

HUMAN RESOURCE DEVELOPMENT SYSTEM IN THE CONTEXT OF PUBLIC MANAGEMENT REFORM

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Abstract

The traditional approach to employment conditions in the civil service has been fundamentally challenged by the implementation of public management reforms and the change in status of personnel associated with it. These fundamental changes call for a significant transformation of the human resource function in general and human resource development (HRD) responsibility in particular. Therefore, the article seeks to develop and substantiate the theoretical model of the human resource development system and to verify it by examining congruence of enabling characteristics of the strategic HRD system with those in Lithuanian central and local government institutions in the context of public management reform. The model is based on the strategic approach to HRD. It presents a systematic approach to the HRD system and can not be implemented in a piecemeal manner.

The survey using questionnaires has been performed to assess the enabling characteristics of HRD system. In addition, semi-structured in depth interviews with selected experts have been carried out to clarify and follow up on different outstanding issues and details of the HRD system in the selected central and local government institutions. Finally, document analysis has been carried out to supplement the evidence obtained in the survey and interviews, and to establish some evidence to assess the presence of characteristics unobservable via survey/ interviews.

The results of the empirical research have revealed that there is limited congruence between the theoretical model of strategic HRD system in the context of public management reform and the current HRD system in the central and local government institutions of Lithuania. The Lithuanian HRD system is not strategically mature in HRD terms and the majority of enabling characteristics are not in place yet.

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Introduction

The traditional approach to employment conditions in the civil service has been fundamentally challenged by the implementation of public management reforms and the change in status of personnel associated with it. Public employment is threatened by losing the advantages that for a long time characterized its specific attractiveness including job security, a less stressful pace of work, career opportunities and so on (Emery and Giauque 2005, Horton, Hondeghem *et al.* 2002). Duties are becoming multifaceted and very complex: they may encompass policy advice, management of human, financial and other resources, the provision of critical services and others (United Nations 2005). Meeting these challenges requires a unique combination of know-ledge, skills, attitudes and effective human resource development systems, as well as policies and strategies to nurture these competencies.

In this context, HRD is seen as having the potential to accommodate current changes in employment relations in the public sector and to ease the shift more position based systems. Civil servant commitment to the organization can be strengthened by offering learning opportunities and encouraging greater self-development among employees.

Therefore, there is a need for significant transformation of a HRD system, which would be able to generate new competencies and develop a learning culture in the government institutions, creating particular opportunities for civil servants to develop and enhance the necessary capabilities and encourage greater self-development opportunities to facilitate an effective implementation of public management reforms.

The HRD function has been extensively researched by many foreign and Lithuanian scholars. It has been investigated from different perspectives, including the examination of dominant paradigms, roles and status of HRD and as well as the link between business strategy and HRD (Auluck 2006, Auluck 2007, Garavan, Gunnigle *et al.* 2000, Gibb 2003, Sambrook 2004, Senge 1994, Simmonds and Pedersen 2006, Sloman and Philpott 2006, Smith 2004). Importantly, several Lithuanian scholars have carried out extensive research in different areas of HRD, for instance focusing on HRD strategies (Chlivickas 2007), analyzing development trends and models of HRD (Kumpikaite and Sakalas 2005, Sakalas 2001) and evaluation of HRD efficiency (Kumpikaite and Sakalas 2004).

However, despite wide-ranging research in the area of HRD, the scientific discussion requires singleness and a more systematic approach. Various studies acknowledge the potential of HRD to leverage and facilitate the implementation of reforms; however, the theoretical and practical nature of these relationships receives amazingly scant attention (Luoma 2000).

Therefore, the key scientific problem addressed by this article is the lack of a systematic approach to the HRD system in the context of public management reform. In this context, the main goal of the research is to develop and verify the HRD model by examining congruence of enabling characteristics of the strategic HRD system with those in Lithuanian central and local government institutions. In this context, the key question is *what are the essential characteristics of the HRD system, which would enable the development of appropriate competencies and behaviours to facilitate the implementation of wide reaching public management reforms?*

A comprehensive analysis of the scientific literature was carried out for the theoretical exploration of the problem. Specific attention was paid to theoretical and empirical research carried out in the fields of public administration and management, human resource development and sociology.

The article is organized into six main sections. Thus, *the first sections* deals with the theoretical background for the understanding of the context of public management reforms. *The second section* presents analysis of different theories and perspectives of HRD. *The third section* analysis the specific characteristics of HRD system especially critical for the public sector environment. *The fourth section* presents and discusses the theoretical model of the HRD system in the context of public management reform. The fifth part introduces research goals and data collection methods. *In the six part* the conclusions are presented.

1. Theoretical context of public management reform

Over the last two decades, public management has undergone substantial changes in both developed and developing countries. Public sector reforms have focused on the efficiency of governments seeking to transform traditional bureaucratic system of public administration to market oriented, results-driven system of public management. The role of the state was to be reduced and what remained was to be subject to enhanced political direction, increased managerial discipline and greater responsiveness to citizens (Aucoin 1995). There was a call for “reinventing” government on the basis of a market economy (Osborne and Gaebler 1993) and it has become common to talk about the emergence of the new model of public administration - New Public Management - as a collection of ideas and practices that emphasize competition between service providers, a new mix of state and market under provision of collectively financed services, decentralization, freedom of choice for citizens, and more responsive management (Hood 1991).

In this article the term “public management reform” is used to describe different reform efforts related to modernization of public administration. Public management reform is a developing trend with diverse and very complex set of ideas and practices. In terms of comprised elements, tools and techniques, public management reform provides a “shopping basket” from which reformers can choose according to the local conditions and priorities. Many authors such as Pollitt and Bouckaert (2001), Hood (1991), Aucoin (1995), Osborne and Gaebler (1993) have described and categorized different trajectories of the

reforms which can be grouped into four key areas, such as (1) Introduction of market mechanisms (the move from service delivery to its regulation, the creation of quasi markets, and outsourcing); (2) Devolution of authority (the move away from hierarchical structures to devolved management structures, accompanied by devolved budgets and HRM; increased managerial autonomy and the establishment of agencies); (3) Performance management (the move from inputs in management and the budgeting processes towards outputs and outcomes); (4) Civil service reform and decentralization of human resource management. The fourth area, because of its relevance to this article will be discussed in more detail.

Decentralization of human resource management. In order to carry out the above mentioned reforms successfully there is a need not only to guarantee legally correct application of laws and various reform strategies, but to ensure that competent and professional civil servants are in place that are able to lead and implement the envisaged reforms. Individualization of civil service arrangements and decentralization of HRM/HRD responsibilities are seen as a way of overcoming the inefficiency and rigidity in the public sector and are expected to offer flexibility and responsiveness needed for effective administration of public agencies (Coggburn 2005). According to Osborne and Gaebler (1993) the authority should be pushed downward in the organizational hierarchy as much as possible, so that managers within individual agencies would be “empowered” to run their organizations more effectively.

Thus, agencies and departments assume fuller authority over core HR functions, such as recruitment, selection, training and development, classification, compensation and promotion. Under such an approach, control activities are conceded for a more proactive and involved function of HR and the central personnel agency is called to shift from its traditional control orientation to a new consultant or adviser role (Coggburn 2005, Kellough and Selden 2003). Furthermore, there is a move towards individualization of civil service arrangements related to the selection process, the terms of appointment, termination of employment, pay and performance management.

However, despite of the efforts to improve HRD function in the context of ongoing reforms the following challenges remain and are emphasized by different authors (Gibb 2003, Hockey, Kakabadse *et al.* 2005, Maor 2000). For instance, lack of systematic approach and very fragmented and reactive nature of the training and development function, poor alignment of training and development with institutional strategies and performance appraisal systems, as well as the inability of HRD specialists to assume a strategic role in addressing organizational problems, other.

Thus, it is evident that current approaches to HRD are insufficient to ensure the development of a new set of competences of civil servants and to create an enabling environment within government institutions that enhance the organization’s capacity to take on large scale learning process associated with major cultural and procedural change (Koch 1999) brought by public management reforms.

Therefore, the next section will discuss different perspectives of HRD in order to better understand the role of HRD and its possible contribution in contemporary organizations.

2. The strategic role of human resource development in the context of public management reform

HRD has derived its conceptual basis from three broad areas of organizational theory, economics and psychology (Sambrook 2004). Based on Garavan *et al.* (1999) the psychological perspective promotes motivation, learning and ownership issues. It tackles the issue of a psychological contract which is attempting to conceptualize the employment relationships using notions of expectations, perceptions and obligations. Organizational theory focuses on organizational learning processes and change. It also deals with the establishment of a learning organization. The economic dimension emphasizes investments in human capital and focuses on resource-based theories.

Hence a universally accepted definition of HRD is non-existent, several scholars have attempted to define HRD or identify its essential elements. The concept of HRD is used to convey different meanings, including those that frame HRD as a synonym for training and development (Trehan 2004). For the purpose of this article *HRD is defined as a process of facilitating long-term work related learning capacity at an individual, group and organizational levels through structured and unstructured learning and non-learning activities to enhance organizational performance.*

The „learning organization” and “performance” can be named as key perspectives to discuss HRD, however, we are in consent with Simmonds and Pedersen (2006) that the future of HRD lays in the need to take into account and encompass the inextricably interrelated paradigms. In addition to that the principles of systems theory tell us that no one element of a system can be viewed separately from other elements. Intervening in only one element of the system without creating congruence in other parts of the system will not lead to systemic change. Therefore even if HRD is increasingly concerned with facilitating the learning of individuals, teams and organizations as a key to the organizations sustainable competitive advantage the success of HRD policies will be measured by its impact on business performance.

The strategic approach to human resource development. The fact that the employees today can be competitive advantage of a company has influenced the interest in strategic HRD questioning how in such an unstable environment, the HRD profession can contribute strategically to the success of an organization, through development of its employees. Strategic HRD has become an important component of HRM as a means to improve performance and organizational effectiveness (Horwitz 1999). Accord-

ing to McCracken and Wallace (2000b) strategic HRD comprises the creation of a learning culture, within which a range of training, development and learning strategies both respond to corporate strategy and also help to shape and influence it. Similarly, Burgoyne (1997) and Walton (1999) emphasize HRD provision which is conscious and proactive rather than unplanned; it focuses on the maturity of HRD provision to reflect organizational growth and clearly envisages that HRD interventions are valuable only to the degree that they facilitate the organization in achieving its goals. Based on the presented definitions we can say that *the strategic HRD is a means to improve organizational performance through the establishment of strong HRD links with organizational goals and strategies as well as the strategic leveraging of learning and development processes to generate and enhance appropriate behavior and competencies of an organization.*

The strategic HRD approach maintains a strong focus on adopting a learning organization perspective and the application of the learning approach to strategy, as well as the shift away from individual concepts of training and development towards more integrated concept called learning. McCracken and Wallace (2000b) emphasize the importance and interrelation with the learning culture and Horwitz (1999) suggests that a key focus of strategic HRD is the creation of a learning environment and structural design which promotes learning and development for performance improvement and competitiveness. Key characteristics of strategic HRD discussed by different authors are the following: HRD is proactive in shaping organizational strategy and it is well integrated with HRM, HRD specialists have innovative and strategic roles and facilitate change, line managers assume responsibility for HRD and top managers are committed to HRD. The cost effectiveness evaluation is taking place and the organization has become strategically mature in HRD terms and a strong learning culture is in place.

3. Specific characteristics of HRD system critical for the public sector environment

It is evident that general management and organizational concepts and practices applied in the private sector can have a valuable application in government; however unique aspects of the government context must be also taken into account. Therefore, besides important characteristics of HRD system discussed in section 2 several additional characteristics especially critical for the public sector environment need to be emphasized:

1. The analysis has confirmed that the civil service is an extremely complex system consisting of diverse range of organizations with varying business objectives and operational requirements. Jurisdictional boundaries and numerous authorities, laws, and political interests complicate decisions about where, when and how government institutions operate. Therefore, a well articulated national policy in the area of HRD, communicated through different policy documents and especially through the HRD strategy is critical to ensure coordination and coherence within the complex government system, including the dispersed HRM/HRD function. Strategic and consistent government policy in the area of HRD should also facilitate the development of a supportive environment and ensure political commitment to HRD throughout the process of reform.

2. The type of civil service system might also influence the ability of the HRD system to generate, sustain and develop necessary competencies. In order to adequately react and respond to the changes in the process of implementation of public management reform it is necessary to ensure sufficient flexibility to manage the civil service as required by the evolving civil service environment. A traditional, career based civil service is seen as less able to deliver necessary competencies and provide the required flexibility than a position based system (Demmke, Hammerschmid *et al.* 2006, OECD 2003).

3. It is important to consider the fact that government institutions are very much rule bound organizations (Rainey 1997). Even if, in the process of public management reform, there is a tendency to simplify the rules and introduce more flexible human resource management policies, it is still evident that formal rules and established procedures play an important role in governing the activities of civil servants. Therefore, it is important to make sure that different rules and procedures do not limit the successful functioning of the HRD system. Clarity of the roles entrusted to the HRD specialists and access to various other business units and departments and formal relationship among departments and units may also facilitate or impede communication. The position of the HRD function in the institutional hierarchy, it is also an important factor to consider.

4. Different models of HRD quite often do not take into account the external environment of organizations, which might have a significant influence on HRD policies and practices. The importance of the environmental context is especially crucial for government institutions, since they often are more open than other organizations and to certain types of environmental pressures and constraints (Rainey 1997). For instance, technological developments continually influence the operations of government agencies and they must struggle to keep up with advances in IT, communications and others. This requires the development of new skills and knowledge. Demographic trends may project an increasing percentage of women and an aging workforce in government institutions, which requires a special approach to HRD policy and practice. Moreover, changes of the political elite might significantly influence the policy related to HRD and divert financial resources to other priority areas. Predominant values, attitudes, beliefs, social customs and the socialization process in the country might have considerable influence on HRD implementation strategies and the learning methods to be applied. Different interest groups such as civil service training institutions and professional unions might also influence the development and implementation of HRD policies.

4. Theoretical model of human resource development system

In a period of such rapid organizational change as discussed in the first section, the consequences, challenges and changes related to contracting out, decentralization, and empowerment mean that civil servants need to be more flexible and undertake continuous learning rather than periodic training (McCracken and Wallace 2000a). Hence, this calls for *significant transformation of the HRD system* to reflect the demands of public management reform by creating a learning competence or capacity within the government institutions to generate new knowledge and facilitate learning on a continuous basis.

Based on the discussion above we can conclude, that *HRD system will be perceived as having strategic value in the context of public management reform, only if it has the capability to develop a supportive environment for learning, where there is a clear connection between HRD and the strategic goals of the government institutions, which in turn has been aligned with objectives of public management reform.* Consequently, institutional strategy of the government institution needs to be expressed in the behavioral terms and implemented through the strategic HRD system, which facilitates learning and generates appropriate behaviors and competencies needed to implement the goals of public management reform and does this on a continuous basis.

Therefore, the suggested theoretical model of HRD system presented in the Annex 1 is based on the strategic HRD approach promoted by number of scholars such as Garavan T.N, Heraty N., McCracken M. and Wallace M, Wognum A.A.M, Hockey J, Kakabadse A., Kakabadse N., Luoma M. and others. It integrates two main perspectives – learning and performance. The model has been built on the premise that *strategic HRD is a prerequisite for the learning culture to emerge and for the learning organization to develop.* Strategic partnerships between key stakeholders – HRD specialists, line managers and civil servants – are also central for strategic HRD to emerge.

Proposed theoretical model of strategic HRD system defines strategically matured government organization in HRD terms, which has the capacity to learn and diffuse knowledge effectively and where HRD is shaping organizational strategy. HRD is not anymore limited to training, but extended to facilitating and supporting learning processes within an organization focusing on different forms of learning, including informal and incidental learning (Buyens, Wouters *et al.* 2001). Learning is regarded as a normal part of everyday work and working is seen as a rich source of learning.

HRD shaping the mission and goals of the government institution is at the core of the model. If HRD reaches the position of being able to shape organizational strategy, then, we can argue, it will be in the position to shape organizational culture.

The model proposes to divide the process of strategic HRD into three stages – *formulation, implementation and evaluation.* The first stage is the formulation of the institutional strategy, which is shaped and influenced by HRD. The second stage is implementation of HRD systems based on the HRD strategy aiming to generate appropriate behaviours and competencies. The final stage is evaluating and reviewing the effectiveness of HRD strategy. It is a holistic and dynamic model and the three stages are closely interlinked.

Each stage has *enabling characteristics*, which are crucial to facilitate the process of strategic HRD. Presence or absence of these characteristics would influence the level of HRD maturity in government institutions and would anticipate the success of implementation of Public Management reform. As presented in the model, the enabling characteristics are attached to each of the three stages, assuming that particular set of enabling characteristics have a bigger influence at a particular stage. At the same time, it is evident that enabling characteristics are important and have a significant influence on the entire HRD system.

HRD policies are not implemented in the isolated public administration environment. Based on Hall (1996) environmental context plays a crucial role in institutionalization processes in organization. Values, goals and procedures become strongly established not because managers choose them as a most efficient means, but in most cases as a result of environmental influences and exchanges. Consequently, various external factors very much influence HRD strategies and systems, and needs to be taken into account.

Socio-economic challenges are confronting governments and posing serious questions about the sustainability and integrity of key aspects of public sector human resource systems. Prominent among these challenges with direct impact on HRD policies are demographic shifts and trends in labor migration, technological and market changes, quality of tertiary education and changes in the government policies may also force additional training to be considered (Rainey 1997, United Nations 2005).

The formulation stage “HRD shaping institutional strategy” provides a ground for the strategic HRD to emerge. At this stage the institutional Strategy (hereafter - the Strategy) is formulated, where the desired behaviours (capabilities) have been identified. These capabilities are translated into learning objectives that serve as assignments for HRD (Luoma 2000). HRD strategy aims to set a scene within which policies related to learning and development of people are agreed and which displays specific routes to be followed in order to achieve the Strategy.

HRD role is proactive in shaping and responding to the Strategy (McCracken and Wallace 2000b). The relationship between the Strategy and HRD are reciprocal and mutually enhancing. The leadership recognizes HRD specialists as business partners and provides them with avenues to be proactive. HRD specialists are actively involved in the process of development of the Strategy and are able to consult leadership and senior management about various policies and practices that are followed and the changes that are necessary for effective implementation of the Strategy.

Based on Figure 1 the enabling characteristics are classified into policy and legal and cultural, specifically.

Supportive national policy in the area of HRD is essential to ensure coherence and coordination within the system and provide guiding principles for the implementation of HRD policy in the decentralized human resource management environment. Importantly, it confirms the importance given to the development of human resources in the overall national development context.

The model of civil service influences development and implementation of HRD policies and strategies. Traditional, career based civil service system limits flexibility of HRD policies. In career based systems civil servants are hired usually based on university degree, academic credentials and/or civil service examinations. It is characterized by limited possibilities of lateral entry and a strong emphasis on career development. The system with other structural characteristics (position based) is more flexible and resembles an employment tradition in the private sector. In this model the focus is placed on selecting the most suitable candidates for each position.

In order to facilitate implementation of public management reform, it is essential for *integrated strategic planning system* to be in place linking different strategic planning documents/strategies (national, sectoral, cross-sectoral) into coherent planning system and most importantly integrating public management reform strategy into the planning framework in a way that its objectives are reflected in the institutional strategies of the central and local government institutions.

HRD policy is “owned” and appreciated by the leadership in the sense that they are actively involved in the development and are committed to the implementation of the HRD policies and strategies (Mabey 2002). This means that *HRD is lead rather than simply supported by senior management* (Harrison 1997). Senior management together with HRD staff is actively involved in the scanning of the environment, and external opportunities and threats are analyzed specifically in HRD terms.

HRD role is proactive in shaping the development of institutional strategies (McCracken and Wallace 2000b). HRD specialists are involved not only at the implementation stage of the Strategy development, but also in the formulation stage of the development of the Strategy, namely they are members of the strategic planning team. As the organization becomes more mature, HRD is coordinated in support to operational outcomes, moving from simply playing a part in implementing organizational strategy, to helping to shape it. The most mature organizations have learning processes which actually enhance the nature and quality of institutional strategy.

The second stage “Existence of strategic partnerships”, it is that of implementing HRD strategy. HRD strategy provides a frame for the implementation stage to happen. It identifies a set or a sequence of learning objectives and utilizes the HRD’s function expertise in delivering learning experiences and interventions to generate appropriate behaviours and competencies essential for the Strategy implementation, which is aligned with the goals of public management reform.

At the center of the implementation system are the strategic partnerships between the key stakeholders, which help to achieve the strategic role of HRD. Based on the strategic maturity approach (McCracken and Wallace 2000b) discussed in the section 1.2.2 the primary partnerships are between the HRD specialist (as an internal consultant) and the rest of the organization, namely, line and senior managers and HRM specialists. The most important partnership is that between HRD specialists and senior management. They should work together as a true business partners to contribute towards environmental scanning, the formulation of the institutional strategy and the shaping of organizational culture. It is essential for all stakeholders to have clear understanding of the various roles played by the others.

The enabling characteristics of this stage are classified into structural, cultural and operational.

Relevant organization of HRD function deals with the staffing pattern of the HRD, the roles entrusted to the HRD personnel, the access to various other business units and reporting structure within the government institution. Reporting structures, layers of hierarchy in the organization and formal relationship among the various departments may facilitate or impede communication and cause a lack of alignment of various functions for strategy implementation.

Institutional policy related to HRD should be clearly outlined in the by-laws of the institution and in line with national policy recommendations regarding the HRD. It should provide guidelines regarding the situations in which the HRD can intervene in the organizational functioning and the scope of changes that it can make there.

Supportive learning environment is also very important at this stage. In a period of rapid change related to the implementation of public management reform the consequences of the challenges and changes mean that civil servants will have to be more flexible and undertake continuous learning rather than periodic training. The facilitation of learning and development can only take place in a supportive environment, where there is a clear link between HRD and institutional strategy and learning is embedded into the life of the government institution.

HRD is one, but pivotal part of a wider package of HRM activities; *it is well integrated with HRM activities*, to the extent that they are seen as one and the same (McCracken and Wallace 2000a). Required competencies and behaviors are generated by HRD but it is crucial to sustain and reinforce them with the help of other domains of HRM – selection, appraisal, rewards and communications (Luoma 2000).

HRD specialists are treated as organizational change consultants. There is a shift away from the situation where training is a primary responsibility of the HRD specialists and HRD becomes shared responsibility of line management, employees and the HRD specialists (Buyens, Wouters *et al.* 2001).

HRD specialists have innovative and strategic roles and facilitate change. They are strategic partners in the organization, and core learning facilitators to oversee existing learning initiatives and proactively initiate new development processes supportive of the organization's strategy (Koornneef, Oostvogel *et al.* 2004, Tjepkema, Horst *et al.* 2000). HRD specialists are proactive rather than simply reactive and see themselves in a central and strategic rather than peripheral and operational role (Garavan 1997).

Partnerships with line managers in the area of HRD are important. It is considered to be critical that actual HRD activities are carried out by line managers, while HRD specialists provide assistance and advice (Harrison 2002). This should help to close the gap between individual and organizational performance and in that way to improve the quality of HRD interventions (Gibb 2003). HRD activities are increasingly devolved to line managers they are expected to assume greater responsibility for developing their subordinates. For instance, it is expected of them to perform assessments and need analyses, work on development plans for their staff, motivate employees for learning and manage a workplace as a place supportive for learning. In this context line managers need to have sufficient knowledge and skills in the area. Additionally, it is vital that line managers and HRD specialists work in partnership on both operational and strategic issues.

The final stage of strategic HRD system “HRD effectiveness evaluation”. Evaluation of HRD interventions should take place, addressing whether strategic objectives and needs of the government institution have been met and whether individual and organizational performance has been improved through learning interventions. This also includes cost effectiveness evaluation. Based on Swanson *et al.* (2001) “the HRD profession is woefully behind in reporting its economic contribution”. Evaluation can be used to influence the perception of effectiveness of HRD specialists or the resource allocation based on performance. Evaluation should also provide a mechanism with which to secure champions of HRD amongst senior managers, line managers and HRM specialists. If senior management can see HRD specialists as business partners because they speak the same language and can prove that their contribution is worthwhile, then strategic HRD, as argued by McCracken and Wallace (2000b, 2000a), will emerge and develop.

The enabling characteristics for the evaluation stage are *formalization of the evaluation process and a scope of evaluation*. A higher level of formalization of the evaluation will strengthen the process in terms of content and regularity of the feedback. This also will facilitate the planning and provision of necessary financial and human resources to carry out the evaluation. The scope of the process determines the extent to which the effectiveness and level of strategic integration of the HRD systems is to be evaluated. If the level of strategic integration is not properly evaluated than it may take much longer to identify the gap between strategy and practices or the mismatch between practices.

5. Research goal and data collection methods

The main goal of the research is to verify the theoretical model by examining the congruence of enabling characteristics of the strategic HRD system with those in Lithuanian central and local government institutions and identify the gaps to be addressed. The research object – the Human Resource Development system in Lithuania.

In order to define key factors qualifying enabling characteristics a methodological framework has been constructed to clarify and focus the research issues to be explored in the empirical survey. The framework defines key factors to qualify enabling characteristics presented in the theoretical model of strategic HRD system. It provides evidence based assessment tool and facilitates the identification of the gaps in the HRD system in the context of public management reform.

Qualitative and quantitative research methods were utilized in the research. Firstly, the quantitative survey has been performed to assess the enabling characteristics of HRD system. Secondly, semi-structured in depth interviews with selected experts have been carried out to clarify and follow up on different outstanding issues and details of the HRD system in the selected central and local government institutions. Finally, document analysis has been carried out to supplement the evidence obtained in the survey and interviews, and to establish some evidence to assess the presence of characteristics unobservable via survey/ interviews.

6. Conclusions

1. Having performed scientific analysis of the theoretical bases and of the trends and challenges brought by public management reforms it was concluded that traditional approaches to HRD are insufficient to ensure the development of a new set of competences of civil servants and to create enabling environment within government institutions that enhance the organization's capacity to take on large scale learning processes associated with major cultural and procedural changes introduced by public management reforms. Thus, there is a need for a significant transformation of the HRD function, creating particular opportunities for civil servants and government institutions to develop and enhance the necessary competencies and behaviours to facilitate the implementation of wide reaching public management reforms.
2. The research revealed that the primary concern of HRD should be the establishment of strong linkages with the strategic goals of the organization and the development of a work environment which facilitates learning. Therefore, in this article, *a strategic HRD has been defined as a means to improve organizational performance through the establishment of strong HRD links with organizational strategies and goals as well as the strategic leveraging of learning and development processes to generate and enhance appropriate behaviours and competencies.*
3. On the bases of theoretical analysis of different approaches to HRD a strategic model of HRD has been suggested. It is based on the strategic approach to HRD. The model presents a systematic approach to the HRD system, where due importance is given not only to each stage, but also to each linkage. Therefore, the model can not be implemented in a piecemeal manner and requires a systematic approach, which should be built on the following provisions: 1) HRD system is perceived as having strategic value in the context of public management reform, only if it has the capability to develop a supportive environment for learning, where there is a clear connection between HRD and the strategic goals of government institutions, which in turn has been aligned with the objectives of public management reform; 2) strategic HRD is a prerequisite for a learning culture to emerge and for a learning organization to develop. Once strategic HRD is a reality, a learning culture must also be in place. One element cannot exist without the other. Strategic partnerships between key stakeholders – HRD specialists, line managers and civil servants – are central for strategic HRD to develop; 3) HRD is no longer limited to training, but extended to facilitating and supporting learning processes within an organization focusing on different forms of learning, including informal and incidental learning (Buyens, Wouters *et al.* 2001); learning is regarded as a normal part of everyday work and working is seen as a rich source of learning; 4) evaluation and feedback is vital for any process of strategic HRD. It helps in establishing self-correcting mechanisms in the process. The evaluation stage will also help in demonstrating HRD successes and increase the credibility of the HRD function.
4. The findings of the empirical study revealed “weak” evidence of a majority of enabling characteristics and confirmed that there is limited congruence between the theoretical model of strategic HRD system in the context of public management reform and the current HRD system in the central and local government institutions of Lithuania. The Lithuanian HRD system is not strategically mature in HRD terms and the majority of enabling characteristics are not in place yet. Therefore we can conclude that the current HRD system in Lithuania is not able to ensure the successful implementation of significant changes associated with public management reform.

The conclusion presented above is validated by the following main findings:

- The overall policy environment in the Lithuanian public sector is relatively supportive for strategic HRD/training to emerge and develop. However, several shortages have been identified by the research, which impact on the development of strategic HRD approach, namely: (1) national HRD policy is absent and HRD function is mainly identified with “training” and limited to formal training activities as prescribed by the civil service legislation; (2) the HRD approach is also restricted by an ineffective performance management system, where individual performance goals are poorly linked with the strategic objectives of the department and institution;
- Although senior management is widely perceived to provide a supportive role for HRD/training, they are not seen as playing a proactive and strategic role in leading and shaping HRD/training policies and strategies. There were few indications that such support went beyond passive compliance into anything remotely resembling the active leadership as defined in the methodological framework.
- There is little evidence of integration between HRD and institutional strategy and definitely a strategy shaping role of HRD is not yet in place. HRD/training still appeared to be reactive and operational in most central and local government institutions.
- The most prevailing roles of HRD specialists still link strongly to traditional training practices. A more reactive role as training organizer is most prominent in the central and local government institutions. Analysis has disclosed that HRD/training specialists have not yet developed expanded roles as innovators and organizational change consultants. However, there were some encouraging indicators that HRD/training specialists were adopting consultancy roles in their institutions and some of them are becoming more involved at a strategic level.

- Line managers have not assumed the responsibility for HRD/training of their subordinates yet. It was confirmed that it is difficult to fulfill this role, either because of their work load or lack of skills in this field. Cooperation between line management and HRD/training exist, however a lack of line managers' support and involvement in HRD issues indicates that the strategic partnerships suggested by McCracken and Wallace (2000a; 2000b) as an indicator of strategic HRD does not exist in the central and local government institutions of Lithuania.
- HRD and HRM integration is insufficient and there are lack of relevant mechanisms to sustain and reinforce appropriate competencies and behaviors generated by HRD with the help of other domains of HRM – selection, appraisal, rewards and communications.
- There is little evidence for the emphasis on HRD/training evaluation. Central and local government institutions mainly evaluate HRD/ training activities based on Kirkpatrick's level 1 – assessing immediate learners' feedback, which is usually carried out by training organizations. There is no evidence for an emphasis on cost effectiveness of HRD evaluation.

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