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THE CHALLENGES TO HUMAN RESOURCE MANAGEMENT IN THE CONTEXT OF PUBLIC MANAGEMENT REFORMS

During the last decades most world states started different reforms of a public sector that were aimed at transforming M. Weber's described ideal, legislative and rational bureaucracy and increasing the effectiveness of public institutions and their activity. According to the theorists of these reforms inflexible, centralized bureaucracies developed during industrial periods have become ineffective and unproductive; moreover, they cannot function effectively and successfully in a rapidly changing knowledge society and economy. Thus, they should be changed into more flexible, result oriented, modern management models developing the partnership of public and private sectors. This aspiration was the main stimulus to turn to a business sector under the market conditions and to base on New Public Management (NPM) modernizing the structures of administration culture taking into accounts the challenges of the time under consideration [Sakalas, Vienazindiene, 2010]. The transition from the Traditional Public Administration to the New Public Management was occurred in the 1980s and 1990s. From 2000 there was a discernible trend towards an emerging model variously termed the "new public service", the "new public governance" or the "post-New Public Management" [Robinson, 2015]. The New Public Service became as the product of the evolutionary process of the new public management. Today, its indicators and activities' specifics are extensively discussed [Raipa, 2014]. The differences of these theories in philosophy and approach are set out in Table 1.

Table 1. Comparing perspectives: Traditional public administration, New Public Management, and the New Public Service (Source: Denhardt and Denhardt (2000, p.554))

Attributes	Old public administration	New Public Management	New Public Service
Theoretical foundations	Political theory, naive social science	Economic theory, positivist social science	Democratic theory
Rationality and models of human behaviour	Administrative rationality, public interest	Technical and economic rationality, self-interest	Strategic rationality, citizen interest
Conception of the public interest	Political, enshrined in law	Aggregation of individual interests	Dialogue about shared values
To whom are civil servants responsive?	Clients and constituents	Customers	Citizens
Role of government	"Rowing", implementation focused on politically defined objectives	"Steering", serving as catalyst to unleash market forces	"Serving", negotiating and brokering interests among citizens
Mechanisms for achieving policy objectives	Administering programs through government agencies	Creating mechanisms and incentives through private and non-profit agencies	Building coalitions of public, nonprofit private agencies

Approach to accountability	Hierarchical-administrators responsible to elected leaders	Market-driven-outcomes result from accumulation of self-interests	Multifaceted-public servants guided by law, values, professional norms and citizen interests
Administrative discretion	Limited discretion granted to public officials	Wide latitude to meet entrepreneurial goals	Discretion needed but constrained and accountable
Assumed organizational structure	Bureaucratic organizations with top-down authority and control of clients	Decentralized public organizations with primary control within agency	Collaborative structures with shared leadership
Assumed motivational basis of public servants	Pay and benefits, civil - service protections	Entrepreneurial spirit, desire to reduce size and functions of government	Public service, desire to contribute to society

The implementation of the ideas of the New Public Service (NPS) is interconnected with Human Resources (HR) of public institutions. HR is the most significant and valuable asset which is managed by PS institutions and which leads to practice efficiency. According to M. Armstrong [2006], Voronkova, Andriukaitiene et.al. [2016] Human Resource Management (HRM) is a strategic and complex approach to people, who are one of the most valuable organization components and who contribute to the achievement of organizational goals both individually and collectively. Such an approach explains the fact that HR is an active factor of any changes having its own culture and preconception, which can promote or prevent the ongoing changes connected with the transition from PA to NPS. In the process of the consistent transition, an important role is played by the existing system of HRM and its ability to meet the requirements of NPS, which witness the replacement of personnel management (PM) ideas with HRM ideas [Storey, 2001]. Therefore, this transformation requires objective and fundamental evaluation of the existing HRM as the means to determine potential barriers of the transition and suggest further ways of improvement.

HR role in public policy realization and the satisfaction of society's needs in the sphere of public affairs is very important as it ensures successful and step by step transition from a traditional public administration (PA) to NPS. In this context it becomes evident that HRM gains a special importance as an essential strategic function in an organization.

The development of HRM conception, characteristics of HRM systems, goals, practices, requirements and other fundamental aspects are discussed by a great number of foreign and Lithuanian researchers. Despite a wide range of scientific researches, scientifically the change of HRM in the context of the transition from PA to NPS is analyzed rather fragmentary. Here emerges a problem that the scientific discussion lacks the systematic approach *how to manage HR and which* characteristics of human resources management change would to ensure a successful transition from PA to the NPS.

Having analyzed the scientific literature and empirical investigations, it can be stated:

1. The conceptual development of HRM is the process which originated from PM based on strict control; yet, at present it emphasizes HRM which is based on commitment and engagement. Moreover, it stresses strategic function of HRM as well as flexible approach to work, culture development and collective decision.

2. The modern HRM can be defined by the following characteristics: 1) HRM is the main and strategic function of an organization, 2) it performs the main role in an organization, 3) it is oriented to a long term perspective, 4) it is based on participation in teams, 5) it emphasizes individual and collective competence, their synergy as well as a need to develop these competences, 6) tasks are defined more flexibly, 7) it is based on responsibility, 8) it emphasizes flexibility, adaptability to organization needs, commitment and orientation to results, 9) it is performed by line managers, 10) it is directed towards a team, 11) work contract puts emphasis not only on collectivism but also on individualism, 12) it is focused on organizational development.

3. The upheaval from the traditional PA to NPS, which is oriented to anti-bureaucratic concepts, makes a big influence on PS institution practices as well as on the contents of HR work and organizational forms. All this determines the change of orientation from PM to HRM.

4. The following HRM characteristics are typical to the traditional PA:

a) a serving function of an organization is rather administrative and consultative, oriented towards a short term perspective, weakly influencing formation and management of politics;

b) practice is strictly regulated by law, written rules and clearly defined tasks. In addition, the practice is based on constant control which guarantees stability; however, it does not encourage a flexible approach to work;

c) it is based on management hierarchy and obedience;

d) relationship among employees are severely formal and impersonalized;

e) lifelong guaranteed job;

f) orientation towards training with an emphasis on employee competence for a certain position;

g) work payment is based on a strict system of workplace valuation and grouping, where the size of payment depends on the current position, work experience and functions an employee is to perform.

5. The basic HRM characteristics, which correspond with NPS principles, are the following:

a) decentralization, when all the authority and responsibility for HR management goes to line managers; when teamwork and collaboration are encouraged, the process of decision making is improved as strictly hierarchical management structures are changed into minimum hierarchical ones.

b) participation, when employees are involved into the management of an organization while applying participant style of management. All this not only encourages engagement and commitment but also increases responsibility and leads to the achievement of common goals. Moreover, citizen participation in the processes of decision making guarantees citizen interest fulfilment and encourages ethic decision making.

c) takeover of private sector experience when applying management methods:

• Strategic management development with orientation towards a long term perspective when emphasis is laid on personnel service as a strategic partner:

• Diversion of employee practice to economy;

• Employee orientation to practice results but not the process;

• Support of employee initiative, flexibility, independence; rejection to follow strict instructions and severely defined tasks;

• Development of employee professionalism and corresponding competence while training certain skills, acquiring new information/knowledge, in-service training;

• Reorientation of management from bureaucratic-administrative culture (from rules and procedures) to an organizational culture and values which represent and defend public interest and are based on flexible decisions.

6. In the context of the upheaval from the traditional PA to NPM, the characteristics of HRM change are substantiated by the notion (in a specific organization management) which is characterized by the change of PM characteristics into those of modern HRM and their establishment.

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