

# MANAGEMENT OF PUBLIC OFFICIALS AND EMPLOYEES OF PRIVATE SECTOR

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## ABSTRACT

*For a long time, European companies have found that civil servants are bound by the state and can not be compared to private sector employees.*

*This group of public employees was seen as a professional group for maintaining the rule of law and government policy implementation. Therefore, civil servants were required to have high standards and integrity to be entrusted with a single mission: work for the common interest. In this conception, where the state was separated from society and citizens, it was inconceivable that civil servants have the right to strike or the right to collective bargaining agreements.*

## 1. The difference between public and private organizations

Widespread public skepticism of the public institutions, and the many clichés about civil servants and public organizations suggests that there are major differences between public and private organizations. At the same time we must know that they include various other organizations, it is true that neither public nor private organizations, taken separately, do not resemble each other. For example, a ministry operating in a climate of total employment and under different parameters to a police station, a court, body or local authority control. Ministries, especially, have missions and responsibilities that differ greatly from those in the private sector. Providing services to citizens, for instance, is not the most important priority of a ministry, but for most private companies.

In studying the differences between public and private sector, it is important to note the major difference between the opinions of experts and general public perceptions and stereotypes. Many, if not most, experts in the field have argued that there is little solid analysis of the real differences between public and private, and made reference to growing difficulties in identifying the differences between the two sectors in terms of resources, the partnership between them and advice. In fact, clear demarcations between the two types of organizations are difficult to trace and, hence, it operates simplified distinctions between the two sectors.

Although most experts doubt it would be too many differences, public and media believe that yes. Interestingly, the position that public organizations are

different has always been striking contrast to the opinion of most experts in public administration (such as Herbert Simon and Max Weber), who all were keen to emphasize the similarities between the organization and suggested that between public agencies and private companies there are more similarities than differences. Weber applied the concept of bureaucracy, private organizations, Simon thought that it is wrong to believe that public organizations and non-profits can not operate (and generally does not happen) as efficiently as private businesses. Simon was still convinced that the public employees do not differ from those in the private sector: "I thought that the organization is important, but now I am convinced that it is more a matter of personality. Man is the most important. If he has the determination, skill and imagination can work in any organization. "

These findings are logical. Many people of both types of organizations meet virtually the same positions: manager, secretary, programmer, agent auditing, human resources officer, maintenance worker, etc.. On the other hand, if they differ from other organizations, in any material respect, then why are public organizations?

The reality is that some important differences can be identified.

Ø Public administrations face more constraints coming from different courts, legislatures and pressure groups compared to private organizations. These constraints lead to different objectives, more control and monitoring, less autonomy and higher levels of formalization in public organizations. Because of these differences, and human resource managers have a tendency of reduced flexibility in the procedures applied to staff - as a consequence - in any case, some public organizations may be less concerned with innovation, performance orientation, with larger reserves to risk, compared with private sector companies.

Ø In many states, public organizations were founded in the 19th century as a hierarchical organization with clear systems for promotion and career (in accordance with the principle of seniority). These principles were designed to protect existing public servants when governments change or the influence exerted by the private sector. Organisations were traditional-specific features such as structures highly formalized decision, a very low mobility between public and private sector, a high level of job security, a uniform system of pay and their pension schemes. All these principles were designed to ensure fairness, transparency and security instead of individualization, self-interest and political influence. Characteristics and principles of an organization's overall public had stability, hierarchy and unity.

Many of these principles and - to a lesser extent - the values are about to change. For example, at present, stability is seen by many as an old-fashioned value that has been replaced by change, innovation and mobility. This view shows that public organizations are in a process of change and that more and more like private organizations.

However, organizational change poses new dilemmas. For example, if a public works as a private company, the principles of democracy, legality, equality, fairness and non-discrimination should be affected, and other values would become

more important. However, this does not mean that government can not be more entrepreneurial.

In many countries, the belief that public and private organizations are very different and serve different objectives, is deeply rooted in the organizational culture of each country. In essence, the career support system combined with a commitment for life, allowed public employers to rely on institutional knowledge and continuity of their employees and increase job protection for those employees who have regulatory or enforcement functions and takes place work to be protected against individual and political pressures. For example, environmental policy, the absence of a strong employment protection may weaken the implementation of rules for a big company, with links to one or other of the members of the legislature or government. But with the protection acquired through experience, the same officer acting with greater self-confidence.

Currently, many things have changed in this respect. Many countries have reformed their systems to their career and gives workers more flexibility and mobility forms of organizational and individual - which are mandatory in some cases. In addition, many public organizations and missions have changed, which made them more like private organizations. For example, a study conducted in Belgium on the attitude of federal civil servants reveal interesting information in these contexts. In response to the question on the important issues of efficiency accomplished missions, respondents said providing the best customer service as the most important. As shown in this case, mission and values issues that include civil servants, for a long time were considered to be typical for the private sector, serving the interests of customers, but not a priority for public organizations.

However, this does not mean that public and private organizations are similar and that currently there is no difference, some remain and some are relatively trivial: the public have a different type of responsibility. They do not serve a private interest, but a public one. A government should serve the interests of the country and its citizens and not primarily pursue financial gain. As a consequence of their public missions, public organizations are more open than other organizations to certain types of environmental pressures and constraints. Public organizations tend to undergo multiple divisions and interference coming from the authorities and political actors seek to manage and control them.

Another significant aspect in this discussion is that the private sector is influenced by the economic situation, while the public sector is subject to other influences.

## **2. Performance in the private and public sector**

Although the performance of organizations is the subject of much discussion, it is important to note that few people address the differences between the performances of the two sectors. Consequently, discussions of performance based on the assumption that private sector performance concepts of the public sector to be transferred. In addition, the positive aspects of the performance of public organizations are rarely discussed, although the existing literature on the

differences between public and private organizations and managers confirmed that the government perform better environmentally than considered normal.

In fact, public service organizations usually have a better job than private organizations in terms of explicit policies about respect, non-discrimination, dignity at work and equality.

Often, public organizations have better results in employee involvement and participatory management application types, by informing employees about a wide range of operational aspects of their business.

Many private sector employees in states that rarely receive such information. Finally, there is evidence that public bodies would have lower performance than private.

However, at present, the distinction drawn between public and private performance is based on various stereotypes and simplifications. One of the most important existing stereotypes is that public organizations are not functioning well, and better go private. The media in particular, presents many examples of waste, inefficiency and low activity in public organizations, private companies are rarely presented. In addition, most public debate about the failures of organizations focused on the topic of tax payers money abate, but rarely attack them dissipating resources to private firms, not to mention some positive aspects such as higher degree of control exercised by public authorities and the existence too many rules, especially regarding personnel procedures, such as recruitment, dismissal and training and so on.

On the other hand, there is a little talk about things like performance in the military administration in areas of conflict (not to mention torture in Iraq), public social security system's performance - the accuracy of payments, services provided by public water suppliers performance of local government collecting taxes, the police etc.

The reality is that by approaching the subject of performance, is entering a world of difference between public and private. Their reasons are financial security, better education and research, providing unemployment benefits, support for victims of disasters, improve government performance, promoting and protecting democracy, increasing market competition, global climate protection etc.

Variety of complex missions and their changing nature suggests that while public sector enjoys a certain success, and many failures occur.

In fact, many missions are very specific and can not be compared with those of a private company. Consequently, public services will always be criticized for not being able to perform some missions and objectives.

Here are areas where public services recorded successes:

- fight against the disease;
- defense of democracy;
- discrimination;
- protection of society;
- improve education;
- health and extending life expectancy;

- improve women's rights.

But there are challenges that face public services must:

- ♦ protecting the global climate;
- ♦ combating emerging diseases;
- ♦ maintenance of economic competition;
- ♦ poverty alleviation
- ♦ confidence building society.

It is understood that no one can know what will make the coming years on the missions, objectives, priorities and public service achievements. The EU Member States will certainly launch new actions, such as improving performance (the Lisbon process). Some missions will be driven by scientific progress, while other sudden events, catastrophes and tragedies. National public services will continue to act to defend their own countries and to ensure world peace, promote economic competition, improve social welfare system, to expand social rights, combat discrimination, to ensure a better education, to improve transportation, promote economic growth, to spread the idea of democracy, etc.. Reviewing these missions, public services can be proud, but at the same time we must prepare to confront the huge challenges now and in the future.

Where are public organizations more successful than private?

Research results indicate three areas:

1. Policies on ethics, non-discrimination and equality.
2. Formal participation of staff (the role of unions).
3. Transparency and fairness in staff matters.

Therefore, it can be concluded that the government differ private organizations regarding certain issues, such as missions, internal and external pressures and the ability to solve problems and challenges. The mere assertion that public and private sectors are different seems to be insufficient.

### **3. Relationship between personality and organizational structures**

A considerable period of time, were very different organizational structures in the public sector and the need for specific civil service structure was unquestionable. In the late 18th century, the British government has drafted a code of civilian service in India, which established the system of wages and working conditions. Promoting problem was solved in accordance with the rule of seniority, as agreed in the Charter Act in 1793. This was seen as a protection against favoritism and dishonesty...

However, despite all the changes, new records, the development of scientific research, numerous publications, new developments and reforms, yet surprisingly little is known about the relationship between organizational structure, personality and individual behavior. Most experts have now given up a lot of explanations of the reasons for differences in behavior and performance of civil servants and other employees, for example: too many rules, too little delegation and decentralization, too much political influence, too little motivation, insufficient incentives performance, generalized development strategies and tools, decision-

making procedures too slow. Another explanation is widespread recognition that public employees have too much protection against dismissal, too few performance incentives, little external pressure (from customers and citizens) and too many privileges.

With their structures, public employees should not work hard, as it would be very difficult to be dismissed or subjected to disciplinary sanctions in case of poor performance. In this scenario, the public sector suffers from too many underperforming staff.

Most recent changes in many national civil services of Member States (as well as human resources management reform) came from the fact that, since it is mostly targeted the civil service, more people considered that there is reason to believe that public functions are of greater value than those in the private sector. Currently, many civil servants occupy positions similar to those in private institutions.

If the civil servant is the same in the eyes of a banker or a farmer, a special legal relationship might seem superfluous.

Employees perform a valuable role as whether working in a bank, a chemical plant or in biotechnology (which is essential to ensure stability and preservation of the social system). Consequently, a doctor or a teacher working in a private school or a hospital has a function as important as a civil servant as a police officer or any official from the tax authorities. In addition, it is difficult to argue why teachers in one country (if they are civil servants) must be civil servants with a particular ethical code if, in other countries, they perform their duties as well, without that status civil service. All these arguments support the view that civil servants are not different because they are civil servants. In fact, differences in mentality, motivation and attitude to work have more to do with individual characteristics and the industry, but not with the fact that people have a special legal status and work in a particular organizational environment. This opinion is widely adopted in the Member States.

#### **4. Differences between public employees and private employees**

The government considers that the values and structures of business are contradictory and emphasize the potential interaction of the two sectors. They are often expressed fears that private sector managers and networking could lead to lose integrity.

The discussion about possible differences between public and private sector is often interwoven with discussions about issues arising from the interaction of different values.

Although some Member States are of the opinion that public sector values and private sector are different, others believe that the problem must be considered in the light of each case. For example, according to the Swedish response, the differences are not fundamental. Differences within sectors are probably more significant than differences between sectors in their entirety. On the other hand, studies indicate that the types of work, organizational culture, etc.. affect an employee's values. The conclusion is that professional values, organizational

structures, living standards etc. whether there are factors that an organization belongs to the civil service or not.

Differences in definitions of labor use in the public sector illustrates the difficulty of operating comparisons between public and private sector, as well as those within the public sector. In response to the survey conducted in support of this study, one of the European countries went even further. These are Austria, which states that it is wrong to believe that a public law status automatically confers more protection and more rights to discipline against dismissal, as compared with established status under labor law. Moreover, (according to the Austrian position), is a false statement that the public sector is a poor image. There are many reasons above, the most important arises from the fact that civil servants are still different than private employees (and, indeed, enjoy greater job protection). The French response to this study, historical and cultural reasons play an important role and the relationship between a civil servant and the state is by nature different from that of an employee of a private company and the state. This link can not be described simply by the concept of "lifetime employment" (France prefers the expression of civil service career system, which is less negative). This connection continues throughout life and implies an active worker for civil servant duties, explaining at the same time, the rights enjoyed it.

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