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Shift! Major challenges of today's economy

Edited by

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**Shift. Major Challenges of Today's
Economy**

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Edited by

**Florina Pînzaru
Alexandra Zbucea
Constantin Brătianu
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POLICY IMPLEMENTATION AND HUMAN RESOURCE MANAGEMENT IN LOCAL ADMINISTRATION

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Abstract. *The efficient human recourse management is "conditio sine qua non" for a successful organization. Therefore, policy implementation, both on national and local levels, depends to the overall organizational performance of the administrative apparatus that reflects capacity of the human recourse management to support the policy making process. In means that local authorities should have capacity to determine appropriate strategies and to develop corresponding programs, sub-programs and implementation action plans. The focus of this paper is the impact of the local level human resource management to the implementation of the local policies, emphasizing the role of in-service training and continuity of knowledge and skills upgrading in local administration. Therefore, attitude of the local officials regarding the human resources management is crucial for the overall performance of local administration and effectiveness in implementation of local public policies. This claim is supported by research done over the sample of 200 local officials and public servants, regarding their training for policy design and implementation and their role in overall policy making process. Even the research resulted with finding that 80% of municipalities are equipped with competent people (from perspective of human resources management) and have established administrative units for strategic planning and policy, remains recommendation for continuity of training and education of local administration, including training of mayors regarding the policy making and strategic planning. Last but not list, policy evaluation usually is a missing link in the policy chain on local level. Consequently, developing policy evaluating capacity and establishing policy evaluation procedures on local level are imperative as well. Since 1999 in the Republic of Macedonia systematically has been initiated and implemented variety of projects aimed to public administration improvement, in general, and to human resources development and adjustment, in particular.*

Keywords: *human resource management; policy making process; decision-making process; policy evaluation; local government.*

Introduction

Policies are neither designed nor implemented out of blue. People of different knowledge, skills and values are those who are making policies, both on national and local levels. Real policymakers are people that perform different roles in policy making process. Some as a chosen to act as “government of the people, for the people and by the people” or, imposed by themselves, to govern and master the destinies of others without consent of majority. Many more serves as appointees in public office to run public affairs and to orchestrate the administrative apparatus consisted of thousands of individuals with invested authority of different kind to serves as public servants to citizens and to run day-to-day governance, including activities related to policy design and implementation (Wiersma & Jurs, 2005).

Effective governance means sound policy making process supported by corresponding human resources management. Why? Because policies not only reflects goals of the holders of key positions in both executive and legislative branch of government as principal policy players, but also reflects the ability of professionals in the administration to transform political goals into sound policies elaborated with realistic time frame and consistent procedures congruent to available resources and legal boundaries. To reach this point of satisfactory policy making performance precedes appropriate human resource management as a prerequisite in providing both expertise for policy design and evaluation as well as for administering policy implementation and monitoring (Shafritz, Hyde & Parkes, 2003; Le May, 2005).

In the context of governing and governance, human resource management is closely related to public administration. Public administration refers to the overall system of implementation of policies at all levels of government while human resource management might be considered as one of the pillars of public administration - the quality of human resources is essential for its proper performance (Stewart et al., 2006).

In Macedonia, decisions (approvals) regarding the compliance of the policies and strategic priorities are subject of deliberation by the Government on yearly basis (usually in March-April). Strategic plans have to follow guidelines of the Strategic Plans Development & Design Act (however, immediate supervision indicators & procedures are not stipulated by this act). Ministries and other governmental agencies are obliged to estimate the fiscal implications and to justify that the acts offered comply with the principles of efficiency and effectiveness (Risteska, 2006).

Administrative authorities in charge are developing above mentioned acts in regard to problem analysis done in advance, policy issue definition, as well as regarding the stated goals and objectives. This is the crucial in the respected authority endeavor to design particular policy. At this point it is important to stress the role of the variety of administrative authority actors in policy drafting with particular emphasis on transparency of the procedure, consultation with the stakeholders affected both on national and local levels, legal drafting, projections related to the organizational units in charge with the appropriate human resources, evaluation procedures, progress indicators, etc. (Petkovic, 2003).

The most of municipalities are semi-rural, bounded both with organizational problems that effects everyday life of the citizens. Most of them have neither sufficient staff nor appropriate offices. Officials, both elected and employed, are mostly inexperienced and needs training. Most of the new established municipalities are facing serious problems in urban planning, water supply, sewerage management, unpaved streets, environmental problems, etc.

Citizens' behavior regarding these problems is mostly inert, without faith that they can do anything serious to solve the problems. Financial sources are poor and quite insufficient. Due to the overall circumstances, the central government's support to these municipalities is very limited and insufficient. There is an association of municipalities, but it is mostly inactive and dominated by bigger municipalities that don't share the same problems as new smaller ones. In addition, communication among them is very poor.

All mentioned above is the reason why on 1998 was proposed a project on "Establishing Organizational Structures for Mutual Support, Networking and Local Administration Training for New-established Municipalities in the Republic of Macedonia". The goals of this project are: local administration & municipalities needs assessment; establishing INFO-base on data related to current problems and trends in new established municipalities; establishing network among officials from new-established municipalities; organizing necessary training for officials(both elected and employed) in new established municipalities (training in public policy, local/public administration, office management, and public relations); training citizens for grass-root initiatives in new-established municipalities; establishing organizational structures for mutual support of new-established municipalities; providing international links for new established-municipalities; providing consultancy and other expert services for these municipalities.

In addition to above mentioned goals, and having on mind multi-ethnic composition of many of these municipalities, we expect this project to serve as an inter-ethnic confidence building instrument in multi-ethnic society and to promote the concept of open society in practice, as well. More precisely, we expect this project to provide local authorities, regardless their ethnic background or political affiliation, opportunity to share information and ideas on "day-to-day" problems and dilemmas typical for new established municipalities, and to look together for finding solutions; to build civic awareness and to support civic culture and ethic; to promote sense of tolerance and mutual respect regardless ethnic or confessional background; to strength self-confidence and to promote critical judgment on public affairs; to provide citizens of different ethnic background an opportunity to communicate and express their views and ideas on common problems, to debate on them, and with joint efforts to look for a solution.

The objective of this project was to provide the Macedonian government with two elements: a diagnostic of the public administration which is: objective and non-partisan; thorough and complete; conducted from a management, rather than a normative perspective. Recommendations aimed at improving the management of the public administration and, in particular: governance structure and systems that

would be more supportive of the requirements of a market-based economy, and more inclusive and representative of all interests in the Macedonian society; speed and effectiveness of decision and policy making; quality of delivery of public services to all citizens. To question number one in that project of the level of fit of the Public Administration of Macedonia indicated that the organization, overall, was not adapted to the current turbulent environment.

This diagnosis does not relate to the policy decision made by the government but to the ability of the Public Administration to support the formulation and implementation of those policies. In effect, while the Public Administration has, in many areas adapted to its current environment, especially with regards to its efforts to move towards integration with the European Community, it has failed overall to succeed in meeting some of the critical challenges created by its environment (Kostov, 2005).

There are many manifestations that appear to undermine the organization's desire and aspirations to manage the challenges of the environment effectively, most notably: the absence of an incentive system for public servants that is supportive of a market-based economy; a stronger emphasis on ethnic as opposed to civic identity in the management and delivery of public goods and services; a lack of government wide understanding of policy challenges. The second question in that study was focused on the pressures related to continued ethnic problems; slow inflow of foreign investment which will delay economic development; attitudes and policies of western countries especially related to the transition towards a market-based economy.

Therefore, the Public Administration of Macedonia was not structured neither was it organized to meet and manage the current, nor anticipated challenges that will flow from the turbulent environment. This is indicated primarily by: the "politicization" of the Public Administration rendering it very difficult if not impossible to separate short term interests from long term objectives; lack of independent professional policy advice capability by the Public Administration; the ineffective crisis management capability, the lack of effective monitoring, evaluation and accountability mechanisms; and, the low morale of public servants.

The proposed recommendation to the Prime Minister of Macedonia was to undertake a major cultural change in the Public Administration. This cultural change would involve initiatives geared towards the three components of the organization, namely: improving structures and systems of the Public Administration (structure); reassuring and offering new challenges to individuals; altering the general mind-set of the Public Administration (culture) (Pecijareski, 2007).

These initiatives pursue three strategic thrusts: The first thrust - the strategic management of change. The enormity of the task at hand requires considerable leadership at the highest levels of the State, a strong commitment to the reforms and considerable upfront investment in terms of time and energy. It requires the articulation of a vision; it requires getting all public servants excited about a reform that will make their careers more interesting while at the same time

increasing the effectiveness and efficiency of the State. The second strategic thrust deals with governance management. This includes most of the changes in structures and systems required to establish effective relationships and decision-making.

Finally, the third strategic thrust regards service delivery. This is to provide first line operators with the service skills to deal with citizens; to provide first line managers with the instruments, tools and information to better serve citizens. organizing necessary training for officials (both elected and employed) in new established municipalities (training in public policy, local/public administration, office management, and public relations); training citizens for grass-root initiatives in new-established municipalities; establishing organizational structures for mutual support of new-established municipalities; providing international links for new established-municipalities; providing consultancy and other expert services for these municipalities (Berman et al., 2000).

In addition to above mentioned goals, and having on mind multi-ethnic composition of many of these municipalities, we expect this project to serve as an inter-ethnic confidence building instrument in multi-ethnic society and to promote the concept of open society in practice, as well (Jones & George, 2008). More precisely, we expect this project to provide local authorities, regardless their ethnic background or political affiliation, opportunity to share information and ideas on "day-to-day" problems and dilemmas typical for new established municipalities, and to look together for finding solutions; to build civic awareness and to support civic culture and ethic; to promote sense of tolerance and mutual respect regardless ethnic or confessional background; to strength self-confidence and to promote critical judgment on public affairs; to provide citizens of different ethnic background an opportunity to communicate and express their views and ideas on common problems, to debate on them, and with joint efforts to look for a solution. Findings of this research are much more interested if compared with diagnosis of study done 15 years ago, by Canadian SECOR and Sts. Cyril and Methodius University's Institute for sociological, political and juridical research from Skopje, Macedonia.

Methodology and research results

The focus of this paper is the impact of the local level human recourse management to the implementation of the local policies, emphasizing the role of in-service training and continuity of knowledge and skills upgrading in local administration. Therefore, attitude of the local officials regarding the human resources management is crucial for the overall performance of local administration and effectiveness in implementation of local public policies. This claim is supported by research done over the sample of 200 local officials and public servants, regarding their training for policy design and implementation and their role in overall policy making process.

Even the research resulted with finding that 80% of municipalities are equipped with competent people (from perspective of human resources management) and

have established administrative units for strategic planning and policy, remains recommendation for continuity of training and education of local administration, including training of mayors regarding the policy making and strategic planning (Mathis & Jackson, 2010).

Results of the research aimed to determine “participatory capacity and transparency of local authorities in decision making process (done by Law faculty of the University of Stip in 2015/16, among local authorities in the eastern macro-region of the Republic of Macedonia consisted of 11 municipalities) reflects personal experience of local managing stuff and public servants regarding above mentioned topic.

In addition to interviews with 50 mayors and senior managing stuff, survey sample was consisted of 144 local public servants, out of which 45,1% man and 53,5% female, 74,3% with university education, 71.5% employed in the last 10 years (period of governance of the same political party on national level). All senior managing stuff has university degree, but only 19.4% of all respondents are fluent in English. IT literacy is very high (only 2.1% stated that are not familiar with computers).

Asked if there are written document that guides drafts in decision making of the city council, 44.5% of respondents answered positive (67,4% also confirmed that stipulated decision making procedures are used on regular basis), and only 8.3% deny existence of such guidance in written. Strategic plans development is another topic that attracts attention in this research. Asked about planning procedures, 38.9% confirmed existence of distinct planning administrative unit, 45.8% were affirmative regarding strict strategic planning procedures and 51.4% confirmed that draft decisions and policies are developed by trained public servants (also 38.9% claimed that local administration is properly staffed as stipulated in the related laws and other local acts.

Established evaluation unit as a part of the local administration has been confirmed by 22.9% of respondents. In this respect, 31.9% confirmed practicing citizen`s satisfaction survey regarding services offered by the local administration and local government in general (in addition to internal evaluation of administrative responsibility and quality performance, claimed by 41.0% of respondents that is not supported by answers of only 29.2% that local government quality standards has been established), as well as surveys among local public servants aimed in gathering ideas how to improve overall administrative performance of the local government (45.8%). However, citizen`s satisfaction also is measured with a kind of ongoing survey with “citizens complains box” that guides further steps for administrative performance improvement (as positive practice pointed by 52.1% of respondents).

Regarding risk analysis, only 20.8% confirmed that it is practice performed by respectively trained public servants, result close to the answer regarding the motivation system for public servants (22.2%) supported with another answer regarding awards for public servants (29.9% said that ever has been awarded for their working attitude and achievements).As many as 62.5% respondents confirm

that human resources department (HRD) is active as a part of local administration, emphasizing (by 48.6%) that HRD are heavily involved in local administration training and knowledge and skill improvement.

Qualitative analysis of the interviews with mayors from his macro-region are presenting rather gloomy picture of reality on local level. However, mostly they point that their strong side is consisted of team work, citizen`s participation (even there are no unanimous opinion regarding this issue) and transparent decision making process. As a weak point was emphasized lack of expertise, heavy burden of big administrative apparatus and procedures and limited spreading of information.

Asked about the flow of policy making process, they point to 5-years plans of municipalities, to informal survey among citizens regarding the targeted issue (followed by formal Citizen`s gatherings) and finally, implementation of the particular policy. Coordination with the municipality Council is unavoidable (communication with the counselors regardless their party affiliation), followed by dye procedure stipulated by Law. Council`s committees have important role in the policy making process, even some of the counselors demonstrates lack of dye interest to participate.

Citizens are involved in policy making by their forums and target groups participation. Interviewed mayors were proud to stress that their offices are open for citizens all day long, pointing that biggest interest is about communal and urbanity issues. Interesting finding was that NGO and civic initiatives are marginal (if exist at all), and all initiatives of citizens usually are articulated through the so called "Neighborhood Community Councils" that are forms of urban or rural administrative units without status of legal entity and their own budget (for some of the mayors, their legal status and lack of own budget could not be accepted as an excuse for their passiveness). Business community was presented in positive as tangible support for the local community through donations or funding projects of public importance (Gerasimova, 2006).

Mayors did not say something nice regarding their cooperation with parliamentarians, since it is very poor (if exist at all), similar to their cooperation with local branches of political parties. Decentralization of authorities from the central to local level was stressed as a step in positive direction, even many of the decisions of the local authorities still depends on the approval of the designated central authorities and there no common perception nether of priorities nor for the very implementation process of the approved projects.

Transparency and accountability was very high on the agenda of all mayors, pointing personal communication, web page, open-for-public sessions of the Councils, TV and local papers as information platform for citizens. Special case in this regard is the budgetary process in all stages that attracts the most of the attention both of the counselors and the citizens. National association of local authorities didn`t gain a lot of credit by interviewed mayors. Common view among mayors was that much bigger budget is needed that will be supported by the

central government since there are very limited resources available on the local level (Wore, Miller, Wegener & Miller, 2003).

Answers of counselors differ depending if respondent is from the governing side or from the opposition. For councilors from the governing side approach in policy making process is equal for all but for the mayors (who has the highest responsibility and they are initiators of proposed policies), done in good faith for the benefit of citizens. For councilors from opposition reality looks much more different, pointing that basic communication is missing between two sides and citizens are subject of interest only before the elections. Another clashing view is regarding coordination between mayor and council. Even bigger is confusion who runs committee sessions – with or without experts, proposed by opposition, invited but absent.

Answers from both sides of political spectrum are closer regarding civic participation: council's sessions are open for public, but there are no interest among citizens. If there is any interest for a meeting with some of the councilors, they have designated reception hours but not at the premises of the City Hall, but at their party headquarters. Interviewed councilors confirmed that NGOs are marginal, realistically non-existing entities.

Regarding support from business community, according the respondents, from that end are coming more requests than support. Cooperation with parliamentarians, with local branches of political parties as well as with state authorities also is not satisfactory. Councilors expressed positive perception on "Neighborhood Communities" and their role on local level, including establishing separate budget for them. Further decentralization (however is wishful target) for them might be source of more problems since local communities are weak and could not support its own local government. There are no dispute regarding the transparency and accountability, including the budgetary process that includes and public debate over the proposed draft budget and the budget execution report. Again, National association of local authorities didn't gain a lot of credit (only "benefit" are the magazines that are sending to local authorities).

Conclusions and recommendations

In regard to the research results presented, the conclusion is that policy making process is not strictly following the policy procedures (Strategic Planning Methodology, Government of the Republic of Macedonia, 2007). Application in policy approach is, generally speaking, just virtual, present in documents that are describing flow of policy activities (Policy-making Guide, Government of the Republic of Macedonia, 2007). There is no appropriate policy legislation neither needed human resource support (in terms of trained policy administrators). However, in the Republic of Macedonia has been done variety of relevant projects related to effective policy implementation both on national and local levels.

It is more than clear that the key for understanding of overall policy process are the human resources as essential of the administrative setting (there is no good policy design and implementation with poor human resources capacity).

To get back to our research, the conclusion is that local governments in the eastern macro-region of the Republic of Macedonia (there are many reasons that this finding is applicable over the almost all the country) are not trained and equipped with expertise in the field of strategic planning, policy making (including policy evaluation) or human resources management. Mayors (as elected politicians) are not very much familiar with policy making procedures and policy analysis methodology, so they are not in position to give guidance to the local administration. Another problem is missing of administrative post “municipality manager” as a head of local administration (professional administrator with superior administrative knowledge and experience). In addition (or consequently) there are neither strategic plans as a base for local policies, nor information for the citizens and their participation in (nonexistent or implicit) local policies. Central government (of different reasons, with no clear criteria) is not very supportive to local authorities in terms of administrative process (where the central government is involved as stipulated by law).

Recommendation of this research is supportive to local strategic plans development and policy approach application, followed by hiring appropriately trained human resources (in strategic planning, policy making, financial analysis and human resources management). Consequences analysis knowledge and skills are also needed. Motivation of local administration is another open issue, both in term of motivation for personal professional improvement as well as for working attitude and achievements. So, in-service training of local public servants (with special emphasis on strategic planning, policy making and evaluation, financial analysis and human resources management) and establishing post of municipality manager as a head of local administration (supported by necessary budget), are another highlights in recommendations of this paper.

Last but not least, systematic civic involvement in local policy making (as directly affected) is baseline form good local government and prerequisite for success in policy implementation.

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