

# Research Regarding the Management of Change in Romanian Public Institutions

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## *Abstract*

*The Romanian society knows a period of important transformations in order to meet the requirements asked by its integration to European Union, under the constraints triggered by world economic crisis.*

*The public administration that targets the well-being of citizens has to adapt and to redesign its structures and activities in order to fulfil its mission and reach its specific objectives. This paper deals with presentation of the main results obtained by investigating the particularities of change management within this sector.*

*The management of change proves to be a highly important tool for public managers in their struggle for combining the effectiveness and efficiency of public institutions, but on the other hand, there is a wide range of challenges they have to face and to find the right leadership style for motivating the people to cooperate and implement best practices in this field.*

**Keywords:** *change management, public administration, public institutions, public managers.*

**JEL classification:** H83, M10, M14

## **1. Attitude towards change in the analyzed public institutions**

The current environment is characterized by numerous factors that oblige organizations to rethink and restructure their activities in order to better answer to existent requirements and pressure. Through organisational change processes, public institutions try to competitively develop in order to fully accomplish their mission statement, on a short, medium or long term perspective. Within these changes, organizational change and its management can be decisive factors for the public institution's success and harmonious development.

It's important how you see and manage a process that have to be aligned to the best practices in Romania, but also in Europe. A good tool is represented by intercultural teams (Bibu, Has, 2010), that could bring face-to-face or in a virtual way the competencies and experiences of specialists from different countries. That means to be able to integrate the change management in a strategic approach directed to short, but also medium and long term performances. Especially due to

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the fact that public institutions can be associated with a knowledge network that fosters the knowledge transfer and specific competencies development (Roja, Nastase, 2012). This requires leaders with clear vision, able to challenge the present status-quo of the organization (Blanchard, 2007) and motivated to reshape the organizational culture (Schein, 1992)

A change in order to be effectively led, first it has to be recognized the factors that trigger it and the particularities of its context (Bevan, 2011) (Carnall, 1990). We also have to pay attention that more and more the time proves to be a critical factor that place high pressures on the decision-makers (Hayes, 2010), forcing the top leaders to understand the importance of being able to build up creative and confident leaders throughout the organization at all the hierarchical levels, due to the complexity of present changes (Cameron, Green, 2009).

A realistic understanding of the types of changes and their particularities is of great help for public managers as the different changes could affect different management subsystems and, consequently, we need special redesigning methodologies for each subsystem involved (Burduş, Androniceanu 2000).

The results presented are coming from a research that investigated the particularities of change management in public administration. The sample includes 104 public managers coming from public institutions that are located in the Western part of Romania.

The conducted research revealed that only 5,61% of the total number of respondents considered that, within the public institutions in which they work, the attitude towards change is proactive.

**Table 1. Attitude towards change in the analyzed public institutions**

Item no.	Attitude towards change	Percentage of respondents (%)
1.	Reactive (decision making and actions are realised only after an event has occurred)	94,39
2.	Proactive (decision making and actions are realised based upon predictions regarding event probabilities)	5,61

This approach tries to predict the evolution of the environment and, based on this, to conceive and run activities. It is a anticipatory vision, that can be mirrored within the organisation through the aggregate of strategies and policies that guide its behaviour.

On the other hand, many organisations are characterized by a reactive attitude towards the evolution of the environment, in that they react only to events that have already happened in that respective environment. 94,39% of the total number of respondents consider that this is the situation within their organisation.

A reactive approach is, to a certain limit, normal for this sector of public administration, given the fact that they act based only on decisions and plans that are realised from a centralised level. Subsequently, the institutions adapt and apply

these to the local characteristics in order to properly achieve their goals, both quantitatively and qualitatively.

The attitude towards change within public institutions also has a direct effect on the means through which needed resources are obtained and used. It is obvious that available resources are hardly found on the market, the economic crisis causing an amplification of the competition for them.

This phenomenon also appears within a public institution because its needs can be substantially bigger than the available resources at one point in time. Through a reactive attitude, changes have to happen very quickly, which creates pressure on the institution's management and doesn't offer it many ways of researching and capitalizing different means of obtaining the needed resources.

On the other hand, through a proactive approach, public managers can anticipate a number of changes and can sketch them, creating meanwhile means of attracting needed resources, from other parts of the institution or from its exterior, through different types of projects.

## 2. Stakeholders importance ranking

On this level, the respondents were asked to rank the main categories of stakeholders by the impact they attain on change management within their institutions. The results are centralized within table.

**Table 2. Ranking of public institutions stakeholders by the attained impact upon change management**

Item no.	Stakeholder importance	Total score	Average score
1.	Central authorities	925	8,89
2.	Local authorities	687	6,61
3.	Managers from their institution	840	8,08
4.	Employees from their institution	737	7,09
5.	The union from their institution	421	4,05
6.	Suppliers	375	3,61
7.	Beneficiaries	562	5,40
8.	Local community	622	5,98
9.	Banks and other financial institutions	274	2,63
10.	NGOs	374	3,60
11.	International organisations/institutions	414	3,98

As shown, the biggest score was recorded by **central authorities**, which registered a total score of 925 and an average of 8,89. The results confirm that most of the organisational changes that happen within public institutions are still dependent on the decisions made by central public administration.

To a certain limit, this situation can be considered a normal one because of the fact that the local public administration must be strictly correlated with the central one.

Meanwhile, we must not forget that there is an intense talk about an essential decentralization of public administration. However, although this process has been a success in theory, from a practical perspective there is a long distance to be covered in Romania in order to consider it real, efficacious and efficient.

Based on the research results, ranked second are the **managers from the institutions**, which registered a total score of 840 and an average of 8,08. Considering managers as a very important category of stakeholders can have two main explanations. The first is that of the impact that managerial training and experience from different organisational levels have on the functionality and performances of a public institution. This fact is valid for managers from different hierarchical levels, especially for those on a superior level of management.

The complexity of Romanian public administration, of the national and international business environment, with a pronounced dynamism, is able to challenge in many ways the Romanian public managers. The mean through which they develop and transfer their strategic vision to the employees they lead, determines the success of managerial processes and is liable to help the development of a performance-oriented organizational culture.

A second explanation of the results can be reflected by the structure of the used sample, which, as mentioned before, is mostly formed of experienced person who are or tend to manifest as leaders and that are placed on top or middle management levels. Through this perspective, it is absolutely normal that they support their image and their role within the life of the organisation.

Ranked third are the **employees**, which registered a total score of 737 and an average of 7,09. Organisational changes become real and generate results only if they pass the formal perspective and if they are found within the attitudes, the values and the behaviours of the employees.

It is not sufficient to have formal organisational changes, like a procedure change of the establishment of a new department, if the employees do not understand or do not properly assume their new tasks and responsibilities.

Employees have an impact upon organisational change management, starting from their competence that can or cannot help them in understanding the changes, to their attitudes and behaviours through which they can support or oppose these changes within the public institution they work in.

In a period in which we are witness to the transition to a knowledge-based society, a pronounced tendency can be observed: employees from different hierarchical levels are involved in the life of the public institution, they are consulted and they are offered a superior autonomy in regards of decision making.

The next place on the ranking is occupied by the **local authorities** (a total score of 687 and an average of 6,61). This is a normal state due to the fact that the analyzed institutions are part of local public administration system and, because of this, their decisions and actions are correlated to the other local public components.

Moreover, through the initiated changes, the analyzed public institutions aim to better satisfy the citizens needs. Considering the characteristics of the mentioned institutions, it obvious that the success of their initiatives can only be assured through a tight collaboration with other local public institutions, but also with other central institutions.

The next two spots on this ranking were occupied by the **local community**, which registered a total score of 622 and an average of 5,98, followed by the direct **beneficiaries**, which had a total score of 562 and an average of 5,40. This positioning reflects truthfully an intense interaction between the analyzed public institutions and the market segment it addresses.

The respondents have merged, to a certain limit, the concern for beneficiaries with the one for the local community, because they thought the two categories of stakeholders overlapped to a large extent. An increasing attention towards the local community was revealed, due to the expression of administrative decentralization and of the approach towards the citizens needs.

However, the attention to the local community and towards the beneficiaries is significantly lower than in the case of the categories discussed above. This fact can be explained by the concern of many institutions towards internal outlines, even bureaucratic ones, without giving any attention or getting involved within the community they activate in.

Another malfunction can be a certain lack of institutional experience, in their acknowledgement of a wider range of stakeholders, beside the direct and involved ones. Therefore, considering the characteristics of the New Public Management could prove to be a valuable and viable approach for these public institutions.

It is required that a transition is carried, from a mainly internal orientation, a bureaucratic orientation that defined public administration and state firms, to a market-focused, beneficiary vision.

The last place on the ranking is occupied by **banks and other financial institutions**, which gathered a total score of 273 and an average of approximately 2,63. Their impact is considered to be reduced, especially due to the fact that they do not operate intensively with financial instruments, compared to other types of organisations. When in a development stage, they can call upon banking loans to unfold their investing activity.

Lately, banks and other financial institutions have achieved a higher level of importance for public institutions. In this regard, an example are loans contracted by different institutions in order to develop projects financed through European funds, which assume an institutional financial contribution.

### **3. The main sources of information regarding changes and their management within the analyzed public institutions**

The monitoring of the internal and external environment in order to adopt change decisions must supply the information needed by managers and workers. This need continues to exist and to manifest itself throughout the triggered design and institutional change process.

As the size of the organisation grows or as it attains a territorial dispersion over a large area, the manager relies less on observation and more on gathered information, processed and transmitted within the system. The manager uses the generated informational situations to permanently know the existing situation of the organisation and to act in order to maximize results.

**Table 3. Sources of information regarding changes and their management within public institutions**

Item no.	Sources of information	Total score	Average score
1.	Organisational regulations (internal order regulation, other regulations)	396	3,81
2.	Leaflets/brochures of the organisation and other materials with communicative role	166	1,60
3.	Meetings and regular employee briefings	388	3,73
4.	Informal communication with managers	389	3,74
5.	Institutional website	212	2,04
6.	Intranet	282	2,71
7.	Posters on special panels with the institution	151	1,45
8.	Training	246	2,37
9.	Other	31	0,30

Ranking first, with a total score of 396 and an average of 3,81, are the **organisational regulations**. This positioning highlights the fact that the majority of the respondents pay a great amount of attention towards formalised elements and that they consider official documents to be a credible source, an updated and a sufficiently explicit one, so that they can extract the information regarding organisational change they need.

This situation can be considered to be a normal one, due to the fact that the mission and the activities of public institutions are fairly regulated through legislation, regulations, procedures, standards, protocols and other forms of regulation.

This is a different approach compared to the one from the private sector, where company managers have a much higher degree of freedom in developing and implementing their own ideas, without having to face many constraints.

We might actually affirm that they are encouraged, stimulated to manifest such attitudes, the only coordinates that need to be taken into account being the achievement of the goals set with the business owners.

This is a normality state and it reveals that managers should pay attention towards both the content and the form of the triggered organisational changes. The formalization of changes into organizational documents is part of the “freezing” stage, according to the change model proposed by K. Lewin.

An interesting insight of this research is the score registered by the **informal communication with managers** (a total score of 389 and an average of 3,74) and by the **meetings and periodical employee briefings** (a total score of 388 and an average of 3,73). The architecture and the functionality of the informational system majorly affects the entire decisional and operative process of the employees. The mentioned scores reflect that, within the analyzed public institutions, there is an equal usage of formal and informal elements.

Informal communication is linked to the institution’s organisational culture, to leader credibility and to the development of a informational transparency climate. Organisational culture is recognized as one of the most important factors that influence organisational life and firm performances. It has a

major influence on attitudes, decisions and behaviours that are adopted by the members of the organisation, both inside and outside the organisation.

Furthermore, employees need and are the beneficiaries of a formalised exchange of information with the hierarchical superiors, within special meetings related to this goal. Meetings and periodical employee briefings foster a fixed interaction and a clarification of some messages and actions, both between workers and managers, and between workers.

This is a mean of clarifying numerous aspects and of transmuting significant know-how in regards of resolving certain problems associated to that persons workplace.

**Intranet**, which resembles to the Internet, but is a much more smaller structure and is located generally within a single organisation, gains the next place on the importance ranking of sources of information, registering a total score of 282 and an average of 2,71.

This means that only the employees of that certain organisation have access to the information running through the system, information that has a private nature.

The presence of Intranet within a public institution facilitates organisational communication and informational and general interest decisional transparency for the members of that institution. Using different protocols, a selective access to different categories of information can be assured, taking into account the authority of each employee.

The last spot on the ranking of information sources is occupied by posters exposed on **special panels with the institution** (total score of 151 and an average of 1,45). This can be considered a normal situation taking into account the unprecedented development of IT systems that offer numerous stocking and processing facilities and capabilities.

The informational system has a major influence, through its constructive and functional characteristics, upon the decisions and actions of each member of the organisation and also upon the organisation as a unit (as a whole).

Although, recently, the informational system has experienced a great development, due, especially, to the development of informatics, we are currently witnessing a large number of problems regarding the functionality of this system. The most common malfunctions of the informational system, that can generate design and implementation problems within the analyzed public institutions, are the following: distortion, filtering, redundancy and the overload of communication channels.

#### **4. The main strengths of change management within researched public institutions**

The change process has today a more dynamic profile than the one it used to have, a fact that enforces the good acknowledgment of the organization and of the environment in which it exists. The conducted researched sought to also emphasize positive elements, able to aid design and the realization of changes within those public institutions.

**Table 4. The main strengths of change management**

<b>Item no.</b>	<b>Strengths of change management</b>	<b>Total score</b>	<b>Average score</b>
1.	Well-trained managers	457	4,39
2.	Staff with the necessary skills	407	3,91
3.	Rational organizational structure	318	3,06
4.	Good planning of institutional changes	283	2,72
5.	Employee communication and motivation	261	2,51
6.	Appropriate employee framing	333	3,20
7.	Technical endowment	299	2,88
8.	Others	27	0,26

From the respondents' view, ranking first is the presence of **well-trained managers** within the public institutions they work in (a total score of 457 and an average of 4,39). The managers – collaborators relation is based on trust and mutual respect and has an intense interpersonal part. Modern managers approaches are global and are wealthier due to the overcoming of formal boundaries.

In order to achieve the wanted objectives, to significantly influence the others around them, to develop and implement their organisational vision, leaders will manifest a high sensitivity towards the needs and expectations of the staff, situated on different hierarchical levels.

They manage to know and integrate these expectations, offering a large range in which they can manifest, can be acknowledged, that are, simultaneously, taken into account when actions are realised, in order to satisfy them.

The permanent need of innovation, of levelling the managerial vision with the expectations and pressures of their collaborators will generate the foundation for the largest part of leader-initiated changes.

The respondents considered to rank second the **staff with necessary skills**, with a total score of 407 and an average of 3,91. Within a competitive organisation, we will observe that the accent will be placed upon organisational learning and upon their application. Regardless of the type of learning (training, libraries, informal transfer of know-how), the availability of the staff towards new is very high.

Taking into account the analyzed change regarding the reduction of the number of employees, we can consider that, within public institutions, only the well-trained people, with strong individual and organisational values, have stayed put.

Learning and knowledge are inseparable elements, leaders using each and every opportunity in order to facilitate knowledge transfer from him towards his supporters and vice versa.

The **rational organizational structure**, with a total score of 318 and an average of 3,06, ranked third in the respondents' view upon the positive elements of change management within the public institutions they work in. Even though the organizational structure is set through normative documents, the respondents consider that it is rational, that it constructively and functionally responds to the



public needs and that it allows the achievement of the mission in terms of effectiveness and efficiency.

A good coordination is possible and has the role of harmonizing decisions, activities and to assign resources in order to avoid overlaps or, on the other hand, the neglecting of certain area within the public institution.

Ranked last, with a total score of 261 and an average of 2,51, was the **employee communication and motivation**. This is surprising, taking into account the impact that these two important processes have on the design and the realisation of organisational changes.

This is clearly an alarm signal regarding an important organisational reserve that public institutions managers have on hand in order to raise the success probability of the changes they wish to trigger within them (the usage of management staff reserve).

### 5. The main weaknesses of change management within researched public institutions

The **improper motivation of staff**, with a total score of 408 and an average of 3,92, is the main weakness of change management within the analyzed public institutions.

This result is perfectly coordinated with the score registered in the prior section and reflects the fact that there are still significant problems in determining staff to get involved in modifying the functional parameters of the organisation.

**Table 5. The main weaknesses of change management**

Item no.	Weaknesses of change management	Total score	Average score
1.	Blockage of workplaces in the public system	382	3,67
2.	Political intervention in the institutional decisional system	248	2,38
3.	Improper motivation of staff	408	3,92
4.	Lack of a clear vision regarding the future of the institution	318	3,06
5.	Improper planning of changes	244	2,35
6.	Institutional communication barriers	223	2,14
7.	Insufficient institutional resources	303	2,91
8.	Limited support for major changes from certain stakeholders	170	1,63
9.	Staff fluctuation	205	1,97
10.	Others	21	0,20

A proper management of rewards will contribute to the revitalization of employees, to maintain and directing them towards the objectives set through organisational strategies and policies.

Reward management is based on the proper usage of rewards and sanctions, taking into account the characteristics of the staff and the expressed needs, at an individual and group level.

The conducted research did not reflect answers that emphasized major negative aspects of change management. For example: the lack of staff with specialised knowledge, the lack of interest towards identifying opportunities of organisational changes, mistakes in applying methods and/or in surpassing change resistance (due to the lack of knowledge or to the use of improper leadership styles).

Without a proper employee motivation, there is always the risk that the projected changes, no matter how good they are theoretically, will not be applied or will not generate the expected effects.

The **blockage of workplaces in the public system**, with a total score of 408 and an average of 3,92, is ranked second as a weakness of institutional change management. This emphasizes the fact that many respondents consider that certain public institutions are undersized, taking into account the set mission and objectives.

The limitation of attracting new staff into the public system makes obtaining certain skills, that could prove to be useful within the institution, difficult. Furthermore, an age-pyramid is no longer respected, due to the fact that only a small number of young persons are employed in the system.

The **lack of a clear vision regarding the future of the institution** is another problem considered to be important by the majority of the respondents (a total score of 318 and an average of 3,06).

When an organizational change is desired, leaders are needed. Leaders that must be capable of not retrieving your vision and applying it, but of helping you design and apply it together. Vision is a major attribute of successful leaders. It aims to be an attractive description of what the organization will be at the end of a period of time and of the way to follow in order to get there.

Although the vision of the leader is very important, a simple foreshadowing of it realised by the leader isn't enough to attain the desired success. More is needed. The vision must be communicated, understood and appropriated by the leaders' collaborators!

A beautiful and well-intended vision will be faced with major issues in application if the supporters of the leader do not know it or do not know it to a full extent. It is the leaders responsibility to identify those certain forms and channels of communication that can assure a transmission and a reception close to the wishes and needs of that organization. The modern public administration manager also knows how to offer a wide decisional and acting freedom to his collaborators.

This a negative factor that can majorly influence the quality of changes and the functionality of the public institution, with direct and propagated effects, both inside and outside of the institution.

Ranked last is the **limited support of some stakeholders** in regards of major changes, a weakness that registered a total score of 170 and an average of

1,63. We can consider this to be a favourable state, to the extent that the analyzed public institutions benefit from a proper collaboration, both inside and outside of the institution.

This means that the analyzed public institutions have developed local institutional mechanisms that favour a proper functionality of the institution and the achievement of the wanted results.

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