



## THE ROLE OF ORGANIZATIONAL INNOVATION FOR PUBLIC SERVICE REFORM IN ROMANIA

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**Abstract:** Many governments around the world, including the Romanian government, initiated public sector reforms a few decades ago. Reforming the public service and changing the organizational culture through innovative solutions have formed the focus of attention for the Romanian public authorities for many years. The present paper intends to offer an analysis that highlights the importance of the reform of the specific domain of human resources in public administration, whose contribution to the overall performance of this sector cannot be contested.

**Keywords:** organizational innovation; public service reform; public servants; management

### 1. Introduction

The necessity of ensuring and fostering the transformation of the current organizational culture within public administrative structures has been highlighted by the unpredictable and disruptive phenomena taking place at a global level which prevented public administrations throughout Europe to successfully accomplish human resources reforms. Many governments around the world, including the Romanian government, initiated public sector reforms a few decades ago. Reforming the public service and changing the organizational culture through innovative solutions have formed the focus of attention for the Romanian public authorities for many years.

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In Romania, the major issues, that represent some of the most challenging ones in public administration and public service management and that have been identified and documented by numerous studies in the field, are the following ones:

- the trend of public servants becoming older, which is particularly noticeable in 2019;
- the concept of “stability in the exercise of public office” is unclear to many civil servants, and it is sometimes confused with job stability;
- the trend of more temporary posts being held and the variation in the level of occupation of senior civil servant (SCE) positions;
- a high degree of demotivation among civil servants caused by a number of factors, including the existence of corruption cases in public institutions, nepotism, favouritism, the level of their salary, the lack of career development opportunities for civil servants in the executive civil service, inequality;
- the low level of trust that citizens have in public administration;
- limited participation of civil servants in training programs;
- an ongoing trend of politicization of the civil service, which was also mentioned in the Strategy for Strengthening Public Administration 2014-2020 (confirmed by Surveys carried out under contract number 49312/26.10.2023 for the implementation of Milestone 418 PNRR).

All these important issues have been included in the National Reform Plans of Romania along the years, but they persist and must be solved in much more effective ways. That is why they are also addressed in the National Recovery and Resilience Plan. The first initiative (Initiative A) of the Reform of “Human Resources Management in the Public Sector”, that forms an important part of the National Recovery and Resilience Plan (NRRP) of Romania, includes four “milestones” (Milestones 416-419) that establish a series of “interventions” to ensure a much-needed public service reform. To complement the NRRP, a public policy proposal in the field has been elaborated.

At the same time, models from the European Union (EU) and other EU Member States have been taken into consideration in the development of the public policy objectives for the implementation of the reform of human resources management in public administration, with the aim of establishing a more intricate grade structure for the career advancement path for executive civil servants, as well as ensuring

horizontal/rotational mobility for senior civil servants and senior management civil servants.

The complexity of the 21st century phenomena that public administration must cope with is very high, a context which requires radical and other forms of innovation to be applied especially in the field of reform of human resources management. The evaluation of the scientific literature in the field proves that the role of various forms of innovation and their impact and potential for transforming the human resources domain cannot and should not be overlooked.

## **2. Specific Goals of the Reform of Civil Service in Romania**

In the framework of the European Semester for 2023, several country specific recommendations have been formulated for Romania related to: the need to reduce the excessive government deficit and strengthen the fiscal system, to focus on the finalization of the new EUREPower chapter together with the request to reduce dependence on fossil fuels and accelerate the energy transition, and to consolidate the administrative capacity for the continued and rapid implementation of the NRRP (European Commission, 2023; NRRP, 2023). The proposed amendments to the NRRP included in the additional act do not affect the reforms foreseen in the plan, which respond to the recommendations made for Romania within the European Semester for 2023.

All amendments to Romania's NRRP, contained by the additional act, are based on the legal provisions laid down in Regulation (EU) 2021/241 of the European Parliament and of the Council, of February 12 2021, establishing a Recovery and Resilience Mechanism. At the same time, a new chapter REPowerEU has been developed in the amended NRRP, which is based on Regulation (EU) 2023/435 of the European Parliament and of the Council of February 27 2023, amending Regulation (EU) 2021/241 (NRRP, 2023).

The proposed amendments do not affect the objectives of the reform in the domain of human resources and the necessary steps to ensure a substantial revision of the management of public servants' career. In addition to the normative framework elaborated by the NRRP, a public policy proposal has been also created to guarantee the achievement of the overall objective of the reform, which is to ensure that the public servants' career is based on merit.

At the same time, the public policy proposal on the career management of public servants will serve as a guide for the future legislative changes that must be made,

according to the following provisions of the NRRP (Public Policy Proposal, 2024, p. 8):

- The structure of the career path for executive civil servants will be more precisely established and will be “more specifically compartmentalized” according to functional responsibilities and necessary competencies, beginning in 2025. The correlated aim is to improve the level of motivation, commitment, and performance in the executive civil service. In this sense, promotions will serve as a mechanism of identifying and rewarding the top performers, and professional grade promotion standards will be based more on a track record of accomplishments and competency and not on seniority at work.
- The implementation of a system of limited tenure and horizontal/rotational mobility for senior civil servants and senior management civil servants, starting in 2025. The development of such a practice is considered to contribute to the development and diversification of management and leadership skills that are based on demonstrating competences and achieving results. The necessity of a continuous depoliticization of public administration will be ensured by other ways of depoliticization of the civil service, especially for the category of senior civil servants. A first step has been made by the amendment of the *Administrative Code of Romania*, through OUG no. 4/2021 which made the positions of prefect and sub-prefect positions of public dignity.
- The establishment of time-limited mandates for senior public administration positions is another measure envisioned by PNRR. In managerial positions, term restrictions can improve attention on goals and outcomes, can boost action efficiency, and foster the growth and diversity of management and leadership abilities. To achieve this measure, there will be a correlation with the operationalization of the national competition, the realisation of the evaluations of professional performances based on the competencies needed for a position and the goals attained and the implementation of competency frameworks.

The provisions set in place to enhance the reform of the management system of civil servants are also in agreement with various models in use at the level of the EU's institutions and other EU member states.

Regarding the structure of career at the level of the executive functions, within the European Commission (Public Policy Proposal, 2024, p. 19) the career system is classified, according to the nature and importance of the existing functions or positions occupied, as follows:

- (1) the group of the administrators, comprising 12 grades corresponding to managerial, conceptual, research, linguistic or scientific functions,
- (2) the group of the assistants, comprising 11 grades corresponding to executive and technical functions,
- (3) the group of the secretarial and administrative staff, comprising 6 grades corresponding to administrative and secretarial functions.

The advancement in the next step or grade of civil servants in this system is established according to certain conditions and procedures. The promotion system for officials is based on a selection process, following a comparative study of merits that takes into consideration the evaluation reports and the number of responsibilities undertaken and it requires at least two years of seniority in the grade held. Concerning the conditions for career development, the advancement in grade depends on the establishment plan, given that the number of posts for each grade and group of functions is fixed annually, with merit-based promotion that ensures the availability of vacant posts needed for mobility (Public Policy Proposal, 2024, p. 19).

The notion of “mobility” is often interpreted and understood in close connection with those of “stability” and of “immovability”, but the immovability of the public servants has to be viewed as stability of their status and the right to a function and career, but not as the right to occupy the same position for an indeterminate period of time (Public Policy Proposal, 2024, p. 20).

The Romanian positive law has recently addressed the notion of “stability in public office” that is established and discussed by the scientific literature in the field (also known as “doctrine”). The recent amendments made to the *Administrative Code* by the *OUG no. 121/2023* provide some clarifications for specific situations, for instance when the law changes the conditions of employment of a public office and for situations determined by the reorganization of the activity of the public authority or institution (as referred to in Article 465 of the *Administrative Code of Romania*). These amendments prove that the notion of stability is interpreted in the sense of maintaining the civil servants in the corpus of civil servants, but not necessarily on the same post or position.

Recent studies promote a “healthy level of mobility” by which the public service capacity of achieving “strategic objectives” can be enhanced (OECD, 2023, p.11). At the same time, mobility facilitates that “workforce skills and competencies” are distributed to “emerging priorities”, whereas public servants are trained “to build

needed skills through varied and exciting careers" (OECD, 2023, p.11). Certainly, mobility does not equate "instability", and it must not be motivated by political reasons. Mobility is also viewed by some authors as an instrument of the "talent management" (Gerson, 2020).

The idea of rotation of movement of the public servants to occupy a variety of positions opens the way towards a more flexible career and towards the development of new skills which can also include the skill or competence to innovate. If the organizational culture of the workplace within public administration and the normative framework will be transformed to accommodate the idea that innovation is a "must-have" of the new stage in which public administration has to step or rather evolve to, then the public servants can certainly become more and more skilled at using creativity and innovative ideas in their daily activities.

### **3. Innovation of the organizational culture at the core of human resources management**

Human resources management can be regarded as a "philosophy" about how people should be distributed and coordinated within the organization, considering their skills and characteristic features, but also their needs and aspirations. This degree of complexity is increased in an organization pertaining to a system with a complicated sets of rules and a rather rigid hierarchy of functions and positions which leaves little room for creativity and innovation. But the fact is that the pressure exerted by the unprecedented events taking place in its environment forces public administration organizations and structures to find ways to adapt in different and faster ways that it did before.

The first to respond to this kind of pressure is the management tier. The only manner in which an organization can adapt and respond to various problems is by progressively changing and transforming, increasing its flexibility and building its capacity to react more rapidly and even predict some of the changes impacting its performance. This capacity is heavily dependent on the human resources and their skills, as well as on the organizational culture of that structure of the public administration. Considering its significant role, we can define the organizational culture as set or system of "values, norms, beliefs, attitudes and assumptions that may not have been articulated but shape the ways in which people in organizations behave and things get done" (Armstrong, p. 120). This unique "pattern" or configuration provides a "shared system of meanings that is the basis of

communications and mutual understandings" (Furnham and Gunter, 1993, pp. 70–71). These definitions emphasize its importance and the ways in which it is a pervasive "idea" that influences people's behavior and must be considered as a factor in any program for developing organizations and HR policies and procedures (Armstrong, p.120). It is understood that creating more adaptability and increasing performance as the result of integrating new values and beliefs and placing the public servants' motivation at the center of organizational culture can have strong positive effects on the development and transformation of that organization.

The European Commission highlights the importance of introducing new values within the workforce culture of its services. In its "New Human Resources Strategy" (2022), the Commission presents its vision of "a positive working culture" represented by values like "trust-based management", "inclusiveness" and promoting the "well-being" of its employees. There is also an expressed commitment to the promotion of a "work philosophy" consisting of "collaboration and creativity", "modern" and "more flexible structures, systems and processes", "a more modern approach to performance management", "a comprehensive approach to staff physical and mental well-being" and a "working environment" that is "discrimination free" and allows staff members to reach their "full potential" (European Commission, 2022, pp. 1-2). To set in place such a vision, the Commission considers compulsory to provide managers with "more tools, guidance, training and expert support to help them manage staff, build and lead multicultural teams, [...] manage conflicts and sensitive situations" (2022, p. 2).

To fulfill its goals, the Strategy is endowed with three major priorities, namely: "attractiveness", "selection and recruitment" and "career prospects". To support them, there is a fourth one, a "cross-cutting" priority: "review and simplification of Human Resources processes" (European Commission, 2022, p. 3).

To accomplish the "attractiveness" priority, the Commission will create and implement a new "fit@work program" that will endorse a culture based on a healthy work-life balance. This new program will also put a strong emphasis on improving the appeal of the workplace by establishing an inclusive, sustainable, collaborative, and flexible work environment. To apply the measures that aim to make the procedures of "selection and recruitment" modern, faster and more flexible, the Commission will collaborate closely with the European Personnel Selection Office. For the third priority, "career prospects", the Commission will encourage a culture of high-performance and independence for each member of the staff who will have many opportunities to best use and develop their skills and knowledge. Every person will receive specialized assistance, chances and training to have a fulfilling

profession. The “cross-cutting” priority, that intends to simplify the Human Resources processes, is based on very simple, yet powerful principles, such as: transparency, “once-only” way of collecting data, clear and “user-centric” procedures, less complicated or lengthy procedures.

There is no doubt that the European Commission is orientated towards creating and setting up a very innovative organizational culture within its services. The underlaying ambition is to create a European administration that is green, more flexible, modern, capable of foresight and of using the newest technologies, in a single word, a “frontrunner” in the process of transformation and upgrading towards the public administration of the future. The member states and all the more so, Romania, still have to make radical changes to assimilate the values that promise to change public administration and its workforce from the ground up.

#### 4. Conclusions

Scientific literature in the field as well as European Commission’s activity and strategic vision acknowledge that the working staff is the most valuable resource for accomplishing the goals of a modern, flexible and smart public administration capable of adaptation and foresight, in a continuously changing and complex environment. As in other domains of activity, the European Commission has elaborated a clear and comprehensive strategy that will strive to create a very attractive working environment for all the talented persons who aspire to have a fulfilling profession at the service of the European administration. In order to guarantee that the Commission can continue to draw in the next wave of talent, this ambitious plan seeks to adopt simplified and faster work procedures. The plan aims to eliminate organizational obstacles and guarantee that human resources procedures and services are efficient and adaptable.

Romania has made efforts to change and adapt to the requirements of a more modern and more intelligent management of human resources in the administrative structures. The steps taken follow closely the recommendations received during the European Semester of 2023 that have been introduced in the additional act to the NRRP. The modifications and completions of the current legislation, mainly the *Administrative Code of Romania*, aim at creating the necessary framework for the elaboration and implementation of a merit-based management and organizational culture within all administrative services. Public servants, and public administration as a whole, need a more modern and refreshing perspective that will enhance the



transformation process of the public service and its transition to an improved, “smart” and more of a 21<sup>st</sup> century version of itself, as expected by all citizens.

The obstacles on this road cannot be overlooked, but by a sustained collective effort and by using the good practice examples in the field of innovation, offered by the EU and the Member States, Romania could really step up its performance and make a significant progress.

It is a known fact that collaborative innovation brings solutions to issues that affect public administration and citizens alike and that its goal is to improve the well-being and the quality of life for all, manifesting itself as an incentive and as a motivator to keep up the good work towards the realisation of the best possible version of a certain reality.

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