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THE HUMAN RESOURCES' DEVELOPMENT IN THE CONTEXT OF ROMANIAN
ADMINISTRATIVE REFORM APPLICATION

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THE HUMAN RESOURCES' DEVELOPMENT IN THE CONTEXT OF ROMANIAN ADMINISTRATIVE REFORM APPLICATION

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Rezumat:

Pentru alinierea sectorului public românesc la standardele de calitate ale celui european, pentru eficientizarea instituțiilor publice (existente la nivel central și local) în vederea creșterii capacității lor de aplicare a reformei administrative, pentru întărirea și dezvoltarea segmentului de resurse umane al acestora, trebuie așezate în prim plan politicile flexibile de gestiune a personalului, ceea ce impune revizuirea întregii legislații a muncii (inclusiv în domeniul salarizării personalului din administrație) și dezvoltarea de noi forme de muncă.

Din această perspectivă lucrarea de față, cuprinde două aspecte delicate, extrem de actuale și importante din punct de vedere managerial pentru instituțiile publice, respectiv:

- Flexibilitatea practicilor în domeniul gestiunii resurselor umane;
- Salarizarea- componentă majoră a dezvoltării resurselor umane din administrație.

Cuvinte cheie: flexibilitate, salarizare, gestiunea personalului, reformă.

Abstract

In order to align the Romanian public sector to the quality standards of the European sector, in order to increase the efficiency of the public institutions (that appear on the central and local level) in order to increase their capacity to apply the administrative reform, to strengthen and develop their human resources department, there must be put in front the flexible personnel management policies, which imposes the review of the entire labor legislation (including the administrative personell's payroll field) and the development of a new labor position.

From this perspective, this work includes two delicate aspects, extremely actual and important from the managerial point of view for the public institutions, meaning:

- the practics' flexibility in the human resources' management;
- the payroll – major component of the human resources' development in the administration.

Keywords: flexibility, payroll, personnel management, reform.

JEL Classification: O15, H83, J31, K23.

1. INRTODUCTION

The strategy regarding the Romanian public administration's reform for the period 2008 – 2013 compiled at a central level (RAPORT U.C.R.A.P., 2007), is concentrated on two action directions meaning:

- a) a horizontal direction (cross – sectorial), referring to human resources, by simplifying the administrative processes, public policies' elaboration;
- b) a vertical direction, of depth, referring to the acceleration of the de-centralization process.

From the cross-sectorial direction, the strengthening and development of the human resources' sector plays a primordial role for the next period. From the managerial point of view, the human resources' management could be the motor of the entire restructuring and adaptation process. The personnel management reform means diminishing the centralized control and the transfer of the management activities to the ministries and other public organisms, and also delegating the competencies of the operational services to the corresponding responsables. From the perspective of human resources' management, the personnel management reform implies the following aspects:

- improvement of the personnel insurance process (recruitment and selection);
- a better planning of the professional careers (introducing new flexible career models);
- improvement of professional formation (continuous formation programmes, at all levels);
- promoting bonuses reported to the obtained results together with responsibility level, in order to remove the inefficient actions and increasing the responsibility and sensibility of the public workers regarding the adopted policies;

I consider that payroll (as part of the Romanian public sector) is an important mean to influence the public worker, based on providing quality services, on both central and local level.

I plead on the fact that in order to align the Romanian public sector to the European quality standards, to modernize and increase the efficiency of the public institutions (that exist at the central and local level), in order to increase the administrative reforms' application capacities, to strengthen and develop their segment of human resources (strategic objectives for the period 2008 – 2013) must firstly be set the flexible personnel management policies, which imposes revising the labor legislation and development of a new labor forms.

The need of practices' flexibility in the human resources' management field from the administration and the entire public sector becomes essential, vital I might say, considering the strong effects of the world economic crisis, starting 2009. In order to reduce the impact of these effects on the national economies, each country member of the European Union, including Romania (Romanian public administration), together with all the other world countries put in special efforts in order to adopt and apply, as soon as possible anti-crisis measures plans.

2. PRACTICES' FLEXIBILITY IN THE HUMAN RESOURCES' MANAGEMENT IN THE PUBLIC INSTITUTIONS

I have shown in a previous study (Manole, 2008) that there have been several reasons that determined the assumption of flexible human resources' practices, with the purpose of restructuring the administrative area in the UE member countries, mentioning:

- a) the reduction of public expenses;
- b) concurrence on the labour market;

In the context of world economic crisis, these reasons become more actual than ever. And the management of Romanian public institutions must regard the two previous mentioned aspects in order to strengthen the administrative reform application capacity.

Regarding the reduction of public (budgetary) expenses, the different european states have taken action in choosing and applying flexible practices in the labor field such as short-term labor agreements, part-time labor programs, etc. Ministries, and also other public organisms have received full autonomy in the organization problems and personnel management, starting to apply own expenses reduction plans, without the implication of the Finance Ministry from those countries. I consider as opportune choosing and applying as fast as possible, in the Romanian public institutions of these actions.

Regarding the second aspect, meaning the labor market competition, we can say that the restructuring of the private sector of each economy determines substantial changes on the labor market level, by influencing the public sector's evolution. From this point of view, in the two economy sectors occurs a strong competition regarding the labor's content, labor conditions, payment reports, career development, etc.

The organization and personell management in the public position is transformed in similar way with the private sector. In both sectors there are several causes (the lack of qualified personnel, diversified labor offers on regional level, etc) which generates the set-up of better labor conditions, more flexible payroll structures, adapted to the requests and professional conditions. In the european economies there have been attempts, in time, to significantly increase the diferences between the public and private sector, accomplishing it more or less, accomplishment which must also happen in the Romanian economy, but not in any conditions. I join the field specialists (Deaconu, 2001) which have stated that:

- strategies, conceptions and own private sector's techniques cannot therefore be transfered in the public sector;

- the techniques and conceptions in a sector must not be applied in a different sector.

Also, there are several barriers which make the personnel management in the public sector to be a lot more complex than in the private sector, especially due to the specific character of the public field. Some of them are mentioned below:

- generally, in the public sector, the leadership spirit is little appreciated when talking about the managers, which do not assume the role of determining policies, meaning the organizational objectives;
- the responsibility means, related to the non-financial objectives' accomplishment, are limited and debateable, because most of the evaluation systems are limited to financial measurements which could not precisely reflect the fundamental objective of the public administrations;
- in the public sector there are a few elements that stimulate the managers, for them to act as true entrepreneurs, advising them to create values, even more, they follow the administrative procedures established without them acting as managers (assuming the risk, initiative, responsibility, etc);
- the annual budgetary limitations impose the adoption of short-term measures, determining failures in acquiring long-term objectives. At all these, there is also added the political constraints which occur in the public management activities. The efficiency of the flexibility ideas in the human resources' politics in the public sector is threatened by the political intervention and the attention which is given to it, reported to the attention for the work based on the efficiency principles.

3. PAYROLL – MAJOR COMPONENT OF DEVELOPING HUMAN RESOURCES

In the context of Romania's new status as a country UE member, I have considered as opportune the achievement of a comparative study between the public workers' payroll in the European area and of those in the Romanian administration, in order to underline the most important aspects of the current Romanian payroll system (Manole, 2008). With this study we have concluded that there are several fundamental differences between the two payroll systems (Romanian – European), fact that is directly felt in the lack of performance and personnel motivation with immediate effects on the Romanian public sector's competition, also reported to the native private system but also with the one that exists in the countries member of the European Union.

One might also say that the current personnel payroll from the Romanian public institutions is characterized by the lack of transparency, inconsistency and the encouragement of privileges for certain public workers categories, as follows:

1. the public workers' salaries have a low level reported to other budgetary personnel categories, because their salary indexes have not been updated with the inflation rate through the years. This has determined the qualified personnel's migration from administration to the private sector;
2. the non-existence of motivational and alternative training instruments, together with the low salary level, has determined the increase of corruption cases in the administration, the formation of a negative image regarding the public worker's body and also the lack of attractiveness of the public position to the young specialists;
3. the lack of compensations (for example the residence compensation that exists in the European Union countries), which will consider the supplementary expenses level generated by the need of a decent living in the big cities, reported to other cities;
4. the lack of transparency regarding the incomes of some categories of public workers. These are explained by the inadequate usage of the stimulating system, meaning that the existence of bonuses (stimulants) for certain authorities and public institutions can lead to the birth of discrimination between public workers from different areas of the administration.

In order to clear the payroll system from all the above mentioned deficiencies and in order to improve the payroll procedures in the public sector, at the end of last year (November, 2008) there have been established the basis of a new agreement between the unions – employers – government, regarding the choosing in 2009 of an unique law regarding the budgetary personnel's' payroll. According to the current Prime-Minister, the unique payroll law will eliminate the privileges and will impose a real correspondence between the actual work and the compensation received by the employee from the government.

For the beginning there have been established and chosen the principles that create the basis of this law, as follows:

1. the law will establish the payroll for all personnel categories currently paid from the public funds;
2. the report between the minimum wage and basic wage will be adjusted, therefore it will come closer to the European practices (1 to 15);

3. the harmonizing of the payroll system will be made according to the importance, responsibility, complexity of the activity and the level of necessary education;
4. the basic salary will become the main element of the income and will be accomplished by the insertion in its structure of several bonuses with general character;
5. a new hierarchy of basic salaries will be created, between activity fields but also inside the same field, depending on the complexity and importance of the developed activity;
6. No person will receive a diminished gross salary currently received, once the new payroll system is implemented;
7. the implementation of a new payroll system will be accomplished within 5 years by differential salary increases, during 2009 – 2013;
8. the law project will be assumed within maximum of six months.

Also, there are several refrains and critics made by the specialists to the new payroll law for the budgetary personnel. For example, the Public Politics Institute (I.P.P.) is skeptic regarding the planning of an authentic law for the unitary payroll system for the budgetary system. As far are the specialists from the above mentioned institute are concerned, the compromise idea occurs, meaning there will be attempts to harmonize the current normative acts which state the payroll for the public workers. Following the analysis made by the I.P.P. specialists, several major aspects occur which characterizes the current payroll system in the public sector as follows:

- The public workers and the contractual personnel from the local administration are clearly less paid than the workers from the central administration;
- There are several main discrepancies between the payroll system for the public workers and the one for the contractual personnel. For the same attributions, competences and responsibilities, for identical positions, the public worker receives less than the contractual one;
- The mayors from the local administration complain they do not receive bonuses and they are now earning less than the directors subordinated. From an other point of view, the bonuses and several other motivational means are insidious instruments, since the professional performances evaluation is just a simple formality.

In the same time, the National Bank has criticized the Romanian Government for not accomplishing any complete analysis regarding the payroll system in the budgetary sector, for the past ten years. In one of its reports regarding the payroll procedures from the public sector, there was shown that several

employees categories such as policemen , employees from the health system and those from the teaching system, receive, constantly, higher salaries than the public workers and contractual personnel.

The answer given by the governmental officials was that, through the future unitarian law that will be imposed in the budgetary system, they will acquire the settlement of all salaries into limits closer to normality. Therefore, the report between the economic minimum base salary and the maximum base salary for the personnel paid from the public funds will be of **1 to 15**, so it will come closer to the European practices. Also, the base salary (framing) will be the main element of the total income, representing at least **75%** of it. The most delicate and difficult aspect in the elaboration of the new law, will be the one referring to the establishing the **hierarchy** in the importance of the budgetary areas .

In the European countries, the practices referring to the personnel's payroll from the public sector, are structured on a set of mandatory objectives, as follows:

1. the base salary is the main element of the total income, representing at least **90% of the total income**;
2. the payroll levels in the public services are a lot smaller compared to the positions in the private sector. They vary from one country to the other, but generally reach about **60 – 80% of the payroll level from the private sector**;
3. the bonuses do not have a special practices. Where they occur, they are limited at approximately **10 – 20% from the base salary**;
4. the bonuses are normally financed by the budget allowances. The saved money from the vacant positions cannot be used in order to pay the bonuses to the hired personnel;
5. the payroll structures are regularly based on a series of degrees which reflect the relative content of the labor, established by a performance, responsibilities, knowledge and competence evaluation system;
6. there is just one gradation and payroll structure within each public service or occupational family (for example, workers abroad, health workers, teachers, etc), which reflects the principle equal payment for equal work;
7. the truck benefits (for example: accommodation, cars, mobile telephones) are rare.

The major problem is that especially in lots of payroll areas and generally in human resources management, the Romanian administration has to often deal with the lack of professional, competent specialists, from the technical and professional point of view, who will promote the update in the public

position. In a recent study, regarding the means of payment in the public services (Manole, 2008) I mentioned that in order to make the administrative system more efficient according to the European Union's criteria and in order to improve the relationships between the administration and civil society, there must be imposed the European principles referring to payroll, such as:

- Wage must fit the general fiscal frame, an adequate control system being necessary, in order to monitor the human resources expenses and to promote the most efficient means of usage for financial resources;
- The payroll system must encourage performance and individual development;
- Wage must be equitable and at the same time, competitive enough to allow the introducing into the system (recruitment and maintenance) and motivation of the public workers, in a way that will insure them to perform impartial services;
- The degree structural wages must be transparent, simple to handle, to reflect the substantial differences regarding the responsibilities and professional attributions, to ease the decision taking and providing services to the citizens;
- The unitarian payroll system must ease the development of payroll politics in the administration, and also to allow the monitoring of the gained progress.

In conclusion, in order to concieve a rewarding system that wil insure to each individual a wage attractive enough in order to enter the public workers corps and to stay in the public administration, refering especailly to the local administration, several aspects must be regarded:

- The abilities and responsibilities needed for the position;
- The salary level for similar positions from the private sector or other public institutions;
- The more accurate reflection of the responsibilities of each public worker;
- Rewarding the public workers' performance;
- Insuring the efficient usage of the institution's financial resources or public authority;
- The national economy level of increase.

Without an improvement in the payroll system of the public workers, it will be very hard to recruit and maintain competent workers in the public administration, capable to apply the reform in the entir system. In order to aquire this, there is the need for payroll de-centralization, by creating a higher flexibility in the classification systems, connected to the performance reward. Also, there is the need of imposing the

fast transformation of the traditional system, based on the labor eldersness, into a system oriented on performance, in which, the individual qualities are rewarded a lot better than the class or working place. In some E.U. countries, the degree or public position are not rewarded, the reward for the labor is made reported to the aptitudes, competencies and/or individual performance (Manole, 2008).

4. CONCLUSION

Considering the fact that wage is not only an income source, but also means the recognition of the employee's value, I hope that though the new unitarian payroll law of those who work in the public sector, and this wish will be accomplished. Also, I am being optimistic, by saying that in the next period (2009 – 2013) the public position's management in Romania will manage, by permanent efforts, to develop a public workers' corps, truly professional, which will apply the reform to the entire budgetary system, according to the European Union's requests.

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