# STRATEGIC HUMAN RESOURCE MANAGEMENT. A MILESTONE FOR INTEGRITY BUILDING IN PUBLIC ADMINISTRATION

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**Abstract:** *Public administration is more often than not a much coveted haven that provides safe and secure jobs along with long life employment especially in countries where reform in the field has not been yet undertaken or where it has failed to produce envisaged outcomes. In such cases, bureaucracy and underfunding are the most common malaises impacting the field and generating integrity issues such as nepotism, cronyism, and misappropriation of funds, to mention just few. Additionally, even in countries where reforms have been undertaken and reported successful such as UK and USA, the business oriented approach to public administration in its turn was found to be afflicted by undesirable effects such as difficulties with internal effort coordination and cohesion, as well as "a weakened public ethos within government" (Gerhard Hammerschmid et.al: 2016, 2). The premise underlying this article is that streamlining public bureaucracy and building integrity based frameworks require a strategic management approach at organization level. Consequently, among other initiatives in this respect, strategic human resource management approached from the perspective of governance principles and values may contribute to the transformation of public administration transformation, and hence to allowing efforts in this field to truly become means to ends and not just an end in itself.*

*Keywords: public ethos; strategic human resource management; integrity; governance*

## 1. INTRODUCTION

Integrity building in public administration from a strategic viewpoint involves, according to the Organization for Economic Cooperation and Development (OECD): a national system consisting of a number of institutions mandated and assigned to design and implement integrity related policies: a monitoring and evaluation framework aimed at reviewing the effectiveness and impact of the policies in the field; and assessments of integrity risks at national level along with internal and external control mechanisms for mitigating these.

Such a high level approach to integrity building is a two-edged sword. On one hand, it guarantees an important rationale supporting further efforts of breaking the concept down and introducing integrity building initiatives into the framework of public administration, and mandates efforts in the field. On the other hand, such a topic may be sensed by the managers tasked to peruse it and implement it at the level of the organizations they run just as additional bureaucratic burden that imposes a compliance framework. This is the case especially when the integrity building initiatives

are top to bottom generated: that is they are recommended from the outside of the national system as part of accession goals to international organizations such as the European Union (EU), or result from development needs that can only be met by complying with the requirements of funding institutions like the World Bank, United Nations (UN), OECD.

Human resource management (HRM) requires a strategic perspective when employing it as one of the milestones along with budgeting, financial management, procurement in building integrity. Furthermore, in such a capacity, strategic human resource management involves taking a system's view on the HR functions so that development, implementation and/or management of activities undertaken in any HR functional area from an integrity perspective can be overseen and approached in an integrated manner. What is more, this article contends that for integrity building strategies to fully contribute to a specific public administration function, the system of strategic management and, henceforth, its sub component of human resource management, need to be approached from an open-system perspective. That involves encapsulating the foreseen impact of

factors from an organization's external environment in the strategic documents and thus deriving core directions and translating these into ensuing policies, norms, rules and regulations.

## 2. IMPLICATIONS OF A STRATEGIC MANAGEMENT APPROACH TO INTEGRITY BUILDING

An open system approach to strategic management and, inherently, to strategies related to pivotal domains of an organization in the public sector (i.e. financial, human resource, procurement), incurs three important directions: a thorough analysis of the trends in the external environment and their impact on the likely course for long, medium and short term; a translation of this analysis into the strategic documents that set the overall direction of a given organization; acknowledgment of the interplay among the key elements of any organization (structure, tasks/processes, technology and people), and the reflection of how these relations work in the final outcome, which in the case of public institutions is public trust. These interdependencies are reflected in the figure below and we will discuss them in relation with how they can or are approached from an integrity perspective.
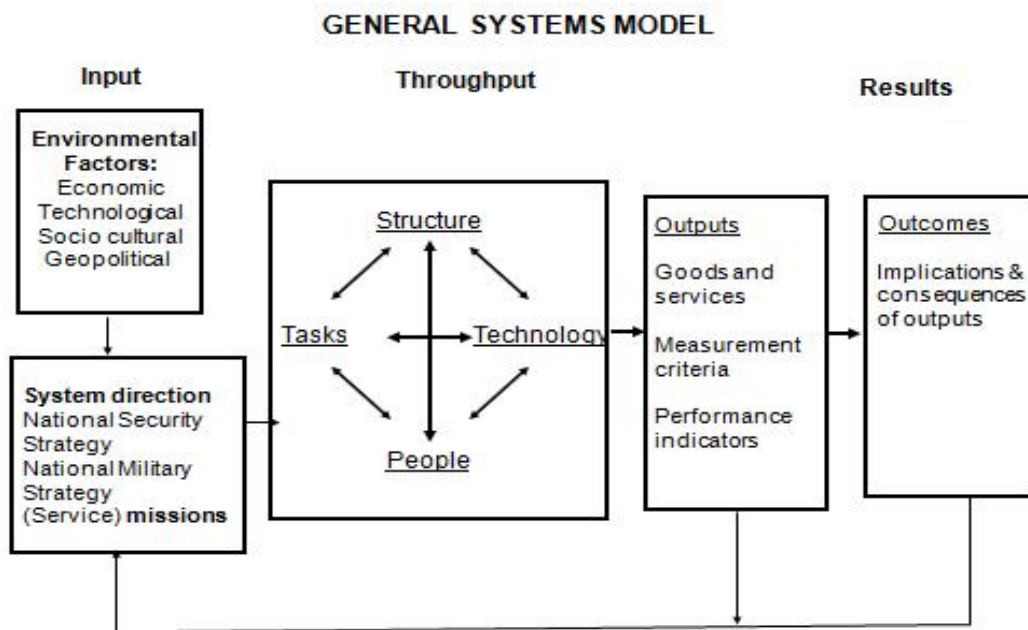


Fig.1. A general system model on strategic management

Even though it is quite difficult and dangerous to make generalizations in relation with the environmental factors that impact the strategies of a given organization, there is extensive research and practice that allow us to make valid statements related to these aspects and show how these also impact integrity initiatives.

First, international economic trends and a country's economic development have an important impact upon the amount of resources allocated to organizations in the public sphere and hence to their capacity to fully meet their strategic goals. What is more, for integrity initiatives to be implemented properly resource allocation is mandatory and it concerns: the set-up of specially designed functions within the structure of the organization; enabling these through adequate resourcing (financial and human) to review existing processes from an integrity perspective and redesign these to meet governance principles and values; providing education and training for people to master the reviewed processes and enable them to uphold governance tenets; and identifying and implementing technological solutions meant to streamline organizational processes and make them functional in accordance with governance tenets. Unfortunately, more often than not a compliance-driven framework for integrity building renders the false impression that integrity is just about more bureaucratic hassle to produce tracking and documenting reports that in the end are archived for auditing purposes. Under such conditions, budget strained institutions are rather likely to pay lip service to integrity initiatives.

Second, the influence of technology nowadays is tantamount. Its contribution to delayering

organizations and rendering their work more agile is already a fact. What is more, the extensive use of technology supports better fulfillment of management traditional roles like planning, monitoring and controlling, but also of those roles technology advancement itself imposes like maintaining a continuous and open dialogue with internal and external stakeholders and employees. The principles of good governance, either core or pivotal - as described in the previous chapter- are endorsed by the use of technological gains. For example, the goal of achieving transparency can be accomplished both in relation with external stakeholders by providing them with relevant information via websites or specially designed applications, but also in relation with an organization's employees and internal communication of organizational requirements, goals, work-in-progress, achievements. The employment of cross-functional technological solutions that follow the logical course of an organization's tasks and depict its processes adequately allows employees to work in an integrative manner and take action in real time should bottlenecks occur along the way. If used appropriately and in alignment with an organization's culture and climate technology becomes an important long-term cost-effective solution for ensuring a balance among the roles and responsibilities of employees, the structure of the organization and the processes that make its fabric. Should the place of technology be obscured in the figure above, it leaves room for extensive growth of organizations in terms of structures and number of people (should the latter be possible under obvious resource constraints imposed by budgetary allocations depending on economic growth and the role played by the organization within the overall public system), slowed pace of decision making as a result of numerous checks and balances established along the way or as a result of power hunger of functional areas, and in the end poor responsiveness to public needs.

Third, socio cultural aspects play a vital role in the ease or difficulty with which integrity as a concept is perceived and hence implemented in public institutions, but also in the private sector. The discussion on this matter involves a lot of considerations. However, for the purposes of this article, Transparency International's National Integrity System (NIS) approach (Heywood, Paul M, Heather Marquette Caryn Peiffer, Nieves Zúñiga: 2017) best reflects the impact social values have on the success of implementing integrity initiatives. Thus, according to this, public

awareness and social values lie at the basis of the governance system of any country (i.e. "legislative, executive, judiciary, public sector, law enforcement, electoral management body, ombudsman, audit institutions, anticorruption agencies, political parties, media, civil society and business") and are supported by three key principles: quality of life, sustainable development and rule of law. In cases when the principles hold little value to the authorities and the public is prone to struggling with daily menial difficulties to ensure individual and social group survival, values are weak and the public is indifferent to higher ends like integrity. What is more, as Van Deth and Scarbrough (1998:2003) note social values evolve and nowadays there is a shift from traditional values like respect for authority and preoccupation for material achievements to independence and self-fulfillment.

Last but not the least, geopolitical trends like shifts from ensuring global equilibrium through military power to maintaining it via economic measures and soft cultural changes generated by Internet-based communication networks; changes from a bipolar world to the emergence/ revival of multiple power centers; large-scale immigration (Cohen & Saul Bernard, 2009) require more than ever institutional and value-anchored pillars to sustain efforts meant to ensure stability and sustainability in a volatile, uncertain, complex environment.

All of the above considered, it becomes obvious that an organizations' strategy is under the influence of a lot of external pressure, not to mention the feedback loop from the organization's outputs and outcomes area (as presented in Figure no. 1) informing on whether previous strategic statements and the ensuing approaches have paid off. If in the private field the outputs and outcomes are tangible enough and hence can inform future strategic direction in a quantitative manner, the adequate identification and measurement of the outputs and outcomes characteristic of public administration is essential to formulating value-adding strategies. Therefore, in this respect, we contend that even though quantitative measurements convey the needed clarity on the extent to which strategic goals are achieved (for instance quantifying institutional transparency through measures like number of sanctions for not complying with obligations related decision-making transparency, the existence of a plan on transparency at the level of public agencies, number of measures on transparency included in such a plan, etc.), for integrity building initiatives

to succeed qualitative measurement is quintessential to turning a compliance system into a value based system. In the next subchapter we provide two such examples based on which we derive a number of principles that contribute to making integrity part and parcel of strategic human resource management. The examples come from a very narrow field of public administration, namely the defense system. The first is meant to illustrate the inherent difficulties raised when integrity initiatives are piecemeal and are only implicitly assumed at the level of the strategies concerning human resources. The other two examples briefly present the advantages of making integrity or its principles and values an explicit strategic requirement for managing defense personnel.

## 3. THREE EXAMPLES OF APPROACHES TO INTEGRITY BUILDING IN RELATION WITH HUMAN RESOURCE MANAGEMENT

In Romania the approach to integrity building has been narrowed and focused on preventing and fighting corruption ever since the country's pledge to comply with European Union standards and regulations in the field and hence gain access to the EU in 2007. Therefore, the corruption theme prevails in the national strategic documents. As far as integrity as a standalone concept is concerned, it does not translate in explicit statements. It can only be inferred from the general declarations concerning how, for example the human resource management system should be treated, how integrity related principles and values like transparency, efficiency, accountability are to be measured, or how education and training in integrity areas (i.e. ethics and anti-corruption legislation) and public awareness activities can be quantitatively evaluated. The strategic documents and the main findings of concern for the goals of this article are listed below as follows:

− *The National Anti Corruption Strategy 2016-2020* - is the capstone document endorsing the activities of central and local public authorities and institutions, as well as of public enterprises in relation with corruption prevention and countering. From this perspective, its role is to "promote integrity via rigorous application of normative and institutional framework" in this area. The values it upholds are: political will; integrity; public interest supremacy; transparency. An important feature of this strategy is that it is correlated with other policies and strategies like: Romania's National Defense Strategy - which acknowledges corruption as a risk and vulnerability; National Strategy on

Public Procurement; National Strategy for Competitiveness; The National Strategy for Romanian Digital Agenda 2020; The National Strategy on Public Administration Consolidation, etc. Its tangible result at the level of its target audience is the mandatory development of integrity action plans that focus on risk management and standards concerning internal managerial control.

− *The National Defense Strategy 2015-2019*, in Chapter III on threats, risks, and vulnerabilities acknowledges corruption as a vulnerability that undermines the state and its development prospects, its economy and good governance, the decision-making processes that seek to benefit citizens and communities, as well as the trust in the rule of law. Moreover, corruption also negatively impacts Romania's image and credibility in its foreign affairs relations.

− *The Defense White Paper (2017-2020)* is the defense planning document that translates the provisions of the National Defense Strategy into defense policy objectives. The outcomes it establishes as key features of the Romanian Armed Forces system for the 2017-2020 time line are coherence and credibility. As far as the human resource management system is concerned, this is approached as one of the elements contributing to an integrated defense management system along with the defense procurement system, financial resource management, defense research, development and innovation management system, and defense infrastructure management. The concept of integrity is presented in the document rather implicitly through direct or indirect variables like: the quality of the human resource selected as defined by established standards (i.e. these are actually presented in the Minister's Order Nr. M.30/2012 of 21 March 2012 endorsing the *Guidelines on the recruitment, selection professional development and career management in the Romanian armed forces*); a career management system based on professional competencies, a meritocratic selection system, predictability and transparency in relation with career progression; professional competency as the main driver for transforming the military educational and training system and military personnel quality of life.

− *The Military Strategy Of Romania - Modern Armed Forces for a Powerful Romania within Europe and Around the World* - reiterates the need for a qualitative (and also quantitative) approach to filling vacancies, the focus of the selection process on finding the people with the "qualities, capacity and desire to contribute to the national defense

effort", the contribution of education and training to morale and willpower development, as well as to supporting values like "cohesion, discipline, patriotism, and spirit of sacrifice", the need to align the management of human resources to "best NATO practices and to consequences generated by the new security environment". It also acknowledges, similar to the Defense White Paper, the need to improve military personnel quality of life for morale reasons and as a means to acknowledge their contribution to the defense system.

The conclusion that ensues from this overview of strategic documents that impact the outlook and approaches to human resource management in a specific field of public administration like the defense sector is that this framework is by no means compliance driven. As such, it does not provide a clear-cut path to making integrity part of daily values and practices, unlike some other documents from countries where integrity is an already established field of action.

An example of how integrity as part of a value based framework is reflected in strategic documents that drive the approaches to human resource management is the 2016 Defence White Paper of the Australian Department of Defence. The latter makes clear reference to the important role played by integrity and observance of ethical standards to building a responsive defense culture. Additionally it indicates some of the mechanisms made available to manage what is termed as "unacceptable behavior":

> …Defence must operate to the highest ethical standards in leadership and management for all people in Defence. This means acting with fairness and integrity, promoting diversity and inclusion, and maintaining a zero tolerance stance towards unacceptable behaviour. The strength of Defence's leadership model and its ability to adapt and embrace a more diverse and inclusive culture will be critical to attracting and retaining the workforce it needs for the future….
> Over the last four years, Defence has established the Sexual Misconduct Prevention and Response Office; released the ADF Alcohol Management Strategy; established mechanisms to increase diversity and inclusion within leadership groups and Defence more broadly; conducted Defence-wide discussions on values and behaviours; delivered Defence education and training programs informed by agreed values and behaviours; and enabled expedited corrective processes by simplifying responses to, and management of, unacceptable behaviour."

In our opinion, the text above presents some of the key aspects that allow for integrity building initiatives to be properly implemented and these are: consensus on accepted and acceptable values and behaviors; the dissemination of these through education and training; simplified decision making processes that allow for on time reaction to what is considerable unacceptable. Another important point that needs to be made is that the very phrase "unacceptable behavior" allows for the definition of integrity to acquire the necessary depth and breadth that go beyond its mere association with corruption.

Another example in the same line comes from the United Kingdom defense sector and its operating model: How Defence Works, Version 4.1. as of 1 December 2015. Compared to one of its earlier versions (Version 3.0: December 2012) which stated that the goal of obtaining the best from UK defense employees can be achieved by

> aiming to fill posts with the right person, with the right skills, for the right length of time, and by building the right leadership, values and behaviours throughout Defence.

the 2015 version highlights a number of pillars that contribute to achieving this desideratum: simple structures; delegation of responsibilities in a fair, transparent manner and to those who are deemed able to fulfill them in the best manner; leadership skills that cover both organizational and business related matters; focus on innovation and efficiency with a view to eliminating redundant processes and bureaucracy; and mentality and behavior that serve the best interests of the Defense establishment. What is more, the Concept makes reference to the defense employees, namely military and civilian personnel, reserves, contractors as a "whole-force concept" that needs to be managed strategically.

## 4. STRATEGIC HUMAN RESOURCE MANAGEMENT (SHRM): BASIC TENETS FOR THE SUCCESS OF INTEGRITY BUILDING STRATEGIES

A strategic approach to human resource management in relation with integrity building in public administration involves first and foremost an internalization of the principles and values defining the concept of *good* governance. For example, an organization where transparency of work processes, of information of interest for work execution is obliterated by secrecy, "silo"

mentality cannot act transparently in relation with its external environment. Furthermore, if performance within the organizational framework is focused on outputs, an outside requirement for effectiveness cannot be properly met because of unawareness of how all outputs contribute to the final outcome. In this respect, some of the basic tenets ensuring the success of integrity building strategies are derived from overlapping the

strategies characteristic of the functions of HRM and their supporting policies, processes, practices, programs with the good governance principles. For a better understanding of this, the figure below offers a synthetic view of the main functions of the human resource management system, its relation with the management of the organization as an overall (i.e. design, development, job/role design) and the interdependencies among these.
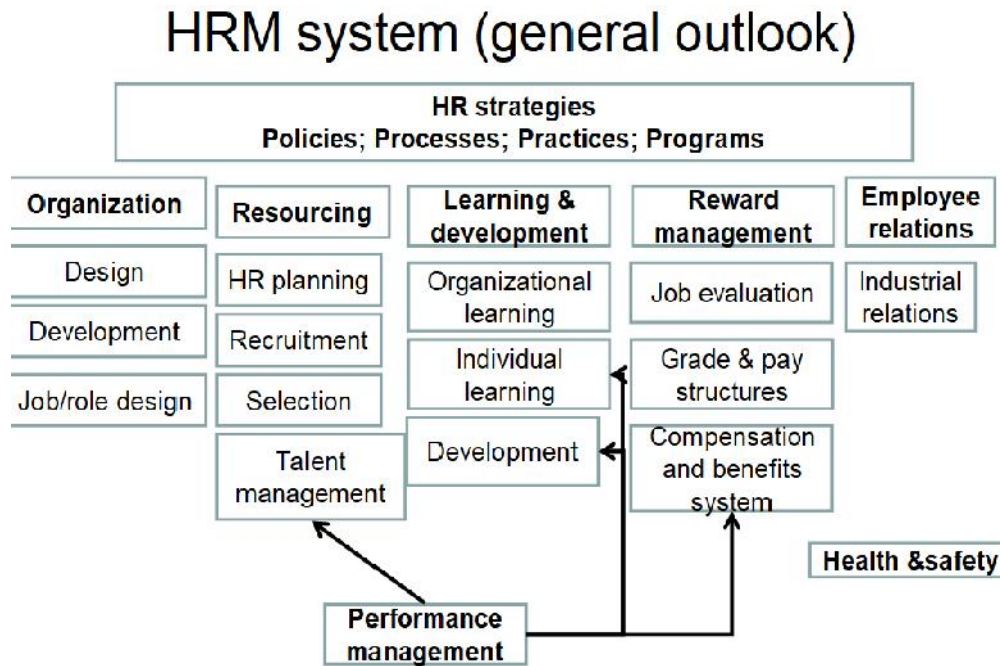


Fig. 2. A general outlook on the Human Resource Management System. Adapted from Mathis & Jackson (2008)

The tenets which can be identified based on the sketchy presentation of the HRM system above and the governance principles underpinning public administration reform in developing countries are as follows:

− Accountability described as clear roles and responsibilities, decentralization, degree of autonomy in decision making is the backbone of organization management and lays the foundation for the integrity of the processes that are part of an integrated system of HRM.

− Coherence/strategic vision ensures consistency of effort over time, strengthens accountability and thus renders unity of effort.

− Effectiveness in terms of need based requirements drives the organization function of the HRM system, as well as the resourcing, the learning and development and performance management functions of HRM

− Responsiveness of all HR processes in terms of timelines of action and responsibility in the "letter

and spirit" contributes to strengthening the outward focus of public organization onto outcomes like public trust and credibility.

− Accountability in the form of performance qualitative and quantitative metrics related to action/non-action is the key to performance management strategies.

− Internal transparency concerns the supply of complete and usable information in relation with the learning and development opportunities and requirements, reward management strategies as derived from the performance management framework and it also underpins employee relations, as well as health and safety issues.

− The values derived from the principle of rule of law: fairness, honesty, enforceability, competence, respect for law and equal treatment are paramount to guiding employee relations and are enforced by the adequate management of the inherent processes of resourcing, learning and development, performance management, reward management.

The management of human resources (HRM) and its contribution to outputs and outcomes is one of the tell-tale signs of the strategic direction taken by an organization. Consequently, the role of HRM is not only to support strategy, but also to adequately reflect it at the level of its specific functions: planning, recruitment, selection, induction, learning and development, career management, compensation, performance management, labor relations, retirement and post employment actions.

In conclusion, human resource management can act as a strategic booster of personal and organizational integrity if it is approached as a whole (i.e. the functions are treated in an integrated manner with full acknowledgement that changes in one generate ripple effects in the others as partially hinted at by the relations depicted in Figure no.2). Moreover, the HRM system is but a part of a larger system (as described by Figure no.1) whose consistency is rendered by observance of governance principles (doing the right things), moral standards (doing things for the right reasons) and process based decision making (doing things in the right way) (Heywood, Paul M, Heather Marquette Caryn Peiffer, Nieves Zúñiga:2017).

Moreover, an open system perspective on the strategic management of public administration organizations and inherently on the management of their human resources acknowledges the need for coordination among horizontal and vertical decision-making layers inside and outside an organization since any one decision in one area greatly impacts the course of action in others in a given time frame. As far as building integrity initiatives are concerned, it is of utmost importance to adapt and align an organization's integrity strategy and framework to the overall integrity framework established at national level while also ensuring internal coordination among integrity structures, processes and instruments. System openness thus allows for cross-cutting principles and values underpinning integrity to become stronger, if they are already in place, or to permeate organizational climate by enforcing the values that make the "moral compass" of a specific agency.

## 5. CONCLUSIONS

Regardless of the arguments underpinning the efforts to introduce or strengthen integrity within public administration, there are some key elements of the concept that need consolidation via the specific strategies, policies, rules and regulations aimed at implementing it. These are(Heywood,

Paul M, Heather Marquette Caryn Peiffer, Nieves Zúñiga:2017): consistency of behavior both as part of regular patterns of conduct and when confronted with ambivalent situations that require action and proof of moral commitment; cohesion between vision, mission and specific policies; coherence between established goals and the means made available to achieve these; morality of the decision making ensured by placing public interest and public good at the core of the process; and integrity lies in the processes that contribute to establishing policies in the field and to running organizations.

All this considered, this article purports the following:

1. For integrity building initiatives and strategies to succeed, they have to be integrated in the strategies of the key pillars of a public organization: human resource management, financial management, procurement management and in the specific decision making processes normatively and behaviorally on one hand, and hence, quantitatively and qualitatively on the other. That allows for two interconnected approaches to the implementation of integrity initiatives: a horizontal one among area specific strategies that enables weighing in an informed manner the decision making processes concerning resource planning and allocation, and a vertical one down the specific functions of a given domain that ensures sound and thorough implementation of strategic decisions.

2. Strategic human resource management is one of the milestones and not *the* milestone to integrity building strategies in public administration. In the absence of an already established, coherent and working integrity system at national level supported and strengthened by the political level on long term regardless of affiliations and agendas, any attempts at implementing integrity at functional level is bound to fail.

3. Strategic human resource management is not solely the attribute of human resource managers, but the conundrum that needs to be solved by senior managers and implemented by middle and line managers. Therefore, when the pieces of the puzzle are not properly assembled at strategic level, making them work at lower levels of decision making can only generate faulty outputs and outcomes. What is more, managers regardless of their level and functions they run need to juggle both with the "behavioral complexity" and "moral complexity" posed by internal organizational environment and external political, social, economic, technological, legal, environmental

drivers. The responsibility of managers also lies with the type of focus required of them by the nature of the organization they run and hence by the sometimes conflicting roles they need to perform inside the organization and in relation with its external stakeholders. On one hand, managers are concerned with responsibilities like monitoring, controlling, coordinating their organizations' inside processes and their conformance to norms, rules, regulations, standards, etc.. An exclusive concern for these roles yields what is usually known by the name of "by the book" manager type of behavior and most likely to accountable behavior on behalf of the employees. However, the downside of the exclusive focus on what is and can be documented may lead in the long run to undesirable behaviors like: non-commitment outside the "by the book" approach, a silo mentality, lack of cooperation for the "greater good" while sticking to the exclusive cooperation required by hierarchy.

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