

MANAGEMENT OF INNOVATIONS IN THE EUROPEAN COMMISSION

Marian Šuplata, PhD

Marian.Suplata@umb.sk

Matej Bel University in Banská Bystrica, Slovakia

Abstract

The EU Institutions are directly influencing lives of almost half a billion of Europeans. The most influential position among in the EU institutional framework traditionally occupies the European Commission, composed of twenty-eight EU Commissioners. They are assisted by their Cabinets in co-operation of Directorates General. The paper is based on almost six years of professional experience in a top decision making body of the European Commission. It aims to point out, justify and analyze the management innovations in Cabinets of Members of European Commission, as well as to highlight some consequences they had in practice.

Key words: European Commission, innovations, management, managers.

Introduction

The institutions of the European Union directly influence lives of approximately 500 million Europeans. The most influential role within the institutional framework of the European Union is traditionally played by the European Commission. It is composed of twenty-eight EU Commissioners from twenty-eight Member States. They are assisted by their Cabinets in cooperation with Directorates General.

The purpose of this paper is twofold. First, to focus on the management in the European Commission as an organisation which lays in the middle of the EU institutional framework. Secondly, the paper analyses attempts for innovations management in the European Commission giving a concrete examples from the period of 1999-2009. It also highlights some consequences the „attempts for innovations” had in practice.

1. Definitions of key words

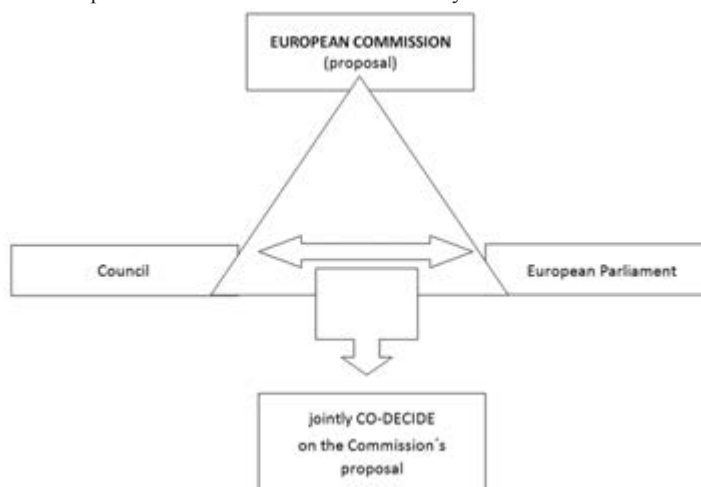
For the purpose of this paper we need to define the following terms:

- European Commission;
- Management;
- Manager;
- Innovations

The Article 17 of Lisbon Treaty defines the mission of the European Commission in the following way: „*The (European) Commission shall promote the general interest of the Union and take appropriate initiatives to that end. It shall ensure the application of the Treaties, and of measures adopted by the institutions pursuant to them. It shall oversee the application of Union law under the control of the Court of Justice of the European Union. It shall execute the budget and manage programmes. It shall exercise coordinating, executive and management functions, as laid down in the Treaties. With the exception of the common foreign and security policy, and other cases provided for in the Treaties, it shall ensure the Union’s external representation. It shall initiate the Union’s annual and multiannual programming with a view to achieving inter-institutional agreements*” (The Lisbon Treaty).

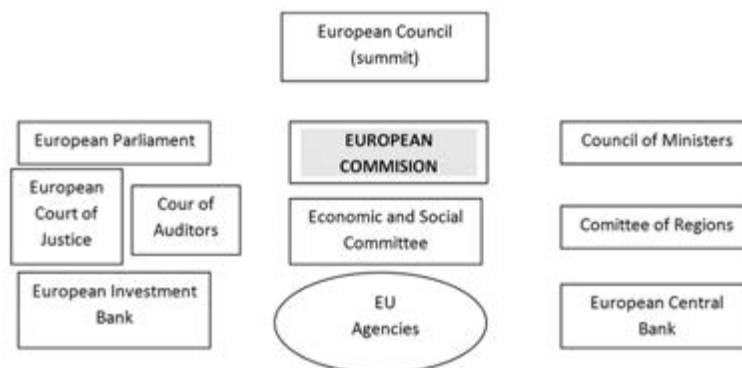
The specific feature of the decision making process of the EU institutions is the so called co-decision procedure (see the Figure 1). The European Commission proposes every single proposal for EU initiative. The Council and the European Parliament jointly co-decide about the proposal.

Figure 1. The European Commission in the co-decision system of the EU institutions



Source: own work.

Figure 2. European Commission within the system of EU institutions



Source: own work, according to data of the European Commission, 2014.

There is not only one, single definition of the term „**Management**“. One of the most frequent and accepted definitions is by Mary Parker Follet, who defines Management as „*getting things done through others*“. Kreitner defines Management in the following way: „*Management is the process of working with and through others to achieve organisational objectives in a changing environment*“ (Kreitner, 1995: 4).

The term „Management“ can be perceived as:

- Practical human activity,
- Scientific discipline,
- Profession.

The „**Managers**“ are defined by managerial functions which Kreitner defines as: „*planning, organising, decision making, staffing, communicating, motivating, leading, controlling*“ (Kreitner, 1995: 14) (See the Figure 3).

Figure 3. Managerial functions in the European Commission



Source: own modification according to Kreitner 1995: 14.

Henry Mintzberg defines the Managerial roles in the following way:

Table 1. Managerial roles in the European Commission

CATEGORY	ROLE	MANAGERS IN CABINET
INTERPERSONAL ROLES	1. FIGUREHEAD	Commissioner, Head of Cabinet and its Deputy, Members of Cabinet
	2. LEADER	Commissioner, Head of Cabinet and its Deputy; Members of Cabinet
	3. LIAISON	Head of Cabinet and its Deputy; Members of Cabinet
INFORMATION ROLES	4. NERVE CENTER	Commissioner, Head of Cabinet and its Deputy, Members of Cabinet
	5. DISSEMINATOR	Head of Cabinet and its Deputy; Members of Cabinet
	6. SPOKESPERSON	Commissioner and his Spokesperson (who is <u>not</u> a part of Cabinet)
DECISIONAL ROLES	7. ENTREPRENEUR	Commissioner, Head of Cabinet
	8. DISTURBANCE HANDLER	Head of Cabinet and his Deputy
	9. RESOURCE ALLOCATOR	Head of Cabinet
	10. NEGOTIATOR	Commissioner, Head of Cabinet, Members of Cabinet

Source: adapted from Mintzberg 1971: B97-B110, compare Kreitner 1995: 17.

Peter Drucker defines **innovations** as: „*Change that creates a new dimension of performance*”. Joseph Schumpeter proposes five ways for innovations:

- *introduction of new goods;*
- *introduction of new methods of production;*
- *the opening of new markets;*
- *the conquest of the new sources of supply*
- ***and the carrying out of a new organisation***” (ENRD 213).

For the purpose of this paper by „innovation“ we understand **carrying of new organisation in Cabinets of Commissioners, based on new and more transparent rules, with aim to increase the credibility of the European Commission as a public institution.**

2. Management of the European Commission

The term „Management” is sometimes narrowly connected to the area of Enterprise. Drucker considers this to be a „myth” and emphasizes that the enterprise management is only one part of the general management which „*does not differ from the management of other organisation more than one*

dog's breed from another" (Drucker, 1999: 16). Drucker also reminds us that the first conference about Management, which took place in Prague in 1922, had not been organized by enterprises, but by the US Minister of Trade Herbert Hoover in co-operation with the first President of the first Czechoslovakia Tomáš G. Masaryk.

There is no doubt that the European Commission like any other institution needs for performing its duties management and managers.

Like in most larger organisations the European Commission has

- **First line managers** (Heads of Sectors);
- **Middle managers** (Heads of Units);
- **Top/senior managers**.

For the **top management** of the European Commission we can consider the following posts:

- the **President, Vice-President, EU Commissioners** – who are nominated by respective national governments;
- on the Commission's **General Secretariat level** – Secretary General, its Deputies, Directors, Heads of Units, Heads of Sectors. They are recruited by the European Personnel Selection Office;
- on the level of the **Directorate General** – Directors General, their Deputies, Directors, Heads of units, Heads of Sectors;
- on the **Cabinet** level of the above mentioned posts. This includes Heads of Cabinets, their Deputies, Members of Cabinets. They are nominated by the EU Commissioners or by the Head of Cabinet;

The main mission of the Cabinet of EU Commissioner is to be a liaison between the Commissioner and the Directorate General and therefore connect the political and executive line with aim to provide, create and implement the decision of the Collegue of Commissioners.

In the next stage of this paper we will **focus on „attempts for innovations” in the Cabinets of the Commissioners** – which could be considered as a „black box” of decisions made within the European Commission. The Cabinets assist the Commissioner at the execution of his mandate.

3. European Commission's attempts for management innovations

In 1999, the European Commission was publically accused of the lack of transparency and fraud. These allegations were neither publically sufficiently explained, nor were there concrete actions taken by/towards any members of management in charge. Consequently on 15 March 1999 the whole European Commission led by its President Jacques Santer resigned. There was a criticism regarding lack of transparency in the Cabinets of

EU Commissioners. For this reason, the new European Commission, led by a new President Romano Prodi, shortly after it took office on 13 September 1999, introduced a proposal for an „innovated approach” regarding organisation of management in new Cabinets of EU Commissioners. The concrete result of these attempts was adoption of the Code of Conduct, which aimed to determine detailed set of rules on how Cabinets should be composed. There were **three „attempts for innovations” of Cabinets** made by the Presidents of the European Commission as following:

1. Year 1999/2000 – the President of the European Commission Romano Prodi;
2. Year 2004/2005 – the President of the European Commission José M. Barroso;
3. Year 2010 – the President of the European Commission José M. Barroso.

The most important step was the attempt number 1, as it meant a change of existing paradigm of „no rules” policy for the EU Commissioners when nominating their staff to the Cabinet. The new rules for the Cabinets distinguish between management composed from **non-permanent** (Temporary Agents) and **permanent** employees (Officials). The non-permanent members of the Commissioner’s staff are nominated upon his free will with no necessity for it to succeed in official open competition of the European Personnel Selection Office which is in charge of recruitment to all EU institutions. As regards of number of Management composed from the permanent employees, the rules set up the following requirements:

- The Cabinet of the President – no more than seven members of Cabinet („officials”);
- Vice-Presidents and other Commissioners – no more than three members of Cabinet („officials”);
- The rules allowed to increase the number of Cabinet Managerial (AD) posts as an exchange for the position of an assistant (AST) – provided that the overall limit regarding the number of Cabinet Members is kept. In practice Management of all Cabinets has decided for this option;
- The Cabinet of the President is entitled to have from eleven to twelve Managerial (AD) posts;
- Vice-Presidents and other Commissioners are entitled to have up to seven Managerial (AD) posts.

The non-permanent members of Cabinet Management Staff (Temporary Agents) have contract for a determined period. This usually ends with the mandate of Commissioner unless the non-permanent staff will successfully pass the open competition organised for all European institutions by Euro-

pean Personnel Selection Office.

The rules say the Cabinet Management has to be composed from at least three nationalities from the current Member States and requests „gender ballance” in the ratio of women and men in Managerial posts. The composition of the managerial posts is as following:

- Head of Cabinet (1 person) – responsible for overall management of the Cabinet;
- Deputy Head of Cabinet (1 person) – replacing the Head of Cabinet in case of his absence or special empowerment;
- Members of Cabinet (4-5 persons) – responsible for management of the Commissioners’ portfolio;
- Personal Assistant (1 person) – in case of agreement of the Commissioner/Head of Cabinet is entitled to act as a Member of Cabinet.

Conclusions

The paper is based on innovations theory of Joseph A. Schumpeter as well as on practical experience from the Cabinet of EU Commissioner. It focuses on three attempts of Presidents of the European Commission for „internal innovation” in Cabinets of EU Commissioners. The main reason for the „innovations” was a resignation of the whole European Commission under the leadership of the President Jacques Santer in 1999. This came as a consequence of allegations, among other issues from lack of transparency of management processes within the composition of Cabinets of EU Commissioners. This is why a new President of the European Commission Romano Prodi (1999-2004) came up with a new set of transparent rules (Code of Conduct). There were two more minor „attempts for management innovations” within the European Commission under the leadership of the President José Manuel Barroso which came after 2004 and in 2009. The Code of Conduct became an important factor which determines composition, organisation and management in the first stage of forming a new Cabinet of EU Commissioner, at the beginning of the mandate of a newly appointed European Commission.

Joseph A. Schumpeter, as one of the most prominent authors of innovations theory, became an important source of inspiration for the management of the European Commission also at the preparation of the Lisbon Strategy in 2000. As we already know, this strategy was too ambitious and became a *memento* that the representatives of the European Union in charge „should more act than to declare”.

The above mentioned „attempts for management innovations” have brought several restrictions at composition of Cabinets of EU Commission-

ers, as well as more transparency into decision making process of the European Commission which with no doubts can be considered as beneficial for the sake of credibility of this public institution. To which extent will be seen in the future. However, as a matter of fact, the above mentioned allegations towards Santer's Commission which resulted in its resignation have not happened anymore.

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