different ways) failures and successes, conflicting interests, value dilemmas, wicked problems and paradoxes. The era in which obedience, hierarchical decision-making and according everyone the same treatment was synonymous with fairness is not a paradigm of our times anymore (Menzel 2011). “The age of standardisation and the decline of patronage government were well suited for the belief in and practice that equal treatment for all is fair treatment. However, postmodern societies along with ethnic, racial, gender, and age diversity have challenged elected officials and administrators around the world to rethink how to treat people unequally and yet to be fair” (Menzel 2011, p. 122). Consequently, diversity and identity politics have become popular. According to Fukuyama (2018), universal concepts are being challenged by the rise of identity politics (Fukuyama 2018, p. xvi); whereas new forms of recognition based on nation, religion, sect, race, ethnicity, or gender play an increasingly prominent role. This development also produces a number of other side effects. For example, in the field of public administration, a new challenge consists in designing fair systems under decentralised and individualised conditions which would combine the advantages of diversity and decentralised organisations with the uniform and legalistic nature of hierarchical ones (Peters, Pierre 2003, p. 6). This implies unequal treatment of people, and yet public administration is supposed to be fair (Karam et al. 2019). The trend towards de-standardisation, diversity, and the rise of identity politics can be seen in almost all the OECD countries. However, these trends are particularly challenging for many Central and Eastern European countries with their highly decentralised and individualised HR systems.

One of the most recent benchmarking studies (EUPACK 2018, p. 26) reports that there is no coherent HRM management style across the different levels of government in the V4 countries. Together with high levels of individual discretion in decision-making, this gives rise to such risks as politicisation, subjective actions and unfair behaviour. Let us examine the example of pay: Slovakia and Hungary have the highest maximum proportion of basic pay to performance related pay (PRP) of all the OECD countries (Hungary 30–60%, Slovakia even up to 100%) (OECD 2016). This may lead to unfair practices when it comes to deciding upon PRP bonuses. Still, it should not be taken to imply that the V4 countries are similar. On the contrary. One reason is the trend towards decentralisation and de-standardisation present in all the countries (albeit to different degrees) and associated with:

- de-standardisation and flexibilisation of working time,
- de-standardisation and individualisation of pay (via trends towards the differentiation of pay and performance related-pay),
- de-standardisation of recruitment methods and procedures, which were based on qualifications rather than skills development and competencies,
- de-standardisation and individualisation of training, e.g. coaching and career development policies,
- de-standardisation and individualisation of skill development and competence management policies,
- flexibilisation of retirement policies and retirement ages,
- flexibilisation of contracts and employment policies,
- introduction of diversity policies,

- decentralisation of HR competences to line managers,
- reform of the organisation of work and provisions for more job autonomy,
- the possibility for more public-private, inter-ministerial, intra-ministerial and intra-career-mobility,
- the abolishment of traditional career progression policies, such as automatic seniority progression.

These trends occur due to the belief, often acquired from the literature on management in the private sector, that giving agencies and managers greater autonomy would lead to more effective accomplishment of the desired outcomes, to improvements in productivity and to a sharper focus on targets, employee performance and organisational performance (Coggburn 2001; 2005). It is therefore not surprising that reformers advocated accountability, agencification, and the ‘let managers manage’ approach, with the dominant assumption being that individual authorities and managers knew best what to do. However, these developments not only create new opportunities, but also pose new challenges. For example, few people seemed to be interested in examining the assumption of what would happen if managers actually did not know what to do or if too many responsibilities were delegated to them as a result of de-standardisation trends. Or if managers and ministers used their individual discretion for subjective or politicised decisions.

4. From hierarchical decision-making to delegation, job autonomy, and individualisation of responsibilities

According to an early OECD study (OECD 2004, p. 4), the reform trends in the field of HRM have resulted in both individualisation and fragmentation: “While in most countries, civil service rules applying to all civil servants used to be detailed and left little room for manoeuvre to manage staff individually, this situation has changed in all countries, even drastically in some.” The same OECD study observed a significant trend towards “individualising civil service arrangements. The findings show that the trends towards individualisation have mostly taken place around the selection process, the term of appointments, termination of employment, performance management and pay. Strategies of staff management have become more individualised and staff can increasingly, in principle, be treated differently depending on the changing needs of organisations and depending on their performance.” The OECD also warns that “while the individualisation of HR practices is at the heart of the reforms aiming at increasing the responsiveness of the public service, it can have deleterious effects on collective values and ethical behaviour” (OECD 2004).

Another study (Demmke, Hammerschmid, Meyer 2007a) found a lack of evidence and comparative information regarding these central directions of current public administration modernisation, especially in terms of how decentralisation affects leadership capacity, working conditions of managers and professional skills needed in HRM as well as the issues of fairness and equity. However, an increasing number of countries pursue strategies to give senior and line managers still greater responsibility and discretion (especially as regards budgetary, performance management, and recruitment issues). Overall, it appears that (senior) managers have indeed received more (strategic, financial, and budgetary) responsibility and discretionary powers in the last several years. Nonetheless, the negative consequences of decentralisation for equity and fairness are more relevant in cases where managers have been given broad discretionary powers to take important HR decisions on their own (especially those concerning pay, recruitment, training, promotion and/or staff appraisal/evaluation). It is only in these cases that we can talk about the actual *individualisation* process.

In their analysis, Meyer and Hammerschmid (2010) conclude that managers are indeed given more responsibilities, but this does not mean that this process can be described as individualisation. In most cases, managers do not enjoy complete discretion and decision-making powers and are required to consult or coordinate their decisions with other, mostly hierarchically senior levels. Most line managers are responsible for performance management, performance related pay, career development and training issues, as well as disciplinary and dismissal issues.

Overall, the trend to delegate differs by country. Discretionary powers in HR matters are an exception; hence many HR issues constitute a shared responsibility of several different parts of administration. Generally speaking, decision-making in the field of HR depends on the context, culture, HR system of a given civil service and is, to varying degrees, participative. In most cases, HR experts, staff representatives, trade unions, HR central units, ministers, and directors-general are more or less strongly involved, depending on the issue at hand.

OECD survey data (OECD 2016) confirms these trends as well. According to it, approximately in two-thirds of all the countries analysed (n=39) the opinion prevails that despite the implementation of numerous reforms, there still exists a broadly comparable framework for pay/terms and conditions of employment across all central, national or federal government.

Another study by Bezes and Jeannot (2018) supports the existence of a great diversity of systems. However, the authors also note that in certain areas of HRM (autonomy in hiring, staff promotion and dismissal), line managers have considerable autonomy in taking HR decisions. A case in point is Hungary, where public employees can be dismissed for poor performance. OECD data (2016) suggest that it happens regularly.

5. From delegation to ethical leadership and organisational (in-)justice – a delicate issue

As we have seen, the trends towards individualisation of decision-making and enhanced autonomy of line managers still constitute an exception in HRM. In most cases, this concerns discretionary powers in the field of performance assessment and decisions in the field of performance related pay, career development and promotion, training, contract extension and, partly, input on decisions on dismissal.

Still, these decisions shed light on the great responsibilities borne by line managers. Each day, HR managers and leaders “change, shape, redirect, and fundamentally alter the course of other people’s lives” (Margolis et al. 2012, p. 237). Failure and success in carrying out these tasks have an important impact on workplace behaviour, on the perception of fairness, staff commitment, and performance. The important role of the direct superiors in the assessment process provokes several important questions. En route towards more decentralised HRM responsibilities, middle managers are increasingly entrusted with extra responsibilities without always ensuring that they can cope with or successfully ‘manage’ them.

Due to these trends, ethical leadership is important and difficult, challenging and complicated as never before. Various factors, such as a high daily workload, lack of sufficient training and information, and deficient management skills and knowledge in setting and revising annual targets as well as assessing performance may pose a real obstacle to successfully implementing performance assessments in administrative practice. Often managers lack incentives and the necessary skills to better cope with these challenges.

An empirical study by Demmke, Hammerschmid and Meyer (2007b) showed that managers themselves see the following as their main (personal) challenges in the field of performance management:

- aligning performance appraisal systems with other HR management processes, including career development and succession planning;
- aligning individual performance objectives with organisational objectives/plans;
- providing managers with the necessary competencies and training to effectively handle such assessment systems and to give feedback and appropriately coach their employees;
- ensuring fairness and consistency in the practical application over time and between various organisational units;
- clarifying and communicating objectives/targets and assessment criteria to staff (1.40);
- aligning performance ratings/scores with rewards/sanctions.

For these reasons, yet another question arises, namely whether too much is being expected of superiors. Are the expectations to measure individual as well as organisational performance and subsequently to take decisions with important ethical consequences realistic at all? Do line managers overestimate themselves? Or maybe employees expect too much of their superiors? On the one hand, they expect their superiors to devote themselves entirely to managing, measuring, supporting and

supervising (performance) as needed. Line managers are being made responsible for carrying out complex performance appraisal procedures, in which evaluations, feedback, target enhancements, developments, education plans, decisions on salary increases, promotions, dismissal contract extension and other topics are supposed to be addressed simultaneously, which is becoming more and more unrealistic (Demmke, Hammerschmid, Meyer 2007b).

A simple and general answer to these challenges seems difficult at the very least: all public services indeed face a dilemma if higher-ranking officials are increasingly requested to take important HR decisions fraught with serious ethical implications. On the other hand, most experts agree that professional management and ethical leadership count amongst the most essential aspects of managerial responsibilities. As such, they should not be considered as additional, problematic tasks, but as core competencies needed to successfully manage people. However, this does not answer the question how employees perceive the justice and fairness of their managers' decisions. So far (at least to our knowledge), no comparative study has been done on these issues. Thus, the link between the delegation of HR responsibilities and organisational justice is almost a 'black box.' Doing research on this 'black box' would be particularly interesting in the V4 countries owing to the line managers' considerable decision-making discretion (for example in Hungary they are empowered to dismiss public employees).

Thus, while evidence is indeed mounting that ethics is strongly associated with public management reforms, significant methodological and theoretical challenges still exist, especially as regards the links between HRM and ethics. Regrettably, there is still relatively little research in this field, although it is badly needed. Methodologically speaking, there is no consensus regarding various HR policies, strategies and mechanisms and their impacts on ethical outcomes. Whereas sound empirical knowledge exists as regards the correlation between meritocratic structures and levels of corruption and politicisation, too little evidence exist as regards the decentralisation and delegation of HR competences, their impact on ethical leadership, organisational justice and the perception of fairness. Therefore, more empirical studies and more non-ideological deliberations in the field of ethics are needed if we are to better understand the ethical promises, challenges and limitations. One such challenge is to understand how HRM is changing and how this affects ethics and workplace behaviour. In a study by Demmke (2016), officials from central administrations of 32 OECD countries were asked whether reform policies which had been implemented in response to the financial crisis had affected workplace behaviour leading e.g. to decreased trust in leadership, less job commitment, lower job satisfaction, anger etc. The findings showed a strong correlation between the implemented austerity measures and workplace behaviour. It appears that employees are increasingly attentive to fairness and equitable treatment across a variety of contexts. Increasingly, individuals respond to actions and decisions made by organisations every day. Consequently, their perceptions are likely to strongly influence their individual behaviour and have an important impact on individual and organisational performance. The same is true of politicisation and disregard for merit-based approaches.

6. Conclusion: From the separation of the public, political and private spheres to the blurring of boundaries and conflicts of interest. Back to the spoils system?

Theoretically, impartiality, merit and fairness in the sense of non-political partisanship in public administration are viewed as important in all the countries studied and perceived as a precondition for ensuring that everyone is treated fairly and equally. "These values are important to the level of justice and continuity in public administration – arguably a significant determinant of how much trust citizens place in their system of government" (Sossin 2006; Matheson 2007).

In reality, countries do too little to maintain high levels of impartiality, merit and fairness. While it is true that they tend to adopt ever stricter approaches to ethics and corruption, most reform trends produce value conflicts and dilemmas on account of being subordinated to economic and political interests. as already mentioned, very little research has been done on the relationship between HRM and ethics. Given the numerous initiatives in the field of managerial ethics, corporate social responsibility and company ethics, one might expect a similar growth of interest in the field of civil service, HRM and ethics reforms. As we have seen, incorporating ethical awareness in the relationship between public administration and HRM reforms is even more important, given the recent governance and HR trends towards more de-standardised and individualised approaches. These trends place

additional burdens on managers and make the need for ethical leadership even more urgent. Therefore, ethical challenges in HRM abound. Ignoring fairness, justice, merit, and professional HR has a negative impact on workplace behaviour and leads to inferior institutional results.

Increasingly, the vision of an independent, impartial and merit-based civil service is becoming more difficult to achieve not only in the V4 countries, but also elsewhere (Dahlström, Holmgren 2015; Diamond 2018). Likewise, corruption levels and conflicts of interest seem to increase (Demmke et al. 2019). In her study on the Quest for Good Governance, Mungiu-Pippidi (2016, pp. 21, 29) concludes that countries with a higher power-distance culture tend to have higher levels of corruption. On the other hand, one explanatory variable for the high levels of corruption is also the blurring of boundaries between the public and the private sector, which also applies to more private-sector-like, open access order countries.¹ Meyer-Sahling et al. (2016) and Kopecky et al. (2016) investigate patronage and politicisation trends in Central and Eastern Europe and in the Western Balkans. Both authors conclude that politicisation trends are worrying, but also associated with the different contexts.

However, in all the countries studied, considerable confusion also surrounds the discussions about politicisation. “The first misunderstanding has to do with the fact that politicisation can be perfectly legal and legitimate, because democratic rule implies that the voters’ choices should actually be implemented ... Another source of confusion comes from the fact that the politicisation of appointments does not necessarily imply a lack of professional competence. Politicisation generally seems to be linked to the idea of an amateurish administration” (Rouban 2012, p. 381).

At first (cautious) glance, politicisation has to do with a number of conflicts of interest, which reflect the needs to balance:

- merit with other competences and skills,
- public with political interests,
- impartiality with accountability,
- internal with external recruitment and open versus closed recruitment objectives,
- transparency requirements with internal moves and promotions.

It is therefore easy to say that a completely apolitical appointment process is in a way the ideal, and that any evidence of political involvement marks a departure from the preferred path. For example, in order to resolve the existing conflicts, in his essay “Politics as a Vocation” (1919) Weber suggested that a clear division between politics and administration would be ideal. Yet he himself warned against the danger that politicians would abuse public administrations for their political self-interest, whereas career civil servants might dominate politicians owing to their superior knowledge, technical expertise, and longer experience.

As a matter of fact, even though it is difficult to clearly identify political influences, for example in the process of appointing senior officials, it is even trickier to measure political influence in management procedures, such as dismissal, promotion or even transfer to another position. As an exception, Matheson (2007) measured the influence of the political level in arrangements to transfers to another position by using either promotions, dismissals or transfers to other positions, finding political involvement in one or several dimensions of human resource management to be a strong predictor of political involvement and politicisation as such

However, this form of politicisation is difficult to measure. On the one hand, the fact that a politician is involved in an appointment does not itself make it a political process, but on the other, it does not mean that ‘politicisation’ best describes the reality and should be accepted at face value. Vast research evidence shows that non-meritocratic structures are associated with corruption, inefficiency, poor performance and low governance quality (low governance quality in this context means that appointment systems are misused for personal interest, while recruitment and appointment procedures occur in a politicised sphere, which should ideally be free from political interference).

In general, scholars on political partisanship, patronage, and politicisation (Aberbach 1982; Dahlström 2012; Dahlström, Teorell, Lapuente 2012; Dahlström, Holmgren 2015; Kopecky et al. 2016; Bach, Veit 2017; Dahlström, Lapuente 2017) agree on the relevance of political loyalty for politicians,

¹ Mungiu-Pippidi makes a distinction between governance regimes characterised by limited access order vs. those with open access order, and believes that in the latter, the public and the private sectors are more strongly separated (2016, p. 29).

while paying only limited attention to other criteria for the selection (or de-selection) of senior officials, such as experience, qualifications, competences, technical skills, networking skills in a specific policy area etc. “Thus, empirical knowledge about the complex criteria ministers use to select their closest subordinates still is very limited” (Bach, Veit 2017).

In the literature, there is broad agreement as to the relevance of political acumen in the field of political-decision-making: “ministry officials, particularly at the top levels, are deeply involved in political decision-making and bargaining processes; they need to know the realities of the political process and take political implications into account when providing advice to ministers ... In particular, ministers expect officials to consider the ramifications of policy proposals and problems in parliament and the media, with a special focus on the avoidance of problems for the minister” Hood and Lodge (2006) further argue that this type of competence “includes the ability to assess the situation from the viewpoint of political leadership, to anticipate political risks and the potential for failure, and to spot political coalitions or ways to overcome existing cleavages to create coalitions supporting government policies” (Bach, Veit, 2017, p. 2).

As was discussed above, political acumen is essential for senior officials to accomplish the political goals of their minister and to protect them from policy failures and blame. At the same time, an important part of a senior official’s job is to effectively manage their department. Ministers motivated to control the bureaucracy will arguably look for candidates with management and leadership competencies when recruiting senior officials. A study by Kopecký et al. (2016) generally confirms the expectation that there is a connection between control as a motive for political appointments and the professional qualifications of candidates. Moreover, ministers and their departments are under constant media scrutiny, which means that “no minister wants to run the risk of negative media exposure resulting from unprofessional work by his department because personnel recruitment disregarded professionalism on political grounds ... Ministers simply cannot afford to appoint party loyalists while disregarding other qualifications ... To effectively manage their department internally and to assert their department’s position vis-à-vis other departments, state secretaries need substantial policy knowledge as well as familiarity with ministerial decision-making procedures” (Bach, Veit, 2017, p. 4).

Recruitment and appointment processes worldwide take place in highly opaque and complex contexts. Overall, there is a palpable danger that trust levels in public institutions will decline if merit-based recruitment and appointment procedures become partisan and unclear, and thus seriously discredited in the eyes of citizens. Another problem is the lack of transparency of a number of procedures. According to Meyer-Sahling et al (2015), all the countries face considerable challenges in the appointment process, but the issue appears to be the really pressing in Central and Eastern European countries. The key difficulties are associated with:

- announcing vacancies;
- the structure, formation and operation of selection boards;
- the conduct of personal interviews;
- the final selection of candidates from shortlists.

In practice, corruption, unfair recruitment practices and politicisation of the appointment process appear to increase even in those countries which have put in place open recruitment procedures. Quite often, vacancies are only published internally, while recruitment and selection procedures result from internal shuffling, mobility and promotion policies. Moreover, even if positions are open to external candidates, they are often filled with internal candidates. Answers to the question whether and if so, when a position should be filled through open recruitment/competition, or internal recruitment/competition, or simply without any competition through transfer, mobility policies or promotions, are often vague and unclear.

Therefore, in the future, it should be expected that the public will increasingly question the capacity of public institutions to regulate their own ethical conduct – any form of self-regulation will likely cause suspicion. “No one should be the judge in his own cause. This maxim has guided judges of controversies and makers of constitutions since ancient times. It expresses fundamental values of due process and limited government, providing the foundation for the separation of powers, judicial review” (Thompson 2007). Next, the current deplorable practice of internal appointment committees should be eradicated, since only outside independent bodies are capable of overseeing and monitoring

appointment procedures in a fair and impartial way. Outside bodies would also “be likely to reach more objective, independent judgments. They could more credibly ... enforce institutional obligations without regard to political or personal loyalties. They would provide more effective accountability and help restore the confidence of the public in the ethics process” (Thompson 2007, p. 18). After all, most other professions and institutions have come to appreciate that ethical self-regulation is not adequate and have accepted at least a modest measure of discipline from outside. “The internal censure will not be sufficient to secure probity, without the assistance of external censure. That a secret policy saves itself from some inconveniences I will not deny; but I believe, that in the long run it creates more than it avoids” (Bentham 1843). Here we revisit the ambivalence of current public management reforms: current practices indeed seem to be geared towards more external accountability (Rosenson 2003), but considerable confusion still surrounds the fears and promises associated with secrecy, openness, and transparency. Overall, we agree with Bentham that internal appointment procedures arouse suspicion too easily. Bentham (1843) claimed that “suspicion always attaches to mystery,” yet he called publicity “the fittest law for securing the public confidence” (Bentham 1843). Many people would subscribe to his position. However, awareness is also growing that governments increasingly cherish secrecy in times of emerging populism, nationalism and amidst the growing popular sense of insecurity.

Ultimately, public administration reform is political and as such it cannot escape political choices. Countries may survive without government, but not without a professional public administration based on democratic and ethical principles such as fairness, justice, and merit, and rational principles, such as the rule of law.

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