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HRM REFORM AND CHANGE MANAGEMENT IN EUROPEAN CITIES OF EXCELLENCE

RESEARCH TOPIC

HRM reforms in three "good practice cities" are scrutinized as one reform component in the context of an internal administrative reform programme. Example cases of the cities of Bilbao (Spain), Mannheim (Germany) and Tampere (Finland) are studied. Questions arose whether there are major commonalities or differences in the reform approaches of the cities and if the implemented institutional change (organizational, personnel and instrumental) affected the organizational performance. Correlation between change management and HRM reforms and their (presumed) effects are highlighted and insights to ambiguities, tensions and problems inherent within change processes are shown.

SCIENTIFIC CONCLUSION

HRM reform has been a rather neglected research issue in the past decades, there is a general lack of empirical evidence linking HRM reforms with (the expected) results (Jordan/Battaglio, 2013). The management of change in organizations is very much linked to HRM.

Reform reasons were mainly because of an aging population in Finland (Finwin), the introduction of NSM concepts in Germany, and the need to establish coherent HRM practices in the public service sector (EBEP) in the context of budgetary constraints in Spain. The reform initiatives were launched from the national level in Spain and Finland, while Germany clearly shows a bottom-up-approach. Financial and budgetary constraints seem to influence the degree of 'centrality' (top-down) in the implementation of the change process. Bilbao, where the fiscal pressure was highest, had the most stringent top-down approach with a consolidation objective. In terms of presumed effects, less positively rated are all instruments with regard to performance measurement and all items pointing into a performance culture or regime. These findings are consistent with other studies, such as in the UK, showing that audit and performance regimes tend to be critical in the long run for several reasons (for example, data cemetery, over-steering, transaction-costs and so on, cp. Lowndes/Pratchett, 2012). A positive impact of the HRM reform approaches on the organization with regard to organizational efficiency and effectiveness can be observed. Remarkably, HRM-related costs arising from the change process are neutral while at the same time, there are performance improvements for all organization issues (efficiency, effectiveness, service quality, and customer-orientation).

POLICY ADVICE

It is possible to transform city administrations with change concepts and supporting HRM measures even in times of crisis. However, some critical success factors must be taken into account: proper planning of strategy, clearly communicated/transparent (overall) objectives, formulation of mission statements appealing to staff and management, technical empowerment, fiscal responsibility, and a strong top-down approach with a very high level of commitment and involvement by the top management.

Ensure that the reform approach is lead top-down (mayor), but key stakeholders are included in the communication process. Make use of the available HRM measures 'tool kit', especially the

use and assessment of leadership, communication and cooperation instruments, but be careful with performance/economic incentive instruments. Set a clear timeframe and vision/objectives for the and identify the strengths and weaknesses (SWOT) right at the beginning of the change process. Derive operative objectives and management targets from the vision and set criteria to measure success. Communicate operative objectives to the staff to increase intrinsic motivation and to give everyday work a 'meaning'. Mainstream and establish a culture of 'project management' alongside the hierarchical steering of the city administrations. Most of HRM and change process measures need to be carried out as a 'project' throughout the whole organization. This means technical teams (be it the ICT unit, HRM/personnel units etc. needs to be empowered to carry out those tasks. Establish a central steering unit which can serve as an 'internal counselling' unit to advance the projects on all levels of the organization.