# Systemic Modifications Of The Public Organizational Climate Affected By The Macro-Economic Crisis

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**Abstract:** The concept of management in the Romanian public administration, affected by the unfavourable measures dictated by the legislative because of the macro-economic crisis, reorganizes its priority tasks. An efficient management in adjustment situations to major systematic transformation has to give an essential importance to the administration task based on communication rules and the forming of organizational culture. The climate of public organizations disrupted by the instability of the labour market registers behaviour typologies that affects in a bidirectional way the quality of the services.

JEL classification: J24, J45, L38

# Key words: organizational climate, institutional communication, public management, management functions, macro-economic crisis

#### 1. INTRODUCTION

Macro-economic crisis represents a period characterized by the dramatic decrease in economic activities, which affects both the public activity sector and the private sector. In order for the state to be able to save money and to regain its balance from a financial point of view, it established certain austerity measures, according to the statistics, the public administration being the sector the most affected by restructuring and cut-off of incomes.

In this context, the provided services efficiency had suffered. Either we talk about the modifications of the Public Services Sector, or the increasing number of applicants who are facing more and more complex problems, which need to be dealt with by the services providers belonging to these institutions, the efficiency of employers in providing public services has become difficult.

A faulty management can constitute a serious impediment to the normal performance of the activity of employees. According to the study "Efficient communication, the key to the institutional performance", part of the project MRB - Performant System - "The implementation in the SPO of a performant system of management of relations with beneficiaries", co-financed by the European Social Fund, the employees of Employment Public Service have point out aspects according to which the

bureaucratic working system or the poor training of employees are only some of the problems affecting the efficiency of services providing. The last problem mentioned emphasizes the fact that the employees feel unprepared for the new challenges they must deal with, brought up especially by the macro-economic crisis and the continuous fluctuation of labour market.

T. J. Peters and R. H. Waterman, in their analysis of the public organizations from the 90, have proposed two success elements: a powerful management and a group of values assimilated by those who belong to these organizations. Nevertheless, since in Romania public organizations have not consolidated an organizational culture, in which its members should be free to join in, then values cannot be shared and management, lacking cohesion, cannot be rigorous.

### 2. OBJECTIVES

Bureaucracy is an organizational system that has a specific way of functioning and is structured hierarchically, having the purpose of administration of a certain amount of resources by means of a specialized personnel, system, which besides responsibilities and tasks has also a bureaucratic authority, limited though by laws and regulations. Most people believe that bureaucracy is a negative process, which should be eliminated from a world and a perfect democracy, the term of bureaucracy being associated most of the time with words expressing inefficiency and personal interest.

This system is the main reason for which the employees' efficiency is affected, and it makes them concentrate their resources on respecting complex procedure thoroughly rather than on maintaining a high level of applicants' satisfaction. After restructuring, employees who remained in institutions took over some of their colleagues' tasks and this system weighs even more on the efficiency of the other activities.

Actual tendencies of public management are strongly marked by the new concept: new public management. This concept stipulates that the administration is to be engaged in a change process at four levels:

- a change at the strategic level, through which the role and the services of the state should be redefined, in the sense that the services provided by the state must be clearly distinguished from the ones provided by private organizations;
- a change at the legal level, aiming at a decrease in the legislative density, a broader use of framework laws, leaving a large possibility to act to the executive authorities;
- a change at the organizational level, aiming at reducing hierarchies, simplifying procedures and legal action possibilities, in the sense of increasing the power to delegate the execution of public tasks to organisms which are not part of the administration.
- a change at the cultural level, in other words a change in the values and action possibilities used by public actors. This aspect is undoubtedly the most important and represents the hardest task.

These changes trigger the emergence of new roles for the actors of the administrative political system.

An efficient management in situations of adjustment to major systemic transformations has to pay great attention to the administration function centred on rules of communication and formation of an organizational culture. Public organization climate

affected by the labour market instability presents different behaviour typologies affecting bidirectional the quality of services.

In order for the process of the organizational communication to be efficient, it is necessary that all parties have to participate in an equal manner. The efficiency of the organization is based on the specialization of functions at the department level and individuals and on the complementary characteristics of these functions. From these basic characteristics of the organizational activity, it results the necessity of the information exchange between departments, individuals, between the organization and its socioeconomic environment.

Being a human characteristic, the communication is the link between individuals belonging to a community, which offers the possibility of knowing each other's opinions, the psychosocial harmonization, ensuring the normal functioning of the group, irrespective of its dimension and nature.

Through the intervention, at a certain time, of a disruptive element in the process of communication, the message sent can reach the receiver in a distorted form or can even not reach the destination. In principle, disruptive factors can come from the sender, from the receiver but they can be also generated by the other elements of the communication such as the environment, the code or the wrong channel chosen for sending information.

Communication is an essential requirement for organizations to be able to ensure the established objectives, their efficient functioning and the establishment of intermundane relationships. Communication constitutes the premise of exercising the activity of management, the functions of the management process. Only an efficient communication allows the planning and scheduling, the coordination and control, the motivation, the consultation and active participation of organization members in the realization of purposes established.

In order for the communication process to be successful, especially when we are talking about an external communication, parties should have, in equal quantities, a relatively high level of knowledge.

Being one of the most important elements of external communication of public institutions, it is essential to maintain the connection and a close relation with the citizens. An efficient communication appears when right people receive on time the right information. The message must be created according to the intention of the organization, taking into consideration the characteristics of receivers.

Communication for promotion purposes represents a communication deployed from the organization towards the exterior. In this case, the organization gives information on its products or its services, trying to improve its overall image or to promote its values.

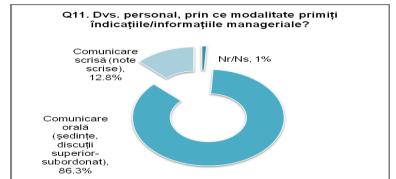
Organizational communication is a process usually developed on purpose, through which messages are exchanged between persons, groups and organizational levels from the organization or from outside the organization, in order to attain both individual and collective objectives.

Strategic external communication helps developing communication relationships with the external environment, but also to the prediction of the evolution and changes that can appear outside the organization and can affect the activity. Public institutions must consolidate the relation with the external environment, through building some profitable relations with key actors. By external communication, the institution makes its message and image understood. Strategic communication in an organization represents the modality through which it integrates communication in the sphere of business problems. In this way, the capacity of employees to participate in attaining organization objectives is increased, creating a relation in which management finds greater credibility among employees. This openminded attitude contributes to ensuring the satisfaction at work, to improving the model of receiving the communication and of bettering attitudes and capacities.

#### 3. USE CASE

During the course of the year 2011, inside the Employment Offices of the Regions of South-West Oltenia South-Muntenia and West, a study was carried out by the name of "Efficient communication, the key to institutional performance" part of the MRB Performant System – The implementation in the SPO of a performant system of management of relations with beneficiaries, co-financed by the European Social Fund through the Regional Operational Program of Human Resources Development. The conclusions of this study with regard to the identification and acknowledgement of organizational communication mechanisms have enumerated known communication means, based on direct discussions during planned meetings, journals and written/digital notes.

The oral means of communication, confirmed as the most widely used, by 83.3% of respondents presents in fact a series of advantages: rapid exchange of direct information, often by dialogue, the personalization of the relation between the boss-subordinate, the flexibility of expression, the use of slang, lower costs, but it also has great disadvantages which can lead to making the communication process harder, like waste of time and the lack of conclusions, and in the case of successive transmission, because of hierarchical steps a part of the information is lost because they are filtered by each hierarchical superior.



Source: From "Efficient communication, the key to institutional performance", page 100

#### Figure no. 2

The sentiment of satisfaction indicates the fact that employees identify themselves mostly with the values of the agency, the specific of activities and the work conditions. The type of management as well as the means of management communication is optimal for ensuring a good flow of agency activities.

The sentiment of routine owes its existence in general to repetitive activities that must be done by employees on a daily basis. Therefore, management must always develop new ways to motivate the personnel, ways that relate to work duties, but also the free time of employees. The sociologist Cătălin Zamfir considers that organization is the key variable to performance, not the individual or his mentality. In other words, an individual personality does not lead to performance, but the manner in which his activities are organized and the decisions taken inside an organizational society.

If the human force of an organization, more precisely the human resource, is correctly evaluated and based on the analysis of performance, if it is rightfully motivated, trained, then this organization will be able to obtain results that will positively influence the social life and lead to a social progress. Moreover, if the institutional management is not based on communication as a complex system of mutual relations that appear between members, one could never stabilize an organizational climate that will not be strongly affected by external factors.



Source: From "Efficient communication, the key to institutional performance", page 122

#### Figure no. 2

Out of the employees of the Employment Agencies taken into consideration, 81.5% do not consider this method of communications more efficient than those already in place which means that bosses and subordinates alike, perceive in a similar manner the way their superiors use their time for communicating with subordinates, the length of information processing or the subordinates' liberty to express themselves regarding the received information.

The concept of management in the Romanian public administration affected by the negative measures imposed the legislative as a consequence of macro-economic crisis has reprioritized functions.

Public management cannot be considered a group of modern management instruments but more likely a strategic view of these instruments.

Management instruments can be classified in three major independent categories:

- finalization instruments;
- control instruments;
- animation instruments.

However, none of these categories can pretend by itself to bring global solutions to the multitude of problems a public organization has to deal with.

This problem finds its solution in the balance between the finalization, control and animation instruments.

Strangely, the public system is accused of lack of inertia and stillness but nonetheless it is perceived as a carrier of continuous reforms. The existence of this double approach undoubtedly finds its explanation in the co-existence of, on the one hand, of 147ANNALS OF THE UNIVERSITY OF CRAIOVA ECONOMIC SCIENCES Year XXXXI No . 39 2011

powerful blockage factors, and, on the other side, of active stimuli towards public organization change.

#### 4. CONCLUSIONS

To conclude, society is marked by a period of economic change and instability manifested through a significant drop in workforce demand, layoffs and the proportional increase of the unemployed. Because of this economical instability, repeated changes on labour market and systematic changes in the public organizational climate, the efficiency of services provided by public institutions suffered consequently.

The modernization of the public sector must take into consideration the clerks group, the way in which they are motivated and their work conditions. The leadership process of public organizations must take into account the human resource variable. Without it, this process could not have an object or finality. Changes started in the public sector are not always followed through. Nonetheless, there are optimistic advantages with long-term impact.

For the modernization initiatives to find their support and to have chances of success, at a governmental level, there must be a permanent preoccupation for change, action that plays an undisputedly incisive role and which represents a guarantee of legitimacy for public unit improvement projects.

The change does not have to only legitimate, but also indispensable, because the public sector must respond to the new needs of the population in a context that must take into consideration the economic hardships, efficiency and transparency requirements.

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