Enabling characteristics of the strategic human resource development system

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The fundamental changes associated with public management reforms are directed towards a more entrepreneurial, business-oriented culture and calls for a new type of human resources able to lead and implement the reforms. It is evident that current approaches to human resource development (HRD) are insufficient to ensure the development of a new set of competences of civil servants and to create an enabling environment within governmental institutions that enhance the organization’s capacity to take on a large scale the learning process associated with major cultural and procedural change. It is evident that HRD should assume a more strategic role and position in the governmental institutions. Therefore, the key challenge is to define the enabling characteristics for strategic HRD to emerge in the governmental institutions.

Key words: human resource management, human resource development, public management reform, civil service

INTRODUCTION

The fundamental changes associated with trends of public management reforms are directed towards a more entrepreneurial, business-oriented culture and calls for a new type of human resources able to lead and implement public management reforms. The challenge relates to the pressures that public management reform has unleashed for creating a new set of competencies needed by governmental institutions whose civil servants must be more outcome and performance oriented, better able to put in place organizational and behavioural changes needed to achieve the desired level of public agency performance; more partnership and networking oriented and able to negotiate conflicting agendas; and better manage scarce physical, financial and/or human resources, so as to improve productivity and reduce costs (Emery, Giauque 2005).

The traditional approach to employment conditions in civil service has been also fundamentally challenged by the public management reform (Bossaert, Demmke et al. 2001; OECD 2005). The employment conditions offered by the public employer, as well as the expectations in terms of behaviour and performances, are seriously approaching those of private companies (Horton et al. 2002; Emery, Giauque 2005). Public employment is threatened by losing the advantages that for a long time characterized its specific attractiveness including job security, a less stressful pace of work, career opportunities and so on.

This calls for a significant transformation of the human resource function in general and human resource development (HRD) responsibility in particular, creating particular opportunities for employees to develop and enhance necessary capabilities and encourage greater self-development opportunities to facilitate the implementation of public management reforms (McGoldrick et al. 2002; United Nations 2005).
Therefore, the purpose of the article is to discuss and outline the enabling characteristics of the strategic HRD system, which would facilitate the development of appropriate competencies and behaviours necessary for a successful implementation of far-reaching public management reforms.

HRD as a concept is both complex and problematic and can be investigated from many perspectives, focusing on its contested roots in the disciplines of economics, organizational theory and psychology. The theoretical research presented in this article is based on organizational theory, mainly focusing on organizational learning processes and change brought by the public management reform. It also takes into account other disciplines and perspectives such as systems theory, capability and change perspectives.

The article is organized into three sections. The first section reviews current changes in the public sector while paying special attention to the developments in civil service and human resource management areas. In the second section, the need for a new approach to HRD is highlighted. The third part of the article discusses different perspectives of HRD, including the strategic HRD approach. Finally, the enabling characteristics of the strategic HRD system to facilitate public management reform are defined.

PUBLIC MANAGEMENT REFORM: AN IMPACT ON HUMAN RESOURCE POLICIES

Public management reform is an evolving, hybrid phenomenon with a diverse and complex body of ideas and practices. In terms of comprised elements, tools and techniques, the public management reform provides a “shopping basket” from which reformers can choose according to the local conditions and priorities. Many authors such as Pollitt and Bouckaert (2001), Gruening (2001), Hood (1991), Aucoin (1995) have described and categorized different trajectories of the reforms which encompass performance measurement, downsizing, decentralization, corporatisation, performance management, management devolution, competition and the empowerment of citizens and employees, etc.

The past two decades witnessed not the diminishing of the pace of public management reforms but rather the emergence of more complex problems and continues reforms. Recent developments have shifted the focus from “marketisation” of public services towards good governance, thus making it a pre-eminent task of public management. Ideas of good governance emerge from assumptions about the status of individual rights to property, personal inviolability, equality and redress under the law, participation in collective decision-making, and duties and obligations as the citizens of a state (OECD 2005). Currently, the concern for efficiency is being supplanted by problems of governance, risk management, adaptively, collaborative action and the need to understand the impact of policies on society. Planning, management and provision of public services are more and more seen as something to be negotiated among a number of actors, including government, civil society organizations and the private sector (Osborne and McLaughlin 2002).

The reform of human resource management (HRM) is the centerpiece of contemporary public sector reform efforts (Coggburn 2005), since if governments cannot recruit and hire talented individuals at the right place and the right time, and if they cannot motivate, develop, and retain those individuals, then the performance of government will suffer. Consequently, in a number of countries, the traditional model of HRM has been replaced by a new model of staff management. The conventional pattern of “paternal management” has given way to “rational management” (Boyne, Jenkins et al. 1999). The uniform and standardized employment practices have been replaced by flexibility and differentiation.
The individualization of HRM practices is one of the key elements of the reforms. Many countries such as the UK, New Zealand, Sweden, Canada, Denmark and others have moved towards individualization of civil service arrangements related to the selection process, the term of appointment, termination of employment, pay and performance management (OECD 2005). The move towards more temporary employment and away from lifelong careers appears to be driven mainly by the need for increased responsiveness and flexibility in the public sector and by the realities of the contemporary labour market. Public services no longer offer a guarantee of a “job-for-life” and pay which is determined by a grade in the hierarchy, or promotion based on seniority (Boyne et al. 1999). Instead, many workers are offered part-time or temporary contracts and the salary and career prospects of staff are linked to line manager’s perceptions of their performance. In some countries, while lifelong employment in government remains protected, term contracts for positions are used to increase the individual responsibility for performance: while civil servants remain in the public service, their stay in a position is not guaranteed anymore, but rather depends on their performance.

Most OECD countries have also moved towards some degree of decentralization of HRM responsibilities (OECD 2005). Some countries, mainly with position-based systems, have transferred HR responsibility from central HRM bodies to line ministries, others have simplified rules and procedures, some introduced more flexible HRM policies. Even in countries where decentralization of authority is very limited, central HRM bodies developed different types of flexible policies and less bureaucratic procedures. Two important tendencies are noticed: the countries with position-based civil service systems tend to strengthen the role of their central human resource management bodies and to have a more centralized system of management for senior civil servants than before, and the countries with traditional career-based systems tend to increase the number of posts open to competition and delegate human resource management practices to line ministries and lower hierarchical levels (OECD 2004c).

The role of the central HR body is also shifting from detailed control to providing guidance and setting the standards. HRM is being viewed as a strategic staff enterprise aligned with organizational values, mission and vision (Hays, Kearney 2001). Consequently, the increased need to ensure that human resource policies are linked to managerial and organizational goals is emphasized in a decentralized HRM system. According to Perry and Mesch (1997), a strategic approach to human resource management is intended to align HR with strategic objectives of the organization and to integrate HR management with organizational management. HR specialists are called upon not only to be efficient, but also to promote social agendas such as equal employment and equity (Hays, Kearney 2001).

THE NEED FOR A NEW APPROACH TO HUMAN RESOURCE DEVELOPMENT

It is evident that the changes introduced by the public management reform have requested a new set of competences and behaviours from civil servants. For instance, introduction of market mechanisms requires government to develop contract management and commercial skills, as well as a capacity to manage the outsourcing process. Exceptional leadership capacities are needed to steer in a fragmented system of distributed governance, aligning the policies, procedures and behaviour of civil service. Successful application of performance management systems depends on the capacity of civil servants to understand, analyse and utilize performance information and an incentive system available to motivate them. Additionally, civil servants confronting the reforms are required to manage not only the radical structural,
procedural and cultural changes involved, but also the resultant anxiety-generating personal change implications (Richardson 1987).

Several studies carried out in the public sector report that some aspects of the HRD role in the public sector have changed during the last decade. This includes the increase in devolving responsibility for human resource development to line managers (Gibb 2003), shifting from being immersed in formal training programmes to taking on a sharper strategic focus (Garavan, Gunnigle et al. 2000; McCracken, Wallace 2000a; McCracken, Wallace 2000b; Hockey et al. 2005). However, these changes have not been nearly as great as some of the literature suggests. In fact, there appears to have been a greater level of continuity than change ((Tjepkema et al. 2002; Auluck 2006; Auluck 2007).

Furthermore, despite a widely acknowledged potential of HRD to leverage and facilitate the implementation of reforms, evidence suggests that HRD function is still underutilized in the process of reforms, and the implementation of HRD policies has been piecemeal at best (World Bank 2006; Chlivickas 2007). Several important challenges related to human resource development are emphasized by different authors (Gibb 2003; Hockey et al. 2005; Chlivickas 2007) and summarized here. Firstly, the lack of systematic approach and the very fragmented and reactive nature of the training and development function in most administrative systems. Secondly, a lack of alignment and integration of HRD policies with organizational strategies, including goals and objectives of public management reform strategy. Fourthly, the inability of HRD specialists to assume a strategic role in addressing organizational problems, as well as insufficient capacities of line managers to take on the responsibilities for HRD. Finally, HRD is mainly associated with formal training activities, usually prescribed by the civil service legislation, and is mainly supply-driven. Similarly, training programmes very often focus on developing skills to ad hoc challenges rather than revolving around a continued development of civil servants in light of ongoing problems of organizational performance.

One of the most important training and development objectives, which can be observed in different countries, is to contribute to the implementation of the public management reform and modernization process. However, evidence on the alignment of the training and development goals with Public Management Reform strategies is lacking (SIGMA 1997). Based on the World Bank report (2006), the absence of a well-functioning human resource management and development system is generally seen as one of the most serious impediments to the creation of state-of-the-art public management systems in the new EU member states.

In summary, it is evident that current approaches to HRD are insufficient to ensure the development of a new set of competences of civil servants and to create an enabling environment within government institutions that enhance the organization’s capacity to take on a large-scale learning process associated with a major cultural and procedural change (Koch 1999) brought by public management reforms. Thus, there is a need for a significant transformation of HRD responsibility to reflect the new demands and realities of the public sector.

KEY CHARACTERISTICS OF THE HRD SYSTEM TO FACILITATE THE PUBLIC MANAGEMENT REFORM

Theoretical approaches to HRD and emergence of strategic HRD
HRD is a multifaceted concept and the subject of ongoing contention, with much of the complexity surrounding the area due partly to a lack of agreement as to how HRD is conceptualized, defined and distinguished. For the purpose of this article, HRD is defined as a process of
facilitating long-term work-related learning capacity at an individual, group and organizational levels through structured and unstructured learning and non-learning activities to enhance organizational performance. HRD has derived its conceptual basis from three broad areas of organizational theory, economics and psychology (Sambrook 2004). According to Garavan et al. (1999), psychological perspective promotes motivation, learning and ownership issues. It tackles the issue of psychological contract which attempts to conceptualize the employment relationships using the notions of expectations, perceptions and obligations. At the same time, organizational theory focuses on organizational learning processes and change. It also deals with the establishment of a learning organization. The economic dimension emphasizes investments in human capital and focuses on resource-based theories.

It is apparent that HRD is associated with many related disciplines; however, the “learning organization” and “performance” can be named as key perspectives to discuss HRD. The literature not fully theorized the differences between both perspectives – learning and performance – and Garavan (1997) questions whether such fundamental differences do exist. There are a number of issues in respect of the inter-relationships between the two perspectives, and some scholars suggest that a detailed consideration should be given to organizational learning processes, and their potential should meet both performance and learning objectives (Garavan et al. 2000; Holton 2000). In addition to that, the principles of the systems theory tell us that no one element of the system can be viewed separately from the other elements. Intervening in only one element of the system without creating congruence in other parts of the system will not lead to a systemic change. Therefore, even if HRD is increasingly concerned with facilitating the learning of individuals, teams and organizations as a key to the organizations sustainable competitive advantage, the success of HRD policies will be measured by its impact on business performance. Thus, if HRD wants to have an impact on organizational development, the performance objectives cannot be ignored.

HRD activities are seen as having a potential to accommodate current changes in the employment relations in the public sector and to ease the shift towards the performance-based type of relations. At the same time, civil servants’ commitment to the organization can be strengthened by offering learning opportunities and encouraging a greater self-development among civil servants. The change perspective suggests that HRD can help governmental organizations to succeed in the ever-changing environment by ensuring that the rate of learning is the same or even higher than the rate of change in the system. Most importantly, HRD is seen as crucial in generating appropriate competencies and behaviours expressed in the institutional strategy.

Strategic HRD has become an important component of HRM as a means to improve organizational performance through the establishment of strong HRD links with organizational goals and objectives as well as strategic leveraging of learning and development processes to generate and enhance appropriate behaviours and the core competencies of the organization.

The strategic approach to HRD integrates two main perspectives – learning and performance, and has been promoted by many prominent scholars such as Garavan T., Heraty N., McCracken M., Wallace M., Wognum, Burgoyne J., Hockey J., Kakabadse A., Kakabadse N., Luoma M. and others. The approach indicates that HRD interventions are valuable only to the degree that they facilitate the organization in achieving its goals. Therefore, the primary concern of HRD should be the establishment of strong linkages with the strategic goals of the organization and the development of the work environment which facilitates learning.
This approach is valuable in the context of the public management reform. The fundamental changes introduced by reforms require to change radically the mindsets of civil servants and to improve significantly the performance of governmental institutions. In this context, the alignment of HRD with institutional strategies and in turn with the objectives of the public management reform is crucial. Consequently, the institutional strategy needs to be expressed in behavioural terms and implemented through the strategic HRD systems which facilitate learning and generate appropriate behaviours and competencies.

Thus, the key question is: What are the enabling characteristics for strategic HRD to emerge in governmental institutions?

**Key characteristics of the HRD system to facilitate public management reform**

Based on a comprehensive analysis of scientific literature, we state that the HRD system will be perceived as having a strategic value in the context of public management reform only if it has a capability to develop a supportive environment for learning, where there is a clear connection between HRD and the strategic goals of governmental institutions, which in turn have been aligned with the objectives of the public management reform. Consequently, institutional strategy needs to be expressed in the behavioural terms and implemented through the strategic HRD system which facilitates learning and generates appropriate behaviours and competencies needed to implement the goals of the public management reform and does this on a continued basis.

The strategic HRD system defines a strategically matured organization in HRD terms as having the capacity to learn and diffuse knowledge effectively and where HRD is shaping the organizational strategy. HRD is not any more limited to training, but extended to facilitating and supporting learning processes within an organization, focusing on different forms of learning, including informal and incidental learning (Buyens et al. 2001). Learning is regarded as a normal part of everyday work, and working is seen as a rich source of learning.

However, for a strategic HRD system to emerge, several enabling characteristics need to be in place, which are crucial to facilitate the process of strategic HRD. Presence or absence of these characteristics would influence the level of HRD maturity in governmental institutions and would anticipate the success of implementation of the public management reform.

**Supportive national policy in the area of HRD** is essential to ensure coherence and coordination within the system and provide guiding principles for the implementation of HRD policies in the decentralized human resource management environment. Importantly, it confirms the importance given to the development of human resources in the overall national development context.

**The model of civil service** influences the development and implementation of HRD policies and strategies. A traditional, career-based civil service system limits the flexibility of HRD policies. In career-based systems, civil servants are hired usually based on university degree, academic credentials and / or civil service examinations. It is characterized by limited possibilities of lateral entry and a strong emphasis on career development. A system with other structural characteristics (position-based) is more flexible and resembles an employment tradition in the private sector. In this model, the focus is placed on selecting the most suitable candidate for each position.

**HRD shaping organizational strategy.** HRD role in the government institutions should be proactive in shaping the development of institutional strategies (McCracken, Wallace 2000b). HRD specialists should be involved not only at the implementation stage of the Strategy de-
velopment, but also in the formulation stage of the development of the Strategy. The most strategically matured governmental institutions have learning processes which actually enhance the nature and quality of organizational strategy.

**Senior management leadership.** HRD policy should be “owned” and appreciated by the leadership in the sense that they are actively involved in the development and are committed to the implementation of the HRD policies and strategies (Mabey 2002). This means that HRD is lead rather than simply supported by senior management (Harrison 1997).

**Supportive learning environment.** In a period of rapid change related to the implementation of the public management reform, the consequences of the challenges and changes mean that civil servants will have to be more flexible and undertake continuous learning rather than periodic training. The facilitation of learning and development can only take place in a supportive environment where there is a clear link between HRD and institutional strategy and learning is embedded into the life of a governmental institution.

**HRD integration and strategic partnership with HRM.** HRD is one, but pivotal part of a wider package of HRM activities; it is well integrated with HRM activities, to the extent that they are seen as one and the same (McCracken, Wallace 2000b). Required competencies and behaviours are generated by HRD, but it is crucial to sustain and reinforce them with the help of other domains of HRM – selection, appraisal, rewards and communications (Luoma 2000).

**HRD specialists as organizational change consultants.** There is a shift away from the situation where training is a primary responsibility of the HRD specialists and HRD becomes shared responsibility of line management, employees and HRD specialists (Buyens, Wouters et al. 2001). HRD specialists should play innovative and strategic roles and facilitate change. They should be proactive rather than simply reactive and see themselves in a central and strategic rather than peripheral and operational role (Garavan et al. 1999).

**Strategic partnership with line managers.** It is considered to be critical that actual HRD activities are carried out by line managers, while HRD specialists provide assistance and advice (Harrison 2002). This should help to close the gap between individual and organizational performance and in that way to improve the quality of HRD interventions (Gibb 2003). HRD activities are increasingly devolved to line managers they are expected to assume greater responsibility for developing their subordinates.

**Cost-effectiveness evaluation of HRD interventions** should take place, addressing whether the strategic objectives and needs of the government institution have been met and whether organizational performance has been improved through learning interventions. Evaluation should also provide a mechanism with which to secure champions of HRD amongst senior managers, line managers and HRM specialists. If senior management can see HRD specialists as business partners because they speak the same language and can prove that their contribution is worthwhile, then strategic HRD, as argued by McCracken and Wallace (McCracken, Wallace 2000a; 2000b), will emerge and develop.

**CONCLUSIONS**

1. It is evident that current approaches to HRD are insufficient to ensure the development of a new set of competences of civil servants and to create an enabling environment within governmental institutions that enhance the organization’s capacity to take on a large-scale learning process associated with fundamental changes brought by public management reforms. Thus, there is a need for a significant transformation of HRD responsibility to reflect the new demands and realities of the public sector.
2. The HRD system will be perceived as having a strategic value in the context of the public management reform only if it has the capability to develop a supportive environment for learning, where there is a clear connection between HRD and the strategic goals of governmental institutions, which in turn have been aligned with the objectives of the public management reform. Strategic HRD is a prerequisite for learning culture to emerge and for the learning organization to develop. Once strategic HRD is a reality, learning culture must also be in place. One element cannot exist without the other. Importantly, HRD is not anymore limited to training, but extended to facilitating and supporting learning processes within an organization, focusing on different forms of learning, including informal and incidental learning (Buyens, Wouters et al. 2001).

3. However, for strategic HRD to merge, several enabling characteristics are important, such as supportive national policy in the area of HRD, a flexible and merit-based civil service system, senior management leadership, a supportive learning environment, HRD integration and partnership with HRM, strategic partnerships between HRD and line managers. Also, HRD specialists should be able to play a role of organizational change consultants, and the cost-effectiveness evaluation of HRD interventions should be performed.

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References

Jurgita Šiugždiniene. ENABLING CHARACTERISTICS OF THE STRATEGIC HUMAN RESOURCE DEVELOPMENT SYSTEM
Santrauka

Straipsnyje aptariami viešųjų institucijų valdymo pokyčiai ir jų įtaka žmogiškųjų išteklių plėtrai. Siekiant įgyvendinti viešojo valdymo reformą būtina iš esmės transformuoti ir žmogiškųjų išteklių plėtros sistemą. Viena galimų žmogiškųjų išteklių plėtros sistemos modernizavimo krypčių yra strateginio požiūrio į žmogiškųjų išteklių vystymą diegi-mas. Remiantis atlikta analize nustatyta, jog strateginis požiūris į žmogiškųjų išteklių vystymą sudaro galimybę susieti žmogiškųjų išteklių veiklas su valdžios institucijų strateginiais planais bei viešojo valdymo reformos uždaviniais ir sukurti palankią mokymo aplinką, gebančią generuoti kompetencijas, reikalingas reformai įgyvendinti.

Pristatomos ir aptariamos esminės įgalinančios charakteristikos, kurios turi įtaką strateginio požiūrio į žmogiškųjų išteklių vystymą atsidimumui.

Raktažodžiai: žmogiškųjų išteklių vadyba, žmogiškųjų išteklių vystymas, viešojo valdymo reforma, valstybės tarnyba