Andriana Skerlev-Chakar, PhD

Agency for Audio and Audiovisual Media Services

skerlevcakar@gmail.com

NEW TRENDS IN IMPLEMENTING ORGANIZATIONAL CHANGES IN THE PUBLIC ADMINISTRATION IN THE REPUBLIC OF MACEDONIA - THE PARTICIPATIVE CONCEPT

Abstract

Successful implementation of organizational changes in public administration is key to increasing the effectiveness and accountability, as well as the performance, of public administration in the Republic of Macedonia. It is the modernizing agenda for change which reflects the civic and social aspirations of Macedonian public administration to equal the quality and competitiveness of the best performing EU administrations.

New methods are needed to manage the organization of public administration. The application of an appropriate participatory concept for successful implementation of organizational change in public administration as a prerequisite for greater efficiency and accountability, encourages the public sector employees to participate in organizational change. It is argued that this can lead to a welcome reduction in the impact and influence of the state on these activities by developing the professionalism, expert knowledge and accountability of public administration in the Republic of Macedonia.

This requires political will as well as specific legal amendments, to ensure successful implementation of a participatory style of management in public administration. In applying an appropriate participatory concept of participation, decision making is not separated from the process of organizational change, but is an integral part of the employees' activities. This transfer and devolution of the decision-making power will leave senior managers free from the burden of making controversial decisions while retaining strategic direction. Sharing responsibility for organizational change with employees directly involved in its

implementation will reduce overall costs, increase the efficiency of the planning process, make it more rational and responsive to all parts of the organization, and reward and incentivize staff with opportunities for advancement in a better functioning organization which they have helped create.

Keywords: participation, employee perception of the style of management, public administration in the Republic of Macedonia

INTRODUCTION

Nowadays, there is virtually no segment of citizens' lives that is not brought into some kind of correlation with a certain government authority, state organ, or body of the public administration. To understand the aspect of organizational changes in terms of public administration, it is necessary to review the basic considerations of the meaning of the term 'administration'.

Starting out from the contemporary understanding of the term 'legal state', public administration carries out its social function as a regulator of the processes in society. In the complex and dynamic conditions of modern living, public administration is actually the organizational infrastructure that disposes of extensive expert knowledge, human potential and material resources for an efficient social regulation. At the same time, the growth and development of the role of public administration as an instrument of social regulation diminishes its role as an executor of the political power and coercion, which directly affects its overall activities, i.e. the work of public administration in general. Hence the conclusion that, in order to be able to answer the needs of time, public administration as a complex system of human cooperation and regulator of the social processes needs substantial transformation in terms of three significant changes: organizational, process-related, i.e. procedural, and ethical. (Milenkovic, 2009). As regards the models of administration, Dimitrijevic identifies, in general, two models of administration: the model of administration as a state administration and the model of administration as a public service. In his view, today one can perceive a third model, what is called the "new public administration" (Dimitrijevic, 2008).

REASONS FOR THE NEED TO IMPLEMENT ORGANIZATIONAL CHANGES IN PUBLIC ADMINISTRATION

The fact that the citizens as tax-payers provide the funds for the work of the public administration bodies was the reason for public administration to change its attitude both towards the citizens and towards all those affected by its work. In this sense, the following obligations arose for the public administration: achieving greater efficiency, transparency and openness in its work (above all, through accessibility of information regarding its work, etc.); strengthening legal security; more efficient implementation of the laws, as well as efficient sanctioning of the oversights made and shortcomings found in the work of public administration.

In addition to the trends mentioned above, another new tendency in the public sector is also the implementation of new trends and methods in the management of

the public administration bodies by way of modifying the way in which their work is organized, the manner in which decisions are made within these bodies, the way of motivating the public servants, so that this is not only about the implementation of certain methods and knowledge into the work, but also about the aspect of legal regulation of their status. Hence, the manner in which the public servants' system is functioning is of special importance for the purpose of implementing and abiding by the numerous EU standards introduced in the sphere of public administration.

In the past three decades, in the most developed countries in the world one can notice a reform in the management of the public sector. Namely, the need for modifying the manner in which public entities function occurred due to several reasons – above all, the fact that the public sector's share in the gross national product reached great proportions. There were also major inefficiencies that occurred in the functioning of the public sector, while the responsibility for the actions taken on its part did not reach a satisfactory level. Considered as one of its major shortcomings was the centralized manner of providing public services and goods, so as to satisfy the entire population with public goods, in a way where the basic initiatives were dictated by the centre itself, i.e. the top of the public government, not taking into account the diverse needs and interests of the different social groups. As a result, there was no opportunity to choose and production was inefficient.

In this sense, the goal of the public sector reform is to promote its accountability (more precisely, of its managerial structures), for the purpose of using public resources efficiently and effectively. The measures undertaken throughout the reform processes and the implementation of numerous organizational changes "contribute to the development of a new manner of managing the public sector – the so-called new public management – characterized by adopting styles and concepts of market operation and private sector management (Djurdjev, 2003: 26-28).

The excessive growth of the public sector from the aspect of its participation in the national income, on one hand, and its growing inefficiency and low level of responsibility to meet its obligations, on the other, were the main reasons for taking the measures towards transforming the public sector. The attempts to reduce the growth rate of the public sector and motivate the employees to achieve greater efficiency have their roots in the management techniques and practices used within the frameworks of the private sector. In this regard, the overall reform measures applied via the implementation of various organizational changes, contributed to the affirmation of the so-called new public management, i.e. the "new manner of managing the public sector, characterized by adopting concepts and styles of management of the private sector and implementation of explicit standards and measuring of the performances" (Bjelica, 2012).

The implementation of the practice of managing the private sector into the public sector is linked with numerous conceptual problems that primarily arise from the many differences between these two business environments. An especially important difference is precisely the presence of political interest in the public sector. The private sector is largely run by market forces and specific regulatory processes, while the activities of the public sector are determined by the structures and processes established by bureaucratic agencies and the state legislation (Djurdjev, 2003: 26-28).

In conditions where there are no dilemmas that the reformation of the public sector is a crucial process, the only considerations that of relevance are those about the necessary measures that these reforms should incorporate and the possible directions along which the public sector reforms should evolve.

CURRENT STATE OF AFFAIRS IN THE PUBLIC ADMINISTRATION
IN THE REPUBLIC OF MACEDONIA FROM THE ASPECT OF
SELECTING AN APPROPRIATE CONCEPT FOR IMPLEMENTING
ORGANIZATIONAL CHANGES

The organizations employing the public administration in the Republic of Macedonia, practice an autocratic style of management, i.e. the traditional, control-oriented approach, which involves centralized decision-making in the highest hierarchical levels of the organization. The employees are virtually not involved at all in the decisions about the changes – not even in the decisions concerning issues that are most directly related to their work. The top-level managers are the ones who make the decisions, while the middle managers take part in making some of the decisions to a certain extent, whereas the employees only implement the decisions. It is important to determine where the power to make decisions in the public administration is concentrated, considering the fact that this is one of the four key features (information, rewards, knowledge and power) used to assess the style of management, according to Edward E. Lawler III (1988, 1992). Namely, when these are concentrated at the top, then there is a traditional control-oriented management, and when they are moved downward, then some forms of participatory management are practiced. The claim that the traditional control-oriented approach is practiced in public administration is also supported by the results obtained from the research conducted back in 2008, for the needs of the magisterial thesis of the author of this text. The research was conducted in the independent regulatory bodies in the Republic of Macedonia, which are part of the public administration in the Republic of Macedonia (Skerlev-Chakar, 2009). This research showed that even 75 % of the staff had declared that the employees were little involved in the

creation of the organizational structure, while 13.9 % of the staff had stated that the employees were partly involved in these processes. However, this certainly does not mean that the employees have no desire to be involved in the decision-making.

Among the other aspects that were the object of analysis, also analyzed in the research conducted in June-September 2013, for the needs of the doctoral dissertation of the author of this text (Skerlev-Chakar, 2014), was the presence of the four key features (information, rewards, knowledge and power) mentioned by Edward E. Lawler III in his work *Choosing an Involvement Strategy* (1987), which define the style of management. This was with the aim of selecting – on the basis of this and the other features – an appropriate concept for employees' involvement in the public administration of the Republic of Macedonia, in the organizational activities when implementing organizational changes. Namely, in order to confirm or deny the above-stated conclusion regarding the style of management in the public administration in the Republic of Macedonia, the degree to which these four key features – information, rewards, knowledge and power – are moved down to the lowest level in the organization was analyzed, as the verification of the conclusion depended on this.

Namely, the results of this research confirm the fact that, in the public administration in the Republic of Macedonia, the power is located in the highest hierarchical levels where the management does not announce the organizational changes transparently and the employees in the public administration do not have an opportunity to participate in the decisions concerning the organizational changes, as well as the fact that the employees do want to be involved both in the decision-making and in the implementation of organizational changes because they do have the required knowledge, but that the rewarding within the public administration is not adequate to the achievements.

With the aim of designing a concept that would contribute to a successful implementation of the organizational changes in public administration as a prerequisite for greater efficiency and accountability of the public administration – which would in turn produce the desired decrease in the influence and presence of the state in the ongoing activities on the account of increasing professionalism, expertise and accountability of the employees in the public administration in the Republic of Macedonia – the author of the text conducted a survey in the period from June to September 2013, involving a total of 400 respondents in the public administration in the Republic of Macedonia. Presented in this text will be only a small portion of the survey results.

The pictures below present some of the results of this survey, where the stances of the top-level managers, middle managers and employees are given separately, in percentages.

Picture 1.
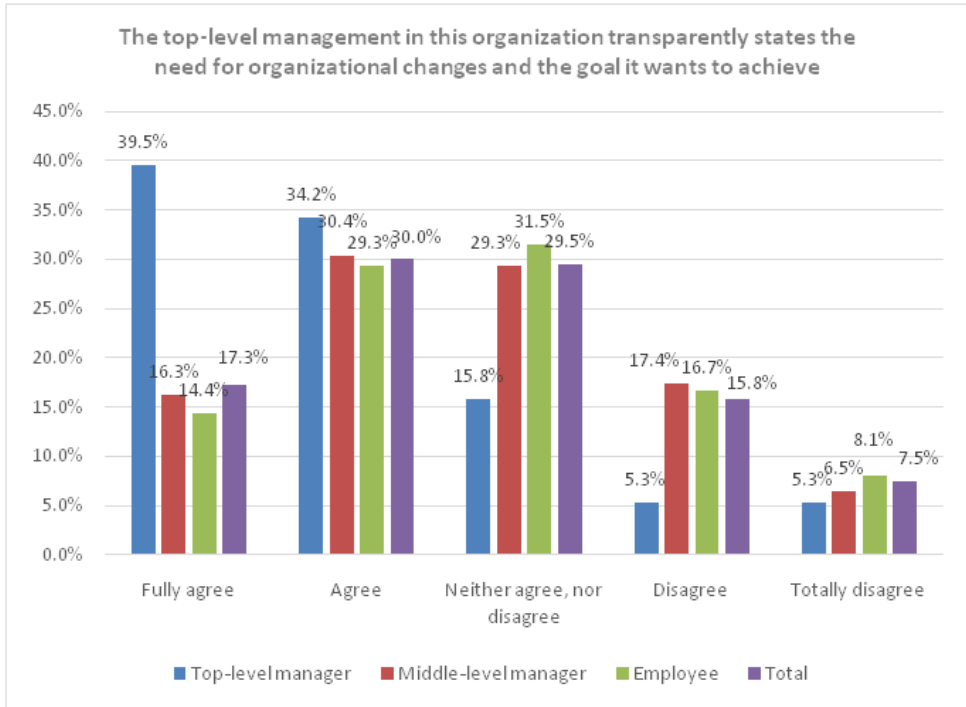
Picture 1 presents the opinions of the employees regarding transparency when it comes to announcing the forthcoming organizational changes and the goals that these should achieve in the organization. The majority of employees – 31.5 % - do not have a stance concerning this issue and, along with those employees who do not agree with the stance that the organizational changes are announced transparently in the organization (16.7 %), and the employees who totally disagree with this stance (8.1 %), comprise a significant percentage of employees who think that the processes of change in the organization are not transparent. The management's stance, however, is totally different – they think that these processes in the organization are announced transparently (39.5 % of the top-level managers fully agree and 34.2 % agree, while, at the level of middle managers, 16.3 % fully agree and 30.4 % agree with this claim).

Picture 2 presents the answers of the top-level managers, middle managers and employees concerning the stance: "I have an opportunity to participate in the implementation of the organizational changes", where the majority of employees (38.9 %) did not have a stance of their own regarding this claim, while 22.2 % agreed with it; 4.8 % fully agreed; the majority of employees (26.3 %) did not agree, and 7.8 % totally disagreed. The situation among the top-level managers and

the middle managers was totally different, as they agreed with this stance. Namely, 44.7 % of the top-level managers fully agreed and 39.5 % agreed, while 15.2 % of the middle managers fully agreed and 30.4 % agreed.

Picture 2.
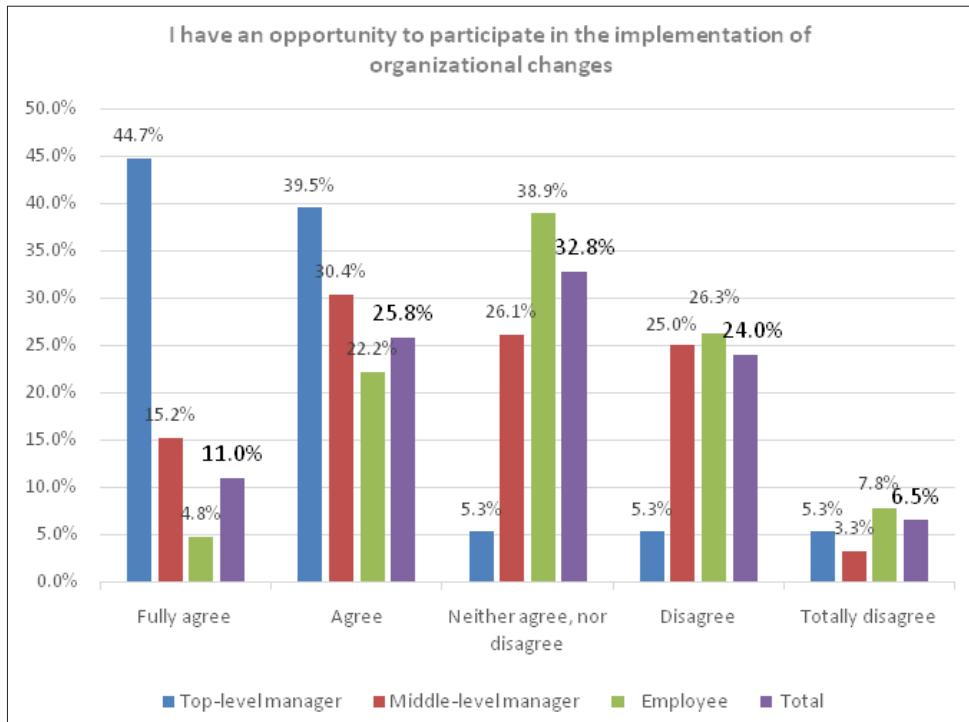
However, public administration staff would like to be involved in the implementation of organizational changes and the findings obtained through this survey showed that this desire for involvement involved the employees as well, since, by the nature of its hierarchical position, the management will understandably be fully involved in the implementation of organizational changes. The positions of the employees regarding the opportunity to be involved in the implementation of organizational changes are given below in Picture 3, where it is visible that even 53.3 % of the employees agree with this claim, while 18.9 % fully agree, which constitutes a high percentage of employees who want to be involved in the change implementation processes in the organization.
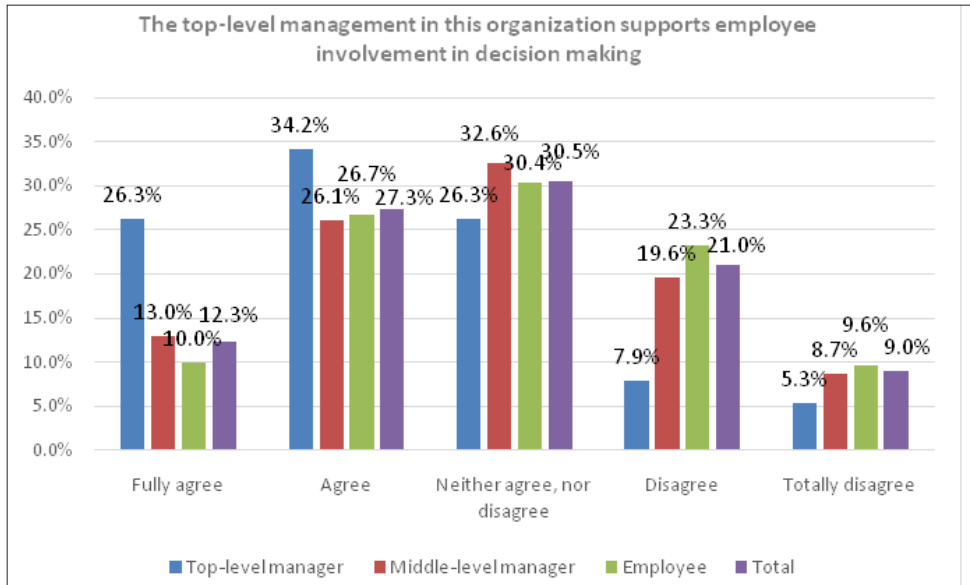
Picture 3.
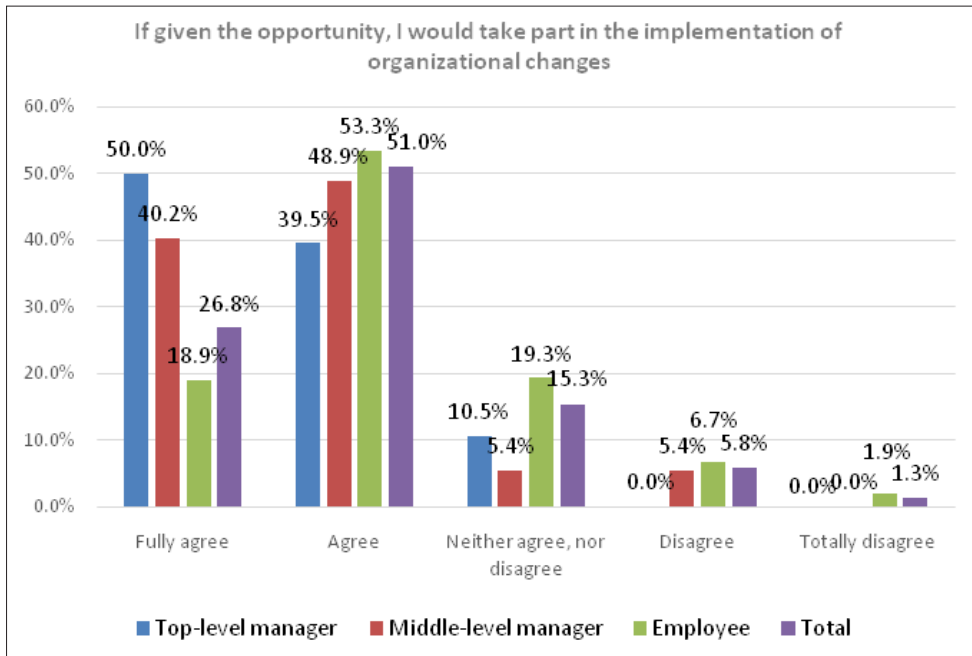
Picture 4.
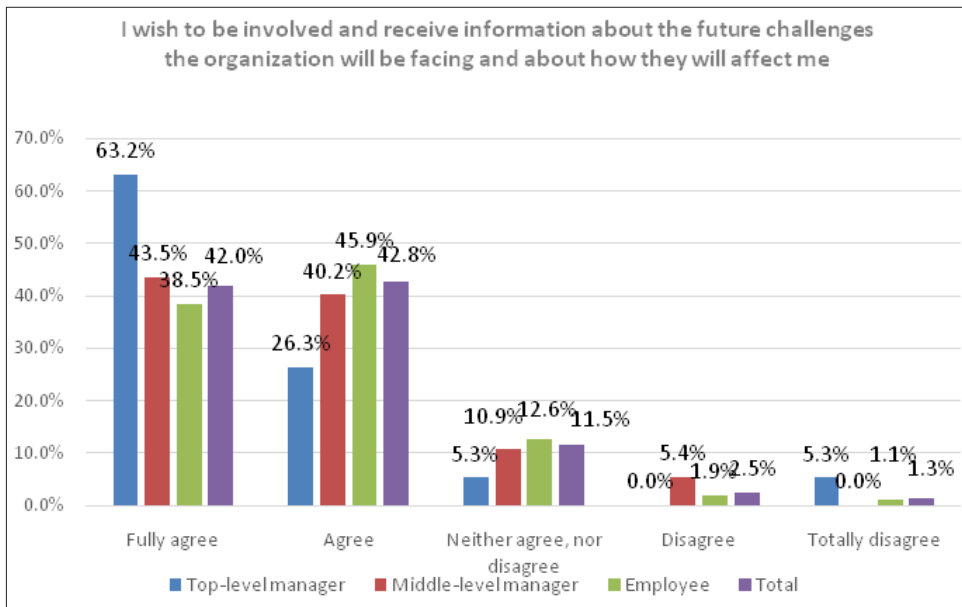
The findings obtained in this survey are along the lines of what Lawler (1988) wrote, i.e. "that there is no doubt that the employees enjoy the opportunity to participate in the problem solving".

The survey showed that the employees would also like to be involved and receive information about the forthcoming organizational changes. A total of 45.9 % of the employees agreed with this stance, while 38.5 % fully agreed (Picture 4). As for the managers, there is again an understandably high percentage of consent with this stance, i.e. 63.2 % fully agree and 26.3 % agree with this stance, considering the fact that they possess all relevant information concerning organizational changes.

However, the results obtained from the survey showed that the managers do not provide sufficient support to the employees to participate in the decision-making about the organizational changes (Picture 5).

Picture 5.

The data presented in Picture 5 support the claim that the majority of employees agree with the stance that the top-level managers do not support their participation in the decision-making (26.7 % agree, 10 % fully agree). The percentage of employees who do not have a stance on this issue is high, which leads to the conclusion that there is no developed participatory climate when making decisions in the organization. The managers' standpoint is contrary to the stance of the employees. i.e. the managers consider that they do support

the employees in taking part in the decision-making (top-level managers: 34.2 % agree and 26.3 % fully agree; middle managers: 26.1 % agree and 13 % fully agree). However, according to Conner (1998), the managers are the ones who should involve the employees and "lead them through the emotional and sequential framework of organizational changes". Also, they should constantly listen to the stands and opinions of the employees so as to obtain a realistic picture of the developments in the organization, on one hand, and bring the process of making decisions about the organizational activities closer to those who perform these activities directly, on the other. The research titled *Decentralization and Accountability as a Focus of Public Administration Modernization* (Christoph, Demmke, Hammerschmid, et al., 2006) confirmed the need for creating strategies, on the part of public administration, for training the managers to acquire the essential skills that would enable them to carry the responsibilities themselves, considering that there is a strong link between decentralization and the participation of a number of actors in the decision-making processes. This also confirmed the importance of additional trainings for the managers in this regard and led to the conclusion that the respondents had faith in the efficiency of their training systems.

The research was based on the premise that there is possible correlation between the *independent variables,* defined as organizational climate, organizational politics and the employee perception of the management style, on one hand, and the *independent variable,* defined as acceptance of the implementation of organizational changes in public administration. In tune with the set goals of the research, thirteen hypotheses were examined.

With regard to the style of management, considering that the author of the text advocates introduction of a participatory style of management in the public administration in the Republic of Macedonia, it was important to examine if there was a link between the *employee perception of the style of management in the organization* and *the organizational changes.* For this purpose, three hypotheses, which represented the dimension of *employee perception of the management style in the organization* at the level of middle managers and top-level managers, were tested, as it was assumed that the managers, through their style of managing the organization, would contribute to creating situations where the employees would react positively to the implementation of organizational changes and to their dedication to the implementation of organizational changes, *in this practicing the participatory management style.*

These three hypotheses referred to the research into the link between the *practicing of participatory management style* and the *acceptance of the implementation of organizational changes;* the *support from the middle managers (supervisors)* and

the *acceptance of the implementation of organizational changes,* and between the *involvement of top-level managers* and the *acceptance of the implementation of organizational changes* in the public administration in the Republic of Macedonia. For the needs of the research, the term 'top-level manager' also referred to the top managing officers in public administration (director, head of professional service, secretary general, state counselor, and their deputies/assistants), and the elected and appointed persons (member of an agency, commission or council, or any other elected or appointed person). The term 'middle manager' meant and included the heads of sectors and heads of departments (and their deputies/assistants). The term 'employee' meant and included the non-managing officers in the public administration.

The results showed that **there is a positive link between the employee perception of the style of management** *(support from the middle managers, involvement of the top-level managers and consistency of the top-level managers)* **and the acceptance of organizational changes in public administration.**

Consequently, after the hypotheses were tested and the factors of lesser influence were separated with the help of factor analysis, the factors that had major influence on accepting the organizational changes were grouped, after which, by correlating the independent and dependent variables, those factors that could be considered as the reason for movement from resistance towards acceptance of the initiative for changes were singled out, and the data obtained were used only in an additional analysis for the purpose of confirming the data already obtained from the processed questionnaires with scales and stances, and only certain additional conclusions were drawn.

On the basis of the results obtained through testing of the hypotheses, also taking into account the additional results obtained from the factor analysis and the performed correlations, the participatory concept was finally designed and proposed as an inclusive framework for implementing organizational changes in the public administration in the Republic of Macedonia.

The sublimated results of the testing of the hypotheses, using Pearson's $\chi 2$ test, are summarized and presented in Picture 6. Namely, after the testing of the hypotheses, all thirteen set-up hypotheses were confirmed, i.e. the results confirmed that there is a positive link between *organizational dedication, organizational policy and employee perception of the management style* and the *acceptance of organizational changes in public administration.*

Picture 6. Middle values (Mean) of the independent variables (incorporating the factors), which produce movement from resistance towards acceptance of the initiative for changes in public administration
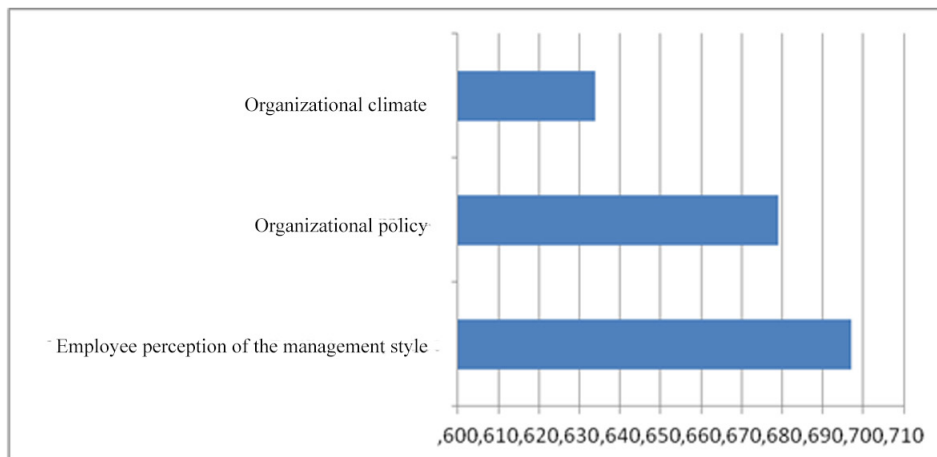
The picture makes it obvious that *employee perception of the management style has the greatest impact on the acceptance of the implementation of organizational changes in public administration,* followed by organizational policy and organizational climate. Considering that *participatory management style was singled out as an important factor that produces movement from resistance towards acceptance of the initiative for change, within the framework of the proposed concept, participation was an important link that connected all of its components.*

PARTICIPATORY CONCEPT FOR IMPLEMENTING ORGANIZATIONAL CHANGES IN THE PUBLIC ADMINISTRATION IN THE REPUBLIC OF MACEDONIA

The literature reviewed and the research results pointed out to the fact that *managers need to find an appropriate way to involve the employees in the organizational activities.* This involvement should be conducted in line with Kurt Lewin's model of the change process from the existing state into a new, desired state (Robbins and Coulter, 2007; Robbins, 2005), i.e. through the three steps of change: *unfreezing, movement and refreezing* (Lewin, 1991, 1997).

Based on the findings of the author of this text regarding the presence of the three

factors according to Lawler, which are relevant to the choice of the way in which the employees will be involved, it was concluded that, for public administration it was the most suitable to implement certain aspects of Lawler's concepts, and not a specific one – and this, depending on the goals one wishes to achieve. This means implementing those aspects of a certain concept that are the most appropriate in a specific situation, such as the quality circles or teams, where a group of employees recommend proposals and, depending on the improvement of the performance of the organization achieved through the implementation of the proposals, upgrade themselves. Further on, when it comes to adopting concrete decisions, the managers may use certain aspects of the approach to employee involvement, through individual enhancement of the work or by way of forming work teams. If the organizations are already using the benefits of the previous two concepts, then, at a certain stage, they can also implement the concept of high involvement, which differs from the previously mentioned concepts by the fact that, within it, the employees are not required to make decisions only about their work, but are required to also take part in the adoption of organizational decisions that are related to the strategy, investments and other big organizational decisions, while the rewards depend on the accomplishments of the organization. For the managers it is important to know which tools of these concepts they have at their disposal, in order to be able to implement the same at a certain stage of the organization's development, as well as the goals they want to achieve with the organizational changes.

Consequently, the author of this text considers that it is appropriate to combine practices from the three concepts of Lawler, placed within Lewin's stages of the change process, adjusted to the characteristics and needs of public administration in the Republic of Macedonia, bearing in mind the results obtained from the analyzed factors. In this, it is very important to implement the *participatory management style* in the organizations, while information about the organizational accomplishments and forthcoming changes in the organization, as well as the goals that are to be achieved, should move in two ways, i.e. there should be *two-way communication. Rewards should be distributed on the basis of the accomplishments, the employees should receive the needed knowledge* that will make it possible for them to understand and contribute to the organizational achievements, which will in turn increase their *job satisfaction,* and they should be given the adequate power and *freedom to participate, i.e. be involved in the process of making decisions* that influence the direction in which the organization will move with its accomplishments. In all of these processes, *managers play a very important role* – both the middle managers, who represent the link between the employees and the top-level managers and should, on one hand, support the employees in their involvement in all organizational activities, and, implement the

instructions of the top-level managers, on the other, and the top-level managers who are key to what organizational policy will be implemented in the organization. Considering the fact that **management style** has been singled out as the most important component, i.e. a determining factor that influences the employees in terms of their movement from resistance towards accepting the organizational changes, it is especially important what kind of **organizational policy** the top-level managers will implement and what **organizational climate** the latter will produce. Hence, also important is the **continuous training of the managers,** so that they could acquire the capacity to practice the participatory management style. Picture 7 presents a map of the **draft-participatory concept for implementing organizational changes in the public administration in the Republic of Macedonia,** which consists of eight stages, integrated into the three steps: defreezing, moving and refreezing.

Picture 7. Participatory concept for implementing organizational changes in the public administration in the Republic of Macedonia
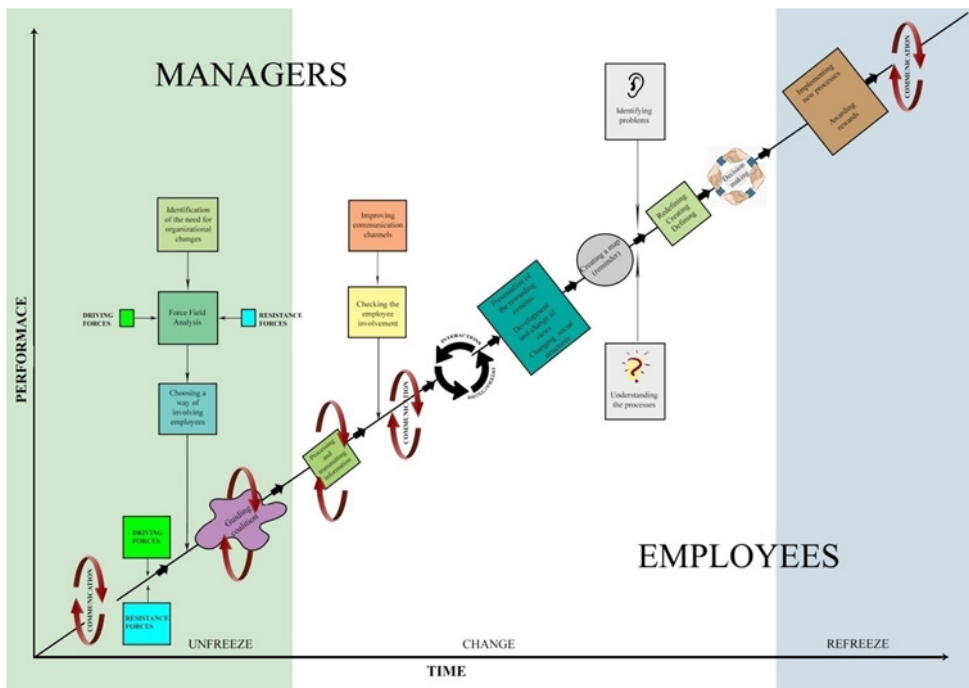
Throughout all these stages of the concept, which was designed by the author of this text and which she recommends to be applied as a new trend in implementing organizational changes in the public administration in the Republic of Macedonia, permeates participativeness, i.e. the participatory management style, which the

author advocates in particular and which requires participatory environment and freedom for the employees to be involved in the implementation of organizational changes.

References

Bjelica M (2012) *Comparative Analysis of the Efficiency of Public Management in Southeast Europe, With a Special Accent on Eastern Sarajevo,* MA Thesis, Educons University, Faculty of Business and Service, Sremska Kamenica. (In Serbian)

Conner DR (1998) *Managing at the Speed of Change: How Resilient Managers Succeed and Prosper Where Others Fail*. Chichester: John Wiley & Sons.

Dimitriević P (2008) *Administrative Law – Basics, Book One*, Faculty of Law Publications Centre, Niš, RS. (In Serbian)

Lawler EE III, (1988) *Choosing an Involvement Strategy*. The Academy of Management Executive 11(3): 197-204.

Lawler EE III (1992) *The Ultimate Advantage: Creating the High-involvement Organization*, Jossey-Bass, San Francisco, CA.

Lewin K, White D and Bednar D (1991) *Organisational Behaviour*, Allyn and Bacon, Boston, MA.

Lewin K (1997) *Resolving Social Conflicts and Field Theory in Social Science*. New York: Harper and Row. (Reprinted from Field Theory in Social Science, 1951).

Milenković D (2009) *Public Administration and Administrative Justice: Administrative Tribunals in Anglo-Saxon Law*, *Almanac, br.3*, Faculty of Political Sciences, University in Belgrade, Belgrade. (In Serbian)

Robbins SP (2005) *Essentials of Organizational Behavior,* Pearson Education International Inc., Eighth Edition.

Robbins SP and Coulter MK (2007) *Management,* Pearson Prentice Hall.

Skerlev-Chakar A (2009) *Approach to Designing an Optimal Organizational Structure in the Independent Regulatory Authorities in the Republic of Macedonia*, MA Thesis, Institute for Sociological, Political and Juridical Research, University "Ss. Cyril and Methodius" in Skopje. (In Macedonian)

Skerlev-Chakar A (2014) *Participatory Concept as an Inclusive Framework for Implementing*

Organizational Changes in Public Administration in the Republic of Macedonia, PhD Thesis**,** Institute for Sociological, Political and Juridical Research, University "Ss. Cyril and Methodius" in Skopje. (In Macedonian)

Đurđev A (2003) *Local Self-Government*. Faculty of Law, Novi Sad. (In Serbian)