

NISPAcee  
The Network of Institutes and Schools of Public Administration  
in Central and Eastern Europe

BUILDING BETTER QUALITY ADMINISTRATION  
FOR THE PUBLIC:  
CASE STUDIES FROM CENTRAL AND EASTERN EUROPE

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(The Network of Institutes and Schools of Public Administration in Central and Eastern Europe)

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NISPAcee is an international association focused on public administration and its mission is to foster the development of public administration disciplines and training programmes in post-Communist countries, increase the quality of instruction and research and assist its member institutions development at both international and national levels.

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## **Preface**

This book has its origins in the research and debates of the NISPAcee Working Group on Better Quality Administration established following the 1999 NISPAcee Annual Conference in Sofia. The Working Group has since held annual plenary meetings during the NISPAcee Annual Conferences held in Budapest (2000) and in Riga (2001).

The aim of the Working Group is to carry out comparative, policy-relevant empirical research on how to improve the quality of public administration in the service of the citizen in Central and Eastern Europe. It pursues this goal through the collection and peer review of concrete case studies, annual meetings and on-line information exchange via a dedicated website (see: <http://www.vus.uni-lj.si/nispa/>)

The majority of the papers featured in this volume were first discussed at the plenary meeting held in Riga (10-12 May 2001), while additional contributions have been accepted from other authors. It is safe to say, however, that all members of the Working Group – past and present – have contributed to this book by helping to shape its conceptual framework, approach and policy recommendations.

This book, and the meetings which allowed for its preparation, would not have been possible without the generous support of the Local Government and Public Service Reform Initiative (LGI). For their active contribution and invaluable suggestions we are thankful to Dag Strømsnes, Peter Humphreys and Elke Löffler. Special thanks are due to Todd Williams for providing professional editorial support for this publication and to Mitja Decman for designing the website. We would like to express our particular gratitude to the NISPAcee Steering Committee and to Ludmila Gajdosova, Viera Wallnerova and Juraj Sklenar of the NISPAcee Secretariat for their continued support (and patience) over the years.

Last but not least, we would like to express our sincere thanks to all those we have had the privilege to work with on this project and to wish the Working Group long life and every success under the new team of co-ordinators.

Joanne Caddy and Mirko Vintar  
Paris and Ljubljana



# **SECTION 1**

## **Introduction and Basic Concepts**





## **Building Quality into Public Administration**

*Joanne Caddy\* and Mirko Vintar\*\**

### **Quality Administration for the Public in Central and Eastern Europe**

How can the quality of service provided by public administrations in Central and Eastern Europe (CEE) be improved under conditions of limited financial and human resources and growing expectations on the part of citizens? What are the main factors to determine the success of reform efforts in this area and what are some of the most promising approaches to emerge in the region? These are just some of the questions currently facing policy-makers and practitioners charged with the difficult task of modernising public administration throughout CEE today. This book represents a first attempt to address, if not answer, these issues.

The need to develop more responsive and better quality public administration (PA) for the benefit of all citizens on the one hand, and the link between economic development and the existence of a stable, professional and efficient public administration on the other is now widely recognised. Improvements in the public sector yield benefits through providing a supportive environment for domestic economic actors, in attracting foreign direct investment and raising public trust. The costs to business and households of inefficient, unresponsive or even corrupt public administrations are becoming increasingly clear to all.

While public debate on ensuring high quality administrations rarely makes headlines in any country, the pressure is now on governments across the region to invest in improving the performance of the public sector. Efforts to improve quality in public administration can go well beyond national borders and the limited realm of technical experts to become the subject of cross-country debate and discussion at the Ministerial level. In the case of the European Union, the successive Presidencies of Austria, Germany, Finland and Portugal built up to a major conference on best practices in achieving quality (Lisbon, May 2000) and the development of the Common Assessment Framework (CAF). While far more modest in its ambitions, this volume of collected papers follows this comparative approach in highlighting experience from a wide range of EU Member States, candidate countries and neighbouring non-members.

Before embarking upon a review of quality it is worth asking who exactly the “public” is that is to be served by the “public administration”? The term is taken here to encompass a broad range of counterparts to the public

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administration - including individual citizens, non-governmental organisations (NGOs) as well as small and medium sized enterprises (SMEs) and larger businesses. Each of which may, at different moments in time, occupy a different position vis-à-vis the public administration (as clients, partners or subjects).

This section seeks to provide a brief introduction to the main concepts used in the book as well as an overview of its structure. It will seek to provide answers to the 'why' and 'how' of quality in public administration and its relation to the concrete experience of countries in CEE.

### **Why focus on quality in public administration?**

Over the past decade, there have been a number of trends in public sector reform which, when taken together, provide the backdrop against which the spread of quality initiatives may be placed. A shift from rules to responsiveness, from hierarchy to partnership, from audit to evaluation has been witnessed. These trends are based on the application of the key principles of good governance, namely: transparency, accountability and openness.

Public administrations the world over are facing new pressures that have prompted them to focus greater attention on the quality of their processes and outputs. These include:

- Growing demand for public services without an equivalent increase in resources;
- Rising expectations among users, as well as their propensity to compare public services with those provided by the private sector;
- The need to demonstrate greater transparency in the use of public resources and to document performance;
- Public sector managers' search for new tools to achieve better results within current budgets.

Such efforts to improve quality in public administrations are undertaken in the hope of achieving a number of tangible benefits for the organisations concerned, such as:

- A culture of continuous improvement;
- Better customer service;
- Greater strategic thinking about missions and goals;
- Sustained levels of performance.

### **How to achieve quality in public administration?**

What emerges clearly from the range of country cases featured in this book, is that there is no single solution nor is it appropriate to take a 'one size fits all' approach to quality improvement. On the other hand, while it is true that a wide spectrum of options is available, policy-makers must make a number of strategic choices between:

- Statutory vs. voluntary approaches: key elements of a quality system (e.g. standards and procedures) may be developed by central government and set out in law or, at the other extreme, may be developed on a decentralised basis and their application be entirely voluntary. The need to allow experimentation and adaptation to local conditions must be balanced with the need to ensure coherence and comparable standards;
- Focus on unit vs. system level: the most appropriate level at which to apply quality improvement initiatives in practice may be that of the single administrative unit (or 'business unit'). At the same time, a surrounding environment that is conducive to, and supports, efforts undertaken at the unit level is needed. Central units responsible for quality initiatives at the national level may play an important role in co-ordination and support (e.g. in providing advice and expertise, identifying and disseminating good practice and training);
- Balance between clients vs. stakeholders vs. citizens: quality initiatives bring with them a welcome emphasis on meeting the needs and expectations of clients. At the same time, public administrations must also balance the interests of other internal and external stakeholders (e.g. staff, taxpayers, elected representatives). Finally, to the extent that decision-making on the quality of specific services (e.g. hospital care) contributes to policy-making for an entire sector (e.g. health policy) the direct interests of clients and stakeholders must be balanced with those of other citizens who may wish to exercise their rights to information and participation.

### **Why is quality now an issue for public administration in CEE?**

The transition to a market economy and democratic government experienced by the countries of Central and Eastern Europe in 1989-1990, brought with it tremendous pressures to undertake far-reaching public administration reforms while maintaining the delivery of basic services.

Today, over a decade later, public administrations in many countries of the region are entering a second stage of development where quality begins to matter. For many administrations, it is now not simply enough to deliver a service – given that its quality is increasingly the subject of public scrutiny and debate.

Growing attention to the issue of ensuring better quality administration for the public in CEE countries has a number of root causes, including:

- European integration: preparation for accession to the European Union requires major efforts in the areas of legal approximation and institutional reforms to ensure implementation of the *acquis communautaire*. While there are few formal requirements for specific institutional models associated with EU membership, the emergence of a 'European Administrative Space' – characterised by a set of shared (if not formal) standards and values will potentially have a significant impact on candidate countries;

## BUILDING BETTER QUALITY ADMINISTRATION FOR THE PUBLIC

- Economic competitiveness: foreign direct investment has proved to be very sensitive to such factors as predictability of law-making, institutional stability and administrative costs – not to mention those associated with corruption. Achieving higher quality standards in the public sector has a positive impact on business location and investment decisions;
- Professionalisation of the civil service: better access to modern training and resources for professional development as well as greater exposure to new models through technical assistance and exchange programmes has raised awareness among senior civil servants of new standards for administrations and the tools available in meeting them;
- Expectations of citizens and businesses: the standards for private sector service delivery in CEE countries are rising rapidly. As a result, individual consumers and entrepreneurs have a ‘benchmark’ against which to measure public services.

While no single factor can explain (or predict) the appearance of a new-found concern for quality as an element of public administration reform in CEE, taken together they provide an important impetus for taking concrete action.

### **Objectives and structure of this book**

The co-ordinated programme of research, whose results are presented in this book, was launched in recognition of the need for sound comparative research on the introduction of quality measures to public administration in Central and Eastern Europe. Not only because these issues are now beginning to appear on government agendas across the region. But also because exchange of experience and learning is an integral element of successful quality initiatives. This collaborative research programme, involving as it has experts from a wide range of countries, testifies to the feasibility and fruitfulness of sharing policy lessons across national borders.

The NISPAcee Working Group on Better Quality Administration for the Public was established at the NISPAcee Annual Conference in Sofia (2000) and its first plenary meeting took place the following year in Budapest. The majority of the papers presented in this volume were presented and discussed at the second plenary meeting in Riga (2001) but it has also benefited from additional papers collected since then.

The book addresses both the theory and practice of quality in public administration, as such it may prove useful to a range of different readerships:

- Government practitioners will find concrete examples of good practice in the country case studies and guidance in the set of proposed policy guidelines;
- Trainers in public administration will discover a valuable tool for teaching basic concepts and illustrating their application in a range of country contexts;
- Opinion makers will find interesting examples with which to stimulate debate on what members of the public expect of their administrations.

The volume seeks to cover a wide range of issues in a concise manner and is structured into four main sections for ease of reference:

- I. Basic concepts: this section introduces the issue of quality in public administration and features a paper by Elke Löffler outlining the key concepts and setting out the framework for quality management in the public administration.
- II. Methods and approaches: this section illustrates the range of approaches and methodologies currently available and experience with their concrete application in selected country contexts. The paper by Tomasz Szejner provides an overview of the European Foundation for Quality Management (EFQM) model and discusses the opportunities for, and limits to, its application in CEE. The paper by Dag Strømsnes introduces the Common Assessment Framework (CAF) and highlights the key features of this approach to quality management, which has recently been adopted as a framework for the European Union. The next three papers examine the challenges faced when implementing quality management in public administration. An example of how the CAF is being implemented in EU Member States is provided by Helfried Bauer in the case of Austria. Zdravko Pečar et. al. review the issues and challenges raised when introducing Total Quality Management (TQM) in public agencies, while Peter Humphreys assesses the recent experience of Ireland, with a particular focus on the Quality Customer Service (QCS) initiative.
- III. Country case studies: building appropriate frameworks for quality management is only part of the story, however, and this section provides a rich array of examples of how quality management is applied in practice in a wide range of countries. A comparative paper by Bruno Lauritzen, looking at quality initiatives at the local government level in Denmark and the US, opens the section and is followed by a set of case studies from Central and Eastern European countries – for whom quality management techniques are of far more recent introduction. Iveta Reinholde provides an assessment of how ISO 9000 standards may be applied in the public administration in Latvia. The importance of human resource management and training in achieving better quality administration is addressed by Kristina Marceliene, Raimonda Vaitenkovaite and Eugenius Chlivickas in the case of Lithuania. How public perceptions of local administration may provide important input to raising quality is an issue taken up by Pawel Swianiewicz with a review of experience in Poland. The application of performance management in the public and private sectors is compared and contrasted by Tatiana Zaytseva with reference to the case of Russia. The central role of citizens, not only as the ultimate beneficiaries of quality improvements, but as important partners in achieving better public administration through consultation is underlined by Magdaléna Bernátová in her review of the Slovak Republic. Rapid innovations in the field of information and communication technologies (ICTs) offer new tools for raising the quality of processes and services in the

public administration. The paper by Mateja Kunstelj, Annamarija Leben and Mirko Vintar offers numerous insights as to how these tools may be harnessed with reference to the recent experience of Slovenia. While technologies certainly have an important role to play, people remain central to quality initiatives. The paper by Natalia Parasyuk and Anatolij Chemerys examines how incentives can be used to encourage public servants to seek quality improvements through non-monetary incentives such as awards schemes, as illustrated by the case of Ukraine.

- IV. Policy guidelines: this section offers a set of guidelines for policy-makers when planning and undertaking quality initiatives in the public administration. They were developed during the second plenary meeting in Riga (2001) and approved by members of the NISPAcee Working Group on Better Quality Public Administration after much discussion. The guidelines are intended to prompt policy-makers in Central and Eastern Europe to develop appropriate strategies and take concrete actions to introduce quality management techniques and tools tailored to their own national contexts. The ultimate aim being that of achieving tangible improvements in the quality of public administration at the service of citizens throughout the region.

The breadth and depth of the papers presented in this volume testifies to the growing interest in quality approaches to the modernisation of public administrations everywhere. On balance, the papers may be seen to raise more questions regarding the introduction of quality management techniques in Central and Eastern Europe than they answer. But we firmly believe that the notion of better quality administration will gradually enter the agenda of all governments in the region and that further comparative research work in this field will be needed to guide the modernisation of public administration in each of the respective countries. Hence, the continued relevance of the Working Group's aims, and the importance of its ongoing work. If the publication of this volume of collected papers serves to provide policy-makers with examples of promising practices and stimulate wider debate, it will have fulfilled its main objective.

## Defining and Measuring Quality in Public Administration

*Dr. Elke Löffler\**

### Introduction

What is the likelihood that two or more strangers would have the same views when it comes to deciding what is a high quality public service and what isn't? In deciding quality, we might assume that people consider various attributes of a given service or product and assign different weights to each attribute before reaching a decision (Bovaird and Halachmi, 1999: 145).

One person may look primarily to fitness for use of the service, while another may look at how timely the service is provided. Realistically, most individuals might be assumed to use some combinations of these factors to assess quality.

It becomes obvious that quality is a complex concept. While the quality of products and services is already hard to assess, the assessment of organisational quality or even policy programme quality is even more difficult. The assessment of governance quality is likely to be the most demanding and the first pilots in this area are only starting now.

The objective of this paper is to establish basic working definitions which assist the exchange of international experiences and to contribute to the dialogue on how to improve the measurement of quality in public administration.

The paper starts with an analysis of the way in which the concept of quality evolved in the private and public sectors. It will be shown that quality is not a new concept for public administration but the current notion of quality public services clearly stems from the business concept of Total Quality Management (TQM).

The author goes on to discuss three key issues in assessing quality in the public sector:

- selecting the right quality measures and indicators;
- using the right assessment instrument;
- involving the right stakeholders.

The paper concludes by stressing that improving the quality of services may increase customer satisfaction but not necessarily trust in government, Parliament and the civil service. In order to improve trust in public administration, a much wider concept of quality is needed, which encompasses the quality of interaction of networks of public, voluntary, and private organisations providing public services and solving collective problems.

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**Definitions of Quality**

Changing Quality Concepts in the Private Sector

(Total) quality management has its roots in the private sector, as do so many government reforms. Thus, it may be beneficial to analyse the “history” of TQM in the private sector in order to improve our understanding of the potential and limits of TQM. As Table 1 shows, TQM is the latest development in the evolution of quality management systems in the private sector at present. We can deduce from this trajectory of quality management systems that TQM is unlikely to be the final version of quality management. As environmental conditions continue to gradually change, there will also be the need for new quality management systems.

**Table 1**  
The Evolution of Quality Concepts in the Private Sector

Time period	1945-1949	1949 – 1951	1951 – late 1960s	late 1960s-1980s	1980s - present
<b>Definition of quality</b>	conformance to technically specified norms and standards	conformance to technically specified norms and standards	fitness for use	conformance to customer requirements	achieving maximum of customer satisfaction
<b>Quality management system</b>	quality inspection	statistical quality control	system-oriented quality assurance	company-wide quality-control	total quality management
<b>Parameter of the quality management system</b>	final product	final product	production process	customer needs	customer expectations
<b>Management instruments</b>	standardization	statistical methods	root cause analysis	quality function deployment	continuous improvement
<b>Era</b>	basic needs era	basic needs era	growth era	quality era	quality era
<b>Technological change</b>	mass production	mass production (Fordism)	short product life-cycles	service economy	service economy
<b>Types of markets</b>	seller markets	seller markets	buyer markets	satisfied and globalised markets	satisfied and globalised markets
<b>Types of goods</b>	search goods	search goods	experience goods	experience goods	experience goods
<b>Perspective on quality</b>	producer-oriented (internal)	producer-oriented (internal)	consumer-oriented (external)	producer- and customer – oriented (external and internal)	producer, supplier, customer, and competitor oriented
<b>Quality measurement</b>	objective concept	objective concept	subjective concept	subjective concept	subjective and objective concepts
<b>Quality assessment</b>	third-party assessment	third-party assessment	third-party assessment	self-assessment	self-assessment
<b>Time dimension</b>	static	static	dynamic	dynamic	dynamic

Source: Löffler, 1996:17, modified by the author.



The history of private sector quality management in the Western hemisphere can be divided into five phases (Löffler, 1996):

### 1) Quality inspection

The starting point of private sector quality management was the breakdown of the Japanese telephone network after World War II (Ishikawa, 1985:15). The American Allied Forces, as well as Japanese industry, regarded the low quality of the telephone network as the main reason for this problem. As a consequence, efforts were made to apply modern methods of quality inspection. This meant that monitoring activities became the exclusive task of additional hierarchical and functional units.

Quality inspection had a purely technical function: it had to detect the good products and let them pass and had to stop the bad products. The percentage of unacceptable products determined the quality of the production. Quality consisted of “conformance to requirements” (Crosby, 1979:17), specified as a list of technical characteristics. Since quality inspection focused on the final product solely, it usually had no implications for productivity.

The main management instruments were technically specified norms and standards that helped to carry out inspections correctly. All in all, quality inspection had an important function in creating common industrial norms in post-war Japan and later in the U.S. and Western Europe (Wonigeit, 1994:34). Nevertheless, quality inspection suffered from the fact that total inspection of all products was impossible and that conclusions from small samples could be unrepresentative. As a result, the ratio of defects detected by quality inspection was low and quality inspection was often inaccurate. Clearly, quality inspection was not a very satisfactory approach to quality improvement.

### 2) Statistical quality control

In order to overcome this problem, quality inspection was further developed into statistical quality control. This phase of quality management was strongly influenced by the U.S. quality expert Deming. Deming stressed the importance of variation – the problems it causes and its origins. In particular, he distinguished between systematic mistakes, caused by men or machines, and random mistakes like bad quality inputs. The main quality management instruments were statistical methods like sampling methods. The mass production of armament during the Second World War had also encouraged statistical quality control in the U.S. and Great Britain (Zink and Schildknecht, 1992:76). In these applications, statistical quality control had still focused on the end product and was the task of specialized inspection departments.

The environment of these early quality management systems can be characterized as the “basic needs era” (Reiss and Zydromomyslaw, 1994:34). The fulfilment of the basic needs of individuals had first priority in society, and this was made possible by mass production on a large scale. In markets, price

was the decisive competitive parameter. In terms of quality, the goal of producers was simply to achieve a certain minimum level of quality at the lowest cost.

This concept of quality and quality control only works with goods whose characteristics the producer can specify in detail before sale (and the consumer can investigate before purchase). Nelson (1979) defines this type of goods as 'search goods'. The Ford 'Tin Lizzy' would clearly fall into this category, for example. This producer-oriented perspective (Bouckaert, 1992:7) defined quality at the output level as a set of features of a good or service corresponding to a predetermined description of the good or service to be produced.

Quality, in this sense, was an objective concept (Bouckaert, 1992:7) since the judgment on quality was based on quantitative data. Specialized functional divisions of the organisation were responsible for the assessment of product quality - a third-party assessment from the workers' perspective. At the same time, it is a static view that emphasizes technical conformance, no matter how much the specification for the product may have become inappropriate for the circumstances in which it must now be used.

### 3) System-oriented quality assurance

In the 1950s, environmental conditions changed. Successful organisations now had to manage external as well as internal systems (Walsh, 1991:504). The meaning of quality therefore shifted to quality as "fitness for purpose" (Juran, 1979a:2). This definition of quality means meeting the objectives of the various customers. In order to do so, quality management in Japan then turned to quality assurance which "is broadly the prevention of quality problems through planned and systematic activities" (Oakland, 1993:15).

Under quality assurance, the focus is no more on the final product but on the production process. Quality improvement takes place by root cause analysis (Juran, 1979b:16-9 – 16-44). The aim is to raise product quality continuously and to adapt it to the changing needs of customers.

The behaviour of customers is determined by increasing material well-being and forming a critical attitude towards technical progress in the "growth era" (Reiss and Zydromomyslaw, 1994:34). Markets are characterized by globalisation and shorter product cycles. In buyer markets, low prices are no longer sufficient to attract customers. Quality has become a competitive parameter and a strategic goal for companies. The types of goods being produced have also changed: with the service sector becoming larger at the expense of the industrial sector, 'experience goods' (Nelson, 1979) become more and more important. Experience goods are those which are impossible, impracticable or too expensive to investigate before purchase.

This has several implications for the judgment of quality, which becomes a function of individual perceptions and expectations. This "consumer-oriented,

subjective quality” vision (Bouckaert, 1992:8) once again measures quality at the effect-level as “fitness for purpose” (Juran, 1979a:2).

Even though system-oriented quality assurance was based on the idea that “quality is everybody’s job” (Feigenbaum, 1983:158), in practice, responsibility for quality assurance only shifted from inspection departments to top management. Therefore, it is legitimate to refer to the assessment concept of quality as being, once again, third-party assessment from the perspective of the operational level.

#### 4) Company-wide quality control

Company-wide quality control was introduced by Ishikawa in 1968 (Ishikawa, 1985:91). The basic concept of quality is similar to Juran’s: quality requirements are derived from individual needs and translated into technical specifications. However, customer-orientation now refers not only to the external, but also to the internal customer, so that the whole company may be interpreted as a network of customer relationships. As a consequence, all management efforts concentrate on the fulfilment of customer needs.

Market research has an important function in company-wide-quality-control. Company-wide-quality-control means that all functional divisions and employees are responsible for meeting customers’ requirements in the production process. Quality in this management system becomes a strategic business issue and is seen as the key success factor for long-term competitiveness (Ishikawa, 1985: 104 f.).

The evolution of quality from a technical function to a strategic business goal may be explained by the change of the external environment. The “quality era” (Reiss and Zydromomyslaw, 1994:34) may be characterized by a general consciousness and awareness of quality among customers as well as by competition through quality. Today’s service economy is based on personal company-customer relationships rather than on standardized production processes, which is the reason for quality becoming a subjective concept.

Comprehensive quality management concepts like company-wide quality control try to combine the old producer-oriented quality control with the customer-oriented quality assurance concept so that the idea of customer-orientation is also introduced into the production process: the subsequent production units become the internal customers of the performers of each process in the value-added chain. The term ‘product’ therefore includes each single output of a production process. Since customer requirements have to be met at every stage of the production process, every employee has to make sure that the products have all the necessary quality specifications. Thus, quality assessment is based on self-assessment.

Company-wide quality control and TQM are often referred to as synonyms in literature. Although their approach and emphasis is similar, there are important differences.

### 5) Total quality management

In the Western world, TQM was seen as one of the success factors behind the Japanese becoming number one producers in the electronics and car markets. TQM was widely and apparently successfully applied to Japanese manufacturing industry in the late 1970s and 1980s and was subsequently re-exported to the West in the 1980s (Pollitt and Bouckaert, 1995:4). It percolated from manufacturing to the commercial services sector and eventually to public services.

The U.S. Department of Defense provides a comprehensive definition of TQM in its Total Quality Management Guide which states that “TQM is both a philosophy and a set of guiding principles that represent the foundation of a continuously improving organisation. TQM is the application of quantitative methods and human resources to improve materials and services supplied to an organisation, to improve all the processes within the organisation, and to improve the degree to which the needs of the customer are met, now and in the future. TQM integrates fundamental management techniques, existing improvement efforts and technical tools under a disciplined approach focused on continuous improvement” (U.S. Department of Defense, 1990:11).

TQM is based on a definition of quality that comes from consumer psychology literature and sets meeting customer expectations as the first and ultimate goal of each activity in an organisation. In order to function properly, TQM requires the full and active commitment of all employees to a corporate quality plan, as well as comprehensive information systems that collect and process information with regard to customers, suppliers, corporate-wide processes and competitors. TQM also requires a willingness to invest substantially in training. Last but not least, TQM involves cultural change towards continuous improvement.

It becomes obvious that TQM is a very demanding quality management system and challenging to implement, even in for-profit business settings. As the following section will suggest, TQM has to be modified to make it appropriate for use in public services.

Summing-up, the private sector’s understanding of quality has changed considerably over time. Bovaird (1996) has distilled four key concepts of quality from this historical process:

- Technical conformity with norms and standards or specifications, based on engineering science;
- “Fitness for purpose,” based on systems analyses;
- Fulfilling or exceeding customer’s expectations, based on customer psychology; and
- The passionate emotional involvement created by a good or service in the consumer and other stakeholders.

This fourth approach will be considered further when we come to examine the ‘non-measurable’ aspects of quality.

The key point arising from the private sector experience, as detailed above, is that quality is no longer a subject which is regarded as so subjective that it cannot be captured in dialogue within organisations and with external stakeholders. Rather, we have a multiplicity of ways of conceptualising quality. The challenge is for the public sector to sift through them in order to find those approaches which will be useful in the public domain.

### Changing Quality Concepts in the Public Sector

Even though TQM is a new quality management system for the public sector, this does not imply that public administration was not quality oriented in the past. Quality has always played a role in public administration, at least implicitly, but the meanings have changed over time.

Beltrami (1992:770) distinguished three phases in the evolution of quality in the public sector:

- quality in the sense of respect of norms and procedures;
- quality in the sense of effectiveness; and
- quality in the sense of customer satisfaction.

In the first case, quality means the absence of arbitrariness, or more positively, the ensuring of formal correctness. Of course, in this definition, reference to users or customers is missing. This understanding of quality in public administration corresponds to the early notion of quality as technical conformance to specification in industry.

The meaning of quality in the public sector changed in the late 1960s when management by objectives gained popularity in public administration. Quality in the public sphere would still include the absence of procedural errors but also starts to link the concept of quality with the purpose which a product/service would serve. This definition of quality has its equivalent in Juran's famous definition of quality as "fitness for purpose".

In the early eighties, the "total quality" concept from the private sector was transferred to the public sector in North America and Western Europe, making customer satisfaction or even 'customer delight' the point of reference for the degree of quality achieved. Nevertheless, this does not imply that all Western countries apply the same concept of quality in the public sector. Even though most public agencies are familiar with the business concept of quality (in particular, its rhetoric), by now public administration in many countries still reduces the concept of quality to 'compliance with the law'. This is particularly true in Continental European countries with an administrative law tradition.

There has been a lot of debate on whether quality concepts from the private sector can be transferred to the public sector in some meaningful way. Whereas TQM proponents tend to argue that big private companies and big public authorities face the same kind of bureaucratic problems, more critical TQM

experts argue that the private and public sectors operate under different frameworks and conditions (Halachmi, 1995).

However, this debate has become somewhat irrelevant since, to a large extent, the public-private sector dichotomy does not exist any more in most Western countries. As a result of contracting-out, public services are provided by public, private and voluntary organisations. Administrative modernisation programmes along the lines of “New Public Management” have also created a range of organisations with mixed forms of public-private ownership. Thus, the borders between public, private and voluntary sectors have become increasingly blurred. In other words, “the” public sector does not exist any more.

This should not be misinterpreted to mean that the introduction of business-oriented concepts of quality management into public services does not raise problems (see also Swiss, 1992). In particular, three issues merit some further discussion.

One problem of transferring private sector practice has to do with the nature of services as opposed to the characteristics of goods. As the evolution of quality management systems in the private sector shows, they have their origin in the industrial goods-producing sector. Yet, the public sector mainly provides services (either directly or indirectly through contractors). In most cases, quality management systems for evaluating and ensuring goods quality are inadequate for assessing service quality (Zeithaml, Parasuraman and Berry (1990:15).

According to Zeithaml, Parasuraman and Berry (1990:15), this inadequacy stems from three fundamental differences between services and goods:

- Services are intangible so that precise manufacturing specification can rarely be set.
- Services with a high labour content tend to be very heterogeneous.
- Production and consumption of many services are inseparable.

This has far-reaching consequences for concepts of quality control and quality management. For instance, in the manufacturing industry, it is usually especially important to assure quality early in the production process (upstream) rather than adding it at the end (downstream). In the case of services, however, production and consumption often coincide. Quality management in co-production processes has to focus on the appearance, attitudes and behaviour of the person delivering the service as well as on the appearance, attitudes and behaviour of the customer. For example, an effective processing of welfare payment applications requires that the staff have a sympathetic manner, non-daunting appearance, and non-judgmental attitudes, as well as requires that the applicant carefully fill out the forms.

Another transfer problem can be identified in policy-oriented sectors of public administration. The implementation of TQM in different public agencies has shown that business-oriented concepts of quality work best in public agencies that operate under market conditions like public enterprises. In addition,

TQM can still work quite well in public agencies providing services with some degree of market pressure, such as local authorities. However, ministries and other agencies with a strong focus on policy-making find it rather difficult to think and operate on the basis of TQM.

Rather than being prompted by key client concerns or market pressures, the incentives for instituting TQM in public agencies typically emanate from top or middle managers. TQM is often seen as a means to improve the external image of the public agency, to solve internal problems or to promote the career of the change agent(s). The question is whether the engagement of top and middle management, often with high turnover in their jobs, may create enough conviction and pressure to sustain employee motivation for (total) quality in the agency. More empirical research is needed on why and how quality management gets initiated in the public sector (Bouckaert, 1992:9).

Moreover, although politicians often pay lip service to quality initiatives, in particular before elections, they generally do not believe that they get re-elected because of high quality public services in their constituency. They are typically much more concerned about the quality of life issues which are important to their citizens. However, many such issues, such as the quality of life for elderly people in their constituency, may be out of their control and may require a collaborative inter-agency approach, including also private and non-profit sectors. In other words, business-oriented TQM concepts may not be the appropriate tool to deal with many politically important problems.

## **Measuring Quality in the Public Sector**

### Quality Measurement is Only Part of the Story

As the previous overview showed, the meaning of quality has changed over time. We can therefore say with confidence that there is no agreed definition of quality. Indeed, the 'gurus' tend not to define quality at all, except in very broad terms such as 'conformance to specification' or 'fitness for purpose'. As Lucy Gaster (1995:2) points out, neither of these definitions takes the manager trying to improve the quality of his or her services much further.

However, the problem may be that we have too many definitions of quality (Bovaird, 1996). The evidence suggests that many organisations have been able to bring about substantial quality improvement, once they have fastened upon one definition of quality – be it 'conformance to specification', 'fitness for purpose', 'meeting customer expectations' or 'exceeding customer expectations'. However, trying to run with two or more of these definitions in the organisation is likely to make the quality management process confusing and unconvincing – not only for front-line staff and service users but also for top and middle managers and for politicians. It might well be more productive for organisations to focus on one definition, at least for a period of time, to use it to test their success in achieving quality (on that definition) and to design quality improvement



initiatives which will increase their achievement of quality, from this chosen perspective.

Many managers take the view that quality is what can be measured and controlled. Even though measurement and quality control is an important tool of improving quality in the public administration, it is only a part of the process. As we can see from the experience of the United Kingdom – where there are more inspectors, auditors and regulators than taxi drivers (Hood, Jones and Travers, 1998) – a strong focus on measurement and monitoring can easily create a new bureaucracy in the public sector without much improvement in public services.

We have to acknowledge that ultimately, not all aspects of quality can be measured. As this section will show, it is possible to analyse certain aspects of quality. However, it is hard to measure the smile on a front office worker in some social security agency when dealing with an unemployed person – or the effects of that smile on some vulnerable clients who are considering whether or not to make use of the full range of services available. Of course, it is possible to check, by means of a customer survey, on whether employees in a social security agency are considered as courteous or not but this does not capture the whole story.

Nevertheless, it has been very tempting to reduce quality to what can be controlled by setting up inspection units, developing standards, counting outputs, undertaking benchmarking exercises and running satisfaction surveys. These temptations must be resisted. Ultimately, quality must be lived by people with high expectations towards the public (and private) sectors – and it is their subjective judgments which must ultimately be the touchstone of whether or not quality exists in a good or service.

This can most clearly be seen if we return to the final approach to conceptualising quality suggested by Bovaird (1996), which was mentioned above. This is that quality reflects ‘the passionate emotional involvement created by a good or service in the consumer and other stakeholder’. This is not meant to be a definition of quality; it is rather a recognition that we can see the symptoms of quality but not ‘quality’ itself. Where this passionate emotional involvement is present, we have a possibility of quality – otherwise not. (Of course, some passionate emotional involvement is also evoked by the complete absence of quality– in that sense ‘high’ quality and ‘low’ quality have similar symptoms, but, fortunately, are unlikely to be confused). The problem for managers is not that this concept of quality is hard to put into operation. In fact, it is in practice very easy to put into operation – most managers and staff know very well whether they are evoking these symptoms in their customers and other stakeholders. The problem is that it is hard to measure these symptoms in numbers or in language. Yet, from this perspective, any approach to quality which ignores these symptoms of quality is missing its essence.



## Determining Quality Measures and Indicators

It has always been a human desire to reduce complexity to understandable dimensions. "Quality, as an example of this complexity, is also subject to this desire" (Bouckaert, 1995:26). Thus, scholars as well as practitioners have made various attempts to find a quality measure which can capture several dimensions of quality and views of different stakeholders (employees, customers, etc.). Yet, relying on a single quality index is always risky for management. First, it creates a 'quality score,' which is not at all transparent as the different dimensions of quality are hidden. Secondly, it also allows for deficient dimensions to be compensated - for example, customer service may be traded off against additional features of a product. Such compensation is inappropriate if some stakeholders require minimum achievements of specific quality dimensions.

Given that quality is a multi-dimensional concept, it is more meaningful to define a whole set of measures instead of relying on a sole index. For example, the quality of a public swimming pool may be assessed on the basis of utility, equipment, reliability, conformance to norms, stability, friendliness of service, design and perception of the product (Garvin, 1987:104f). For services, Zeithaml, Parasuraman and Berry (1990:23) have identified the following quality dimensions that influence customer's view of quality:

- Tangibles
- Reliability
- Responsiveness
- Competence
- Courtesy
- Credibility
- Security
- Access
- Communication
- Understanding the Customer

Parallel to these quality dimensions, Zeithaml, Parasuraman and Berry (1990) have also developed a model that links customer-perceived quality deficiencies to quality deficiencies within companies.

The definition of a set of quality measures is only a first step in the process of quality measurement. Quality measures have to be made operational with quality indicators. Typically, the quality indicators are categorised as quantitative versus qualitative and subjective versus objective. Subjective quality indicators can always be quantified. They are usually based on some type of survey which measures the reactions or expectations of a group of respondents. Objective quality indicators, however, cannot always be convincingly quantified. For example, it may be hard to construct an objective quantitative indicator measuring the comfort of waiting rooms in public agencies. Even though quantitative indicators such as the room temperature, the number of seats and the size of

the waiting area may give some hints about the basic conditions of the waiting room, more qualitative information on its cleanliness, level of noise, availability of more private areas, decorative state, and 'atmosphere' would be much more useful in allowing service providers to decide whether it embodied the appropriate quality level. Ideally, a sound set of quality indicators should include both quantitative and qualitative indicators.

For measurement to be meaningful, it is often suggested that performance indicators have to fulfil certain criteria. "Smart" indicators should be:

- **S**pecific
- **M**easurable
- **A**chievable
- **R**elevant
- **T**ime-related

Since the search for such ideal indicators is rather time-consuming and also requires experience and knowledge about which indicators support the purpose of an organisation, "ready-off-the-peg" performance measurement systems have become quite popular in the private as well as in the public sector (with some time lag).

Many of these systems include a set of quality indicators which may be used to measure different dimensions of quality. However, the arguments above suggest the need for caution in this area. Many aspects of quality can and should be measured, both by objective and subjective measures and by quantitative and qualitative data. However, we should not get trapped into believing that any such set of measures captures the essence of quality – they only provide a partial picture.

In the following, the basic objectives and structure of several of these quality assessment systems will be described briefly - the ISO 9000 series, citizen's charters and quality excellence models. All of these instruments have become widespread and often used for the wrong purpose. Therefore, a critical assessment of their limitations will be provided as well.

### An Overview of Various Quality Assessment Instruments

#### 1) The ISO 9000 Series and Third Party Certification

The ISO 9000 series is an internationally recognised standard for quality assurance. (ISO is the International Organisation for Standardisation, which is a federation of national standards bodies, and which is responsible for preparing international standards.) The international standard gives indications how to set up quality systems in organisations where a contract between seller and buyer requires the demonstration of a supplier's ability to supply mutually agreed requirements.

Not surprisingly, the standardisation approach has its roots in the military business. In the 1960s, the techniques of quality management practiced in the

USA were beginning to attract attention in Western Europe and so the British Ministry of Defence introduced standards as a means of codifying the quality management system of suppliers (Ware, 1993:5). Other major purchasers, particularly in the public sector, followed suit. The success of this approach in Great Britain prompted BSI standards to produce a national standard. The British standard then served as a model for the ISO 9000 series that were published in 1987. ISO 9000 was also adopted by the European Community as EN 29000. By the end of 1992, there were an increasing number of European (but also U.S. and Japanese) companies obtaining registration. The ISO 9000 series had become important for doing business in the European Community and thus helped to facilitate the free flow of goods.

The mysterious formula ISO 9000-9004 reveals itself as a synopsis of norms which needs to be understood as a guideline and as an assessment tool for companies to benchmark themselves against standard industry norms, in order to improve their individual quality management.

With regard to the contents of ISO 9000-9004, it can be divided into three blocs (Bläsing, 1992:27):

- instruction for use of the standard (9000);
- guidelines for the development of quality management within one's own responsibility areas (9004); and
- proposals aiming at preventing non-conformity in the framework of contract-based negotiations (9001, 9002, 9003).

These three standards have recently been integrated into ISO 9001:2000.

It is apparent that the main focus of the ISO system is the contracting situation. The recommended quality assurance system consists of 23 elements, from which an organisation has to choose suitable elements for the formulation of contracts. The point of departure for the development of TQM is the non-contracting situation, which is covered by the instructions in ISO 9004.

The establishment of a quality assurance and management system along ISO 9000 guidelines involves considerable costs (for a survey of those costs, see Bläsing, 1992:35). In view of this investment, industrial firms typically want to have their application of ISO 9000 certified. Independent, so-called third party certification offers the possibility of using quality as a marketing tool and avoids the disadvantages of second party subjective judgment (Ware, 1993:6-8). Demand for the application and certification of ISO 9000 may be created by a suppliers' need to extend his market into areas where his reputation is unknown or needs to be enhanced.

Regarding the value of the ISO 9000 series as a quality assessment instrument in public administration, three issues have to be considered:

- ISO 9000 is primarily important for contractual situations such as contracting-out or competitive tendering, to help public agencies evaluate the quality of

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the production process or service delivery process of different suppliers and the expected quality level for the duration of the contract.

- The application of ISO 9000-9003 may be especially useful for organizational contexts which lack transparent written rules, structures and processes. The documentation required by the ISO standards may increase transparency, but also risks the creation of unnecessary “red tape” thus reducing flexibility.
- In most cases, however, public agencies will find it most useful to implement the ISO 9004 standards. This component lays the cornerstone for the development of TQM. Interestingly enough, the Association of Finnish Local and Regional Authorities based the Finnish municipal service standard exactly on ISO 9001 and 9004-2 standards.

In December 2000, a revised version of the ISO 9000 series was published by ISO (see <http://www.iso.ch/9000e/selectionanduse.htm>). The new ISO 9001:2000 series basically consists of the three former standards ISO 9001, ISO 9002 and ISO 9003. The ISO Technical Committee recommends that, beginning with ISO 9000:2000, organisations adopt ISO 9001:2000, which now specifies requirements for a basic quality management system for any organisation. The practices described in ISO 9004:2000 may then be implemented to reach higher levels of quality. Without going into details, it becomes obvious that the revised 2000 version locates ISO closer to quality excellence models.

### 2) Citizen's Charters

The essential idea behind the charter approach is to increase the quality of services as perceived by service users. Their ultimate purpose is to renew citizen trust not only in public services but also in the State. “Considering charters as purely technical documents describing intentional and planned quality improvement strategies underestimates the real scope and significance of these documents. The potential of charters is to express a consensus on a societal model on the behaviour and responsibilities, rights and duties, expectations and trust, of politicians in government, civil servants in public services and citizens” (Bouckaert, 1995:194).

Meanwhile, citizen's charters have been set up in the UK (the Citizen's Charter), in France (“La Chartre des Services Publics”), in Belgium (“Chartre de l'Utilisateur des Services Publics – Handvest van de Gebruiker van de Openbare Diensten”), in Portugal (“The Public Service Quality Charter”) and in Italy (Carta di Servizi).

As Bouckaert concluded from a careful comparison of the Belgian, French and British charters, “there are different charters for different conceptions of quality in society” (Bouckaert, 1995:196). In the British Citizen's Charter, the market is the point of departure and the general purpose is to increase competition and choice. The basic mechanism in the system to achieve quality is pressure from the recipients of public services on their producers to provide them with satisfactory service experiences. The French and Belgian charters,

however, are based on a legal framework which dictates the role of the State and the rights of citizens. Their main intention is to improve public service delivery by maintaining equilibrium of rights and duties between the various stakeholders.

Thus, even though charters generally focus on quality in public administration, the underlying societal concepts and the way in which quality is measured are different from country to country. This applies in particular to the concept of citizens and customers.

As Bouckaert (1995:185) points out a citizen is defined “as a concentration of rights and duties within a constitutional State, within the rule of law, and a hierarchy of laws and regulations”. The customer is a much more limited concept since the citizen is part of the social contract, whereas the customer is part of the market contract. When charters are used in the ideological context of “New Public Management”, charters may no longer be considered as a catalogue of rights and duties of the ruler and the ruled, but a “quality checklist” for public service users. This is especially true for the British Citizen’s Charter which would be more appropriately named “Customer’s Charter” (Bouckaert 1995:185).

### 3) Quality Excellence Models

Most quality excellence models have been developed first for the private sector and have been transferred to the public sector as a result of the paradigm shift taking place in public administration in Western countries. In Europe, they clearly cluster around two core models - the 1999 version of the European Excellence Model (previously known as the Business Excellence Model) and the 1998 version of the Speyer Quality Award for German-speaking countries. A detailed comparison identifies the following organizational and managerial key criteria, which are also found in most Western European national quality awards that involve public service organisations (see Löffler, 2001):

- leadership
- policy and strategy
- people
- resources
- processes
- different categories of “objective” and “subjective” results

Naturally, the weightings given to these different components and the sub-criteria used within them differ between the award schemes.

Quality excellence models may be used for self-assessment or as the basis of external assessment. In particular, the European Excellence Model (see <http://www.efqm.org>) has become a widely used self-assessment instrument in various Western European countries. In addition, the Common Assessment Framework (CAF), which was specifically designed for public administration, is starting to become a common self-assessment instrument for public agencies

(see <http://www.eipa.nl/CAF/AssessmentForm.htm>). In contrast to the European Excellence Model, it is less demanding and therefore suitable for organisations starting with the implementation of TQM but also less systematic.

Quality awards are introduced as surrogates of market competition in the public sector where a market does not exist. The competition among the participants of an awards programme is intended to motivate public agencies to increase organizational quality. If they win the award, they are likely to act as a model for other organisations; if they do not win the award, they hopefully learn how to become better in the future.

Public sector quality awards also have the function of helping public authorities to improve their organizational quality by learning from each other. Quality awards identify excellent public agencies and their success factors are made visible to other organisations. This means that there is also a cooperative element in quality award competitions, which is perhaps their most important function if they are to be an instrument in fostering innovation and quality in the public sector.

It is obvious that there is a tension between the competitive and cooperative elements of public quality award competitions. On the one hand, participants of award programs want to know how good they are compared to other organisations. On the other hand, nobody wants to “lose,” so that organisers of quality awards have to stress the cooperative element of the award. This trade-off that has to be made by the organisers reveals the inherent complexity of award programs.

### The Role of Stakeholders in Quality Assessment

Apart from the issue of what system of quality measures and indicators and which assessment instrument is most appropriate to measure quality, a second key aspect of quality measurement is to decide which actors should take part in the process.

For a long time, the activity of quality measurement has been considered as a technical problem which just requires getting the measurement process right. However, without meaningful involvement of key stakeholders, discussions of quality indicators and their attendant risks can become little more than insider conversations, which neither the press nor the citizens or politicians consider worthwhile or take seriously (Bovaird and Halachmi, 1999:153). Beyond this, quality measurement systems may be even distrusted by the staff who have to use them (Bouckaert, 1995:22). Thus, ownership and legitimacy should be defined in a broad sense.

Different stakeholders need to be involved, depending upon the nature of the services. Kieron Walsh distinguishes between personal and social services as well as between less and more complex services. Personal services are comparable to private goods and only benefit the user who is entitled to a

specific service. Social services, however, are like public goods, which means that third parties cannot be excluded from the benefits of the service as well. For example, in most cases, it will be very hard to limit the sight of a beautiful monument to a specific group of people. Whereas simple services require little professional knowledge, complex services may only be provided by professionals.

Combining these two dimensions of service characteristics produces the matrix below. Table 2 provides answers to the question ‘who knows best about the quality of different services?’

**Table 2**  
Service Characteristics and Stakeholder  
Involvement in Quality Measurement

<b>Characteristics of services</b>	<b>Simple services</b>	<b>Complex services</b>
<b>Personal services</b>	users	front-line employees
<b>Social services</b>	politicians	service professionals

*Source: Kieron Walsh, modified by the author.*

It follows from Table 2 that in the case of simple and personal services such as garbage collection, users should participate in quality measurement programs. In the case of social services, politicians have to balance the advantages and disadvantages for different groups of stakeholders. Complex services, however, are more an issue for professional staff involvement. In the case of personal services like medical consultation, front-line staff such as nurses may be the most appropriate stakeholder to assess the quality of the service. If services are more complex, such as, for example, advising the population during a foot and mouth epidemic, then service professionals such as researchers for the national health agency tend to have more information about potential consequences and risks than front-line professionals like vets.

Consequently, public sector approaches to quality now tend to accept that there is a need for multi-stakeholder involvement in quality assessment, with the dominant stakeholder varying from service to service, depending on its complexity and whether it has important external effects on other stakeholders beyond the service user.

**From High Quality Public Services towards High Quality Public Administration**

There is empirical evidence that various quality improvement programmes in public administration have increased user satisfaction. Yet, at the same time, mass public surveys indicate a decrease in trust in national government, Parliament and the civil service. This indicates that there is no linear relationship between service quality and trust. As Bouckaert and Van de Walle point out (see their paper at <http://www.kuleuven.ac.be/facdep/social/pol/io/egpa/index2.htm>), citizen perceptions of quality comes from their specific observations of public

services whereas trust refers to their perception of the government machinery in general. According to Bouckaert and Van de Walle, it may be possible to establish a relationship between satisfaction about a certain service and trust in that service but it is not clear how satisfaction about specific services influences trust in government, especially since government cannot be considered as an accumulation of public services.

From this wider perspective, an excellent public agency is not simply one which has the characteristics of an excellent service provider. It must also be excellent in the way in which it discharges its political and social responsibilities to its constituency (Bovaird and Löffler, 2002). For example, excellent service provision does not guarantee that the streets are clean if citizens keep on throwing litter in the streets. It may prove necessary to teach children, both at school and at home, appropriate civic behaviour in order to create a clean environment for citizens. In other words, quality improvement also requires a responsible civic society.

As a consequence, quality indicators should not only focus on measuring service quality as provided by an individual organization but also on the service system, and the overall quality of life in a specific jurisdiction.

Thus, a high quality public administration must not only be able to increase customer satisfaction with public services but also build trust in public administration through transparent processes and accountability and through democratic dialogue. In order to do so, conventional business concepts of quality, which regard public agencies as service providers and citizens as customers, must be enriched by a democratic concept of quality which perceives public agencies as catalysts of civic society and citizens as part of a responsible and active civic society. This must be the focus of the development of quality management in the new era of public governance.

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## **SECTION 2**

### **Methods and Approaches for Quality in Public Administration**



Having defined the basic concepts and terms used in quality management, this section proposes to review two of the main frameworks currently in use in public administrations throughout Europe. Namely, the EFQM model (developed by the European Foundation for Quality Management) and the CAF (Common Assessment Framework) of more recent introduction.

While these approaches are neither mutually exclusive nor exhaustive, they have specific strengths and weaknesses when applied to quality management in the public sector.

A critical review of implementation in two countries (Austria and Ireland) provides a useful bridge to the next section dedicated to country case studies of the design and implementation of quality management in public administration in Central and Eastern Europe.

## **EFQM and its Application in CEE**

*Tomasz Szejner\**

### **1. Introduction**

In the early 1990s, the countries of Central-Eastern Europe won their freedom but this does not mean that they have built democracy. Building democracy and its culture is a process calling for a conscious and consistent effort. The system under which the CEE countries had lived for the preceding 50 years was based on different principles from those prevailing in democracy and free-market economy. Man was an object, not a subject of all activities. Hence, the change of the economic and social systems brought about a sudden change in principles that called for a change in the mentality and culture of societies striving towards the standards of the civic society founded on values. The transformation of the political system in the CEE countries, however, has not produced any models of conduct nor has it brought about a reconstruction of the system of values necessary in a free country. Freedom without values leads to a disturbing phenomena.

In the CEE countries, no programme to reform the state has yet been developed. By state we here mean here a powerful structure built out of the institutions of the public administration, possessing sweeping powers and exercising a tremendous impact on the quality of life of citizens and economic development processes. The introduction of the market economy was not accompanied by an attempt to modify the organisation of public administration from the point of view of its role and work rules, including the manner of managing organisations.

Despite the fact that public administration in the CEE countries is undergoing deep constitutional transformations now, these changes only slightly affect public administration as far as its organisation is concerned. Offices find it difficult to operate under market economy and democratic conditions. This is a consequence of the fact that there has been no change of an organisational culture in offices from that existing under the centrally planned economy to a system of free competition. Such a change would have to involve not only a change of the organisational structure but also, for the most part, a change in the mentality of civil servants and top executives.

The achievements of the European Union in improving the functioning of public administration are considerable. It would seem that the EC experience could be easily applied to the CEE countries. However, it must be remembered that innovative European solutions were developed in democratically advanced political systems functioning in countries of a sophisticated capitalist culture.

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The experience of the developed countries was assisted by professional knowledge in the area of management in a free market economy. In Europe and America, many government projects were implemented resulting in, over several decades, a strengthening of the system of management of public administration and laying firm and stable foundations for initiating the next pioneering projects. The CEE countries are not in the position to boast such achievement; therefore, the use of EU instruments to improve public administration requires a specific method – that described in Chapter 4.

The public administration of the CEE countries, in order to improve its organisation, should, in the first place, lay a cultural foundation adequate to the requirements posed by the free market economy and then proceed to rationalise individual organisational functions of administration. A perfect ground for introducing organisational and cultural changes in the whole public administration in the CEE countries is provided by the philosophy of Total Quality Management (TQM). The philosophy and the European instruments related to its implementation may be a guidebook defining the objectives (characteristics of a perfect organisation) that public administration institutions of the CEE countries should strive to achieve. Therefore, the public administration of the CEE countries should adopt the TQM philosophy as its guiding principle and use the EFQM Model as a very detailed, hence precise, tool for self-assessment and development in the Continuous Improvement Process.

## **2. European Foundation for Quality Management and EFQM Model**

### **2.1 European Foundation for Quality Management - Generality**

At the end of 80s, Europe realised its low competitive position within the global economy. In response to this situation, the application of TQM was recognised as the competitive advantage that could bring up the level of competitiveness of European organisations on the global market.

As a result of this concern, the European Foundation for Quality Management (EFQM) was founded on 15 September, 1988. This was an initiative of the 14 Presidents of major European companies, with the endorsement of Jacques Delors, President of the European Commission. This is a not-for-profit membership organisation dedicated to increasing the competitiveness and effectiveness of European organisations, whatever their size, sector, function or structure of incorporation. The present membership is in excess of 850 organisations ranging from major multinationals and important national companies to small private companies, but also all types of public sector organisations from government departments, schools, and research institutes in prominent European universities to police forces and hospitals.

**EFQM's Vision** - a world in which organisations in Europe excel.

**EFQM's mission** - to be the driving force for sustainable excellence in organisations in Europe.

**EFQM Values** - members and employees:

- strive for organisational excellence;
- are customer driven and focused;
- value people and teamwork;
- demonstrate respect for society; and
- act with integrity.

Since 1988, EFQM has developed a comprehensive programme which has helped organisations achieve and consolidate success. This programme encompasses the following key features:

- the EFQM Model;
- Self-Assessment by EFQM members to identify and facilitate ongoing improvements within their organisation in accordance with clear best practice procedures;
- The European Quality Award and Prizes; and
- Training and educational support in areas such as self-assessment, benchmarking and good practice sharing.

## **2.2 Excellence in EFQM**

Excellence through Total Quality Management is concerned with managing the entire system and requiring a full appraisal of all areas of an organisation. In public administration this is synonymous with Organisational Excellence. This integrated approach is based on the experience that excellence is very closely linked to customer satisfaction, employee satisfaction, impact on society and business or organisation results. Good “Total Quality Management” in public administration, therefore, integrates the concern of service quality, customer focus and a people orientation by providing an integral approach in dealing with organisational issues.<sup>1</sup>

## **2.3 The EFQM Model**

The EFQM approach to Total Quality Management is crystallised in the EFQM Model. Whilst focusing on achieving business or organisational results, the EFQM Model (Figure 1) covers all the different areas of strategic management. The EFQM Model is widely recognised as one of the most cost-effective ways of improving performance. The Model is applied and monitored through Self-Assessment and can be administrated by internal quality or change managers.

The EFQM Model provides a generic framework of criteria, which can be equally applied to any organisation regardless of size, sector and structure. Development as a reference framework for the European Quality Award, the basic principle of the EFQM Model, is that customer and staff satisfaction and

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<sup>1</sup> M. Pupius, M. Brusoni. “Comparing and Contrasting the EFQM Model and the EQUIS Accreditation Process for Management in Higher Education.” International Conference “Quality in Higher Education in the New Millennium”, University of Derby, August 2000.



integration into society are achieved via the role of the organisational leadership in setting the policy and strategy and the management of the staff, resources and processes, culminating in excellence in key performance results.<sup>2</sup>

The EFQM Model can be applied to any level in an organisation. So, in a public administration institution, it can be applied to a whole institution or to a department.

## 2.4 Fundamental Concepts

The EFQM Model is a non-prescriptive framework that recognises that there are many approaches to achieving sustainable excellence. Within this non-prescriptive approach, there are some Fundamental Concepts which underpin the EFQM Model. Behaviours, activities or initiatives based on these concepts are often referred to as Total Quality Management.

There is no significance intended in the order of the concepts. The list is not meant to be exhaustive and they will change as excellent organisations develop and improve.

Fundamental Concepts:

### 1. Results orientation

Excellence is dependent upon balancing and satisfying the needs of all relevant stakeholders (this includes the people employed, customers, suppliers and society in general as well as those with financial interest in the organisation)

### 2. Customer focus

The customer is the final arbiter of product and service quality and customer loyalty; retention and market share gain are best optimised through a clear focus on the needs of current and potential customers.

### 3. Leadership and constancy of purpose

The behaviour of an organisation's leaders creates a clarity and unity of purpose within the organisation and an environment in which the organisation and its people can excel.

### 4. Management by processes and fact

Organisations perform more effectively when all inter-related activities are understood and systematically managed and decisions concerning current operations and planned improvements are made using reliable information that includes stakeholder's perceptions.

### 5. People development and involvement

The full potential of an organisation's people is best realised through shared values and a culture of trust and empowerment which encourages the involvement of everyone.

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<sup>2</sup> Ibid. 1.

6. Partnership development

An organisation works more effectively when it has mutually beneficial relationships, built on trust and the sharing of knowledge and integration, with its partners.

7. Public responsibility

The long-term interests of the organisation and its people are best served by adopting an ethical approach and exceeding the expectations and regulations of the community at large.

8. Continuous learning, innovation and improvement

Organisational performance is maximised when it is based on the management and sharing of knowledge within a culture of continuous learning, innovation and improvement.<sup>3</sup>

## 2.5 The Structure of the EFQM Model

The EFQM Model is a framework based on nine criteria. Five of these are “Enablers” and four are “Results”. The “Enablers” criteria cover what an organisation does. The “Results” criteria cover what an organisation achieves. “Results” are caused by “Enablers”.

The Model is based on the premise that excellent “Results” with respect to Performance, Customer, People and Society are achieved through Leadership driving Policy and Strategy, People, Partnerships and Resources and Processes.

The EFQM Model is presented in diagrammatic form. The arrows emphasise the dynamic nature of the model. They show innovation and learning helping to improve “Enablers” that in turn lead to improved “Results”.

## 2.6 Definition of the Nine Criteria

The 9 boxes in the Model, shown above, represent the criteria against which an organisation’s progress towards excellence is assessed. Each of the nine criteria has a definition which explains the high level meaning of that criterion. To develop the high level meaning further, each criterion is supported by a number of sub-criteria. Sub-criteria pose a number of questions that should be considered in the course of an assessment.

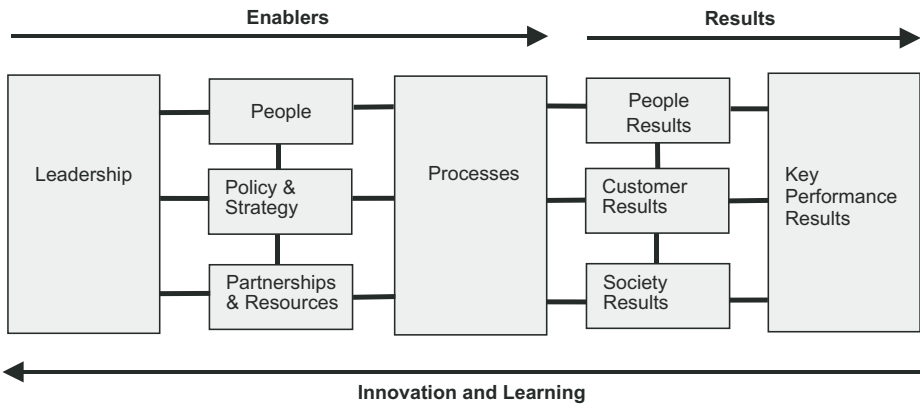
1. Leadership

How do leaders develop and facilitate the achievement of the mission and vision, develop values required for long-term success and implement these via appropriate actions and behaviours, and how are they personally involved in ensuring that the organisation’s management system is developed and implemented?

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<sup>3</sup> [www.efqm.org](http://www.efqm.org)

**Figure 1**  
EFQM Model



Source: [www.efqm.org](http://www.efqm.org)

## 2. Policy and Strategy

How does the organisation implement its mission and vision via a clear stakeholder focused strategy, supported by relevant policies, plans, objectives, targets and processes?

## 3. People

How does the organisation manage, develop and release the knowledge and full potential of its people at an individual, team-based and organisation-wide level, and plan these activities in order to support its policy and strategy and the effective operation of its processes?

## 4. Partnership and resources

How does the organisation plan and manage its external partnerships and internal resources in order to support its policy and strategy and the effective operation of its processes?

## 5. Processes

How does the organisation design, manage and improve its processes in order to support its policy and strategy and fully satisfy, and generate increasing value for, its customers and other stakeholders?

## 6. Customer Results

What does the organisation achieve in relation to its external customers?

## 7. People Results

What does the organisation achieve in relation to its people?

## 8. Society Results

What does the organisation achieve in relation to local, national and international society as appropriate?

## 9. Key Performance Results

What does the organisation achieve in relation to its planned performance?<sup>4</sup>

### 2.7 Process

The EFQM Model is designed to be flexible enough to accommodate the requirements of organisations at various stages of implementation. The EFQM Model provides for controlled Self-Assessment, which organisations need to carry out their own detailed self-evaluation. Such Self-Assessment identifies strengths and areas for improvement and provides input to improvement plans. The institution can learn from feedback by reviewing the impact of strategies and actions, trends in results, performance against targets and by comparing with best-in-class through benchmarking.

The EFQM Model is underpinned by the fundamental concepts of the Continuous Improvement Process and by the Plan, Do, Check, Act cycle of Deming. The organisation looks at what it is doing against the framework of the Model to identify the things that it does well (strengths) and the things it could improve (areas of improvement).<sup>5</sup>

A key feature is that scores can be used to track improvement over time and can be used to compare against a profile for the same sector or a different sector or against any type of organisation in Europe including those organisations that have won the European Quality Award or Prize.

The EFQM Model is also complimentary to accreditation and certification processes.

### 2.8 The Public Sector and Public Administration in EFQM

The role of the public sector in EFQM is increasing. The reason is that there is enormous potential for the public sector to improve in terms of customer focus and effective and efficient service delivery. EFQM as one of the main players in the quality movement in Europe has an important role in developing methods and techniques that could increase the quality of the functioning of public sector organisations, especially public administrations. There are several initiatives in EFQM that could raise the level of quality of public sector organisations. All of them represent high standards and professional knowledge.

EFQM develops its activity for public sector organisations by the Public Sector Steering Group (PSSG) that recently has been renewed. It is chaired by members of the EFQM Executive Committee, and is designed to be representative of all segments of the Public Sector.

The mission of the PSSG is to promote and support improvements by the use of Excellence concepts in Public Sector organisations.

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<sup>4</sup> Ibid. 4.

<sup>5</sup> Ibid. 1.

The Public Sector Steering Group endorses the Public Sector Communities of Practice (Education, Health Care, and Local & Central Government). EFQM Communities of Practice (CoPs) are self-managed networks aimed at a specific Public Sector arena. Each EFQM CoP provides practitioners with an international forum for peer group networking, discussion and learning on topics of specific interest to their particular aspect of public service.

One of the Public Sector Communities is the Local and Central Government Community of Practice that was developed to provide a pan-European networking forum for such organisations.

The mission of the Local and Central Government Community of Practice is to promote and support the adoption of the philosophy, methods, tools and techniques of Excellence by all Local and Central Government organisations in Europe.<sup>6</sup>

### **3. The EFQM Model and the New Role of Public Administration**

Both the CEE countries and the European Union ask themselves the question: What should the role of public administration in the new Millennium be?

Europe wonders whether public administration can assist in the process of building a new quality in society and economy by establishing Values that should make up the civilisation of the third millennium.

The searches of the EU and the CEE are in fact related and could be presented in two goals:

1. Building a dynamic and efficient public administration organisation and
2. Defining its new role in the third millennium.

#### **3.1 Effectiveness and efficiency of public administration**

Public administration in the EU and CEE is acting in a more complex environment – an environment that requires effectiveness, efficiency and quality in any service that it provides.

Quality is defined by the stakeholders and the stakeholders (most of all, customers) expect the same quality in the public and private sectors. Therefore, public administration should strive to deliver services with the quality that is comparable to or better than provided by the private sector.

Public administration has to become more business like in order to fulfil the rising expectations of all stakeholders. That is why public administration, in its process of improvement, should introduce some solutions from the private sector regarding i.e., customer service, external communication, innovation, process improvement, HR, internal communication, and motivation to provide high quality of services.

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<sup>6</sup> Ibid. 4

Striving for excellence is the same case for public administration in the EU and the CEE. Although the starting point is different, the goals are the same.

Public administration, in order to increase effectiveness, efficiency and quality of services, should implement TQM principles and introduce the Continuous Improvement Process using the EFQM Model as the mode of development. Of course, the way of excellence in the CEE is much longer as was presented in Chapter 4.

### **3.2 Defining a “New Role of Public Administration”**

Public administration’s role in the social and economic development of countries is growing rapidly owing to its increased ability to influence the other organisations of the public and private sectors and society. It is exactly for this reason that public administration will be responsible for the quality of social and economic transformations in the future.

The key to the solution of the problems of the European Union and CEE countries lies in determining the new role of public administration in social and economic development.

Public administration should, therefore, take on the role of initiator and leader of transformations.

Public administration’s leadership role acts as a strategic, planned and sustained activity in encouraging:

- other public service institutions;
- the business community;
- the third sector; and
- the community at large

to accept Quality Philosophy, Values and the Continuous Improvement Process as the way for future development.

The new role consists of creating mechanisms through which public administration will be able to stimulate other public and private sector organisations as well as non-profit ones to improve the quality of their operations. If the whole public administration sector builds a new role on local, regional and central levels, then a mechanism will be developed which will influence all organisations of the private sector, the third sector and individual citizens. Thus, a direct beneficiary of the new—active—role will be the whole society.

For public administration to fulfil the role of initiator/leader of transformations, it should start from its own improvement through implementation of TQM, adoption of the Continuous Improvement Process and the use of the EFQM Model and by building an organisational culture based on values. Public administration becomes an effective organisation that functions in a modern way and is able to fulfil the new role.

To realise its new role as initiator, public administration should include in its strategy the following activities:

1. Dissemination of information about the “quality benefits” amongst its stakeholders.
2. Promotion of its solutions, achievements and innovations in its local community and beyond it (benchmarking, sharing best practices).
3. Encouragement for applying the quality concepts by “quality initiatives” in other public and private institutions and the third sector in the local community and beyond it.
4. Acting as a mentor for other institutions willing to learn from “the example.”

The work on public administration’s new role begins with including the new role in the office’s Mission. Next, a strategy of two-way co-operation between the office and its stakeholders is developed. The stakeholders are made up of residents, clients, public sector institutions, mass media, sub-contractors, private sector, non-profit organisations, superior organisations, trade institutions and organisations and the community at large. The strategy of exerting influence on the stakeholders involves a fine adjustment of the office’s role taking advantage of the characteristics of a dynamic, innovative, expanding, learning and active organisation.

Efforts aimed at building a new role of public administration will be taken in stages. This process is dependent mainly on the rate of organisational changes taking place in the office with respect to the quality criteria in the EFQM Model. This is so because only an office of a high organisational culture, which observes certain values and is efficiently managed, may exert an impact on the stakeholders as an initiator of transformations. Such an office becomes—in a sense—an example for its stakeholders.

Assuming that the process of improving the office’s organisation in accordance with the quality principles takes place smoothly, the building of the new role of administration is achieved in the following stages:

1. Building a customer-centred approach On the basis of applied Quality Management, the specific function of Quality Management, i.e., relations with customers, should be improved and strategically planned. This should lead to providing better services with quality, using the customer-centred approach.
2. Building a citizen-oriented approach On the basis of applied Quality Management and with the existing customer approach, public administration should put more emphasis on citizens and their needs and opinions. This step assumes building a strategic citizen-oriented approach in order to develop a civic society by involving citizens in the decision-making process (public participation), raising civic awareness (responsibility), and promoting values in the public administration’s environment.
3. Building strategic stakeholders relationships – the active role of public administration Public administration should establish a relationship based on

strategic co-operation with stakeholders. Two-way communication (co-operation) with all stakeholders should bring initiatives for the benefit of local development and entrepreneurship. The office can use its experience with the implementation of the TQM philosophy and the application of the EFQM Model to inspire stakeholders to introduce similar changes.

The public administration of CEE countries, adopting a new role based on the TQM and using the EFQM Model, becomes a promoter of values that form the basis of our civilisation.

#### **4. EFQM Model – the way of building a new role of public administration in CEE**

Development of public administration in CEE (as was mentioned before) requires:

1. Building the dynamic and efficient organisation, striving for excellence on the basis of TQM; and
2. Defining its new role in third millennium.

In the CEE, the EFQM Model is an excellent tool which rationalises the functioning of public administration and lays strong organisational foundations.

Because of different conditions from those prevailing in the EU, the use of the EFQM Model in the CEE countries calls for a special method of proceeding. Prior to the application of the EFQM Model, it is necessary to organisationally prepare the office for it. Many organisations or public administration employees will find the criteria of excellence adopted by the EFQM Model entirely new and causing uncertainty or even anxiety. This is so because the employees who will actually be the subject of any changes, for many years operated in the world deprived of any values and lacked an orderly work system. Implementing quality principles into public administration can be, for most of the employees, difficult to imagine, although logical and natural. Therefore, beginning the reforms by addressing these questions is aimed at providing employees with conditions necessary to welcome the process of change.

First, the Organisational Culture should be put in place. It is on the Culture that the whole system which makes the organisation function is based. It is embodied in its mission, vision and values. A majority of organisations have no defined and conscious organisational culture. To help define the above-named elements, one should encourage not only executives, but also, and in the first place, all the employees of the office in question.

At the very beginning of building the mission, the new leadership role should be defined and accepted, so the resources for its delivery will be reserved at a strategic level.

The next step on which the application of the EFQM Model in the CEE countries depends, is an analysis of the organisational structure, job descriptions



and job specifications. In a majority of organisations, these elements do not reflect reality, i.e., they do not function.

Once the spiritual foundation, manifested by the organisational culture, is laid and the groundwork for elementary work organisation is put in place, one can proceed to apply the EFQM Model as a tool in the Continuous Improvement Process.

Bypassing the stage of laying foundations for implementing the European quality criteria defined in the EFQM Model dooms the organisation to a number of problems which will give rise to opposition with respect to changes or will cause a total rejection of changes.

#### **4.1 Ten factors of success in quality implementation in public administration.**

While using the EFQM Model, one should keep in mind the following 10 principles on which the success of the whole undertaking depends:

1. The subject of efforts to improve public administration is man. Hence, it is the system people work in that should be changed, rather than the people.
2. The employee is a basic source of information, because it is the employee who knows best how his position should function and how to raise efficiency of his work.
3. The implementation of TQM principles depends on the winning of understanding and acceptance for the changes from ALL employees. Thus, preparatory work in a public administration office should continue until 100% of support for and commitment to the process of change is reached. Close co-operation with the employees of an office is essential, because it is they who must be the authors of change. Any changes imposed on employees or not accepted by them will be temporary and short-lived.
4. A number of remedial efforts in an office should focus on instilling core values that determine ethical and moral attitudes not only at work. Values adopted in the organisation and by employees will be copied at home, within the family and among friends, as well. This will put in motion the process of healing the society and giving it back the sense of its value, dignity and respect for fellow citizens.
5. Obtaining any palpable results of change depends on a proper attitude of the employee. This, in turn, is a consequence of treatment the employee is subject to and the working atmosphere in the office. Therefore, it is absolutely necessary to stress the need of designing an appropriate system of motivation and information flow. These ends should also be served by building an organisational culture based on social, democratic, economic and professional values. The organisational culture, described in and propped up by a Code of Ethics, should be a yardstick for evaluating employees.
6. A key role in the process of change is played by managers, who should lend credibility to the changes with their behaviour. It is on the management's

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attitude that the rate of change of employee attitudes depends. That's why managers should receive intensive training aimed at acquiring and developing interpersonal and communication skills necessary in the Continuous Improvement Process.

7. It is important to develop, amongst managers, the persona authority not only the functional one. The key to success is to recognise the emotional competencies of managers as the crucial managerial skill in the process of change.
8. Most of the new ideas in organisations that function efficiently emerge at the grass-roots level. For that reason, the managers of an office ought to be taught how to be a leader rather than a manager-administrator - to empower innovation and suggestions for changes.
9. The philosophy of changes in public administration offices in the CEE countries should be evolutionary and not revolutionary. The evolutionary process means that satisfactory measurable results are expected at successive stages of implementation.
10. The Continuous Improvement Process, which is going to be set in motion, will stand a chance of continuation, if the office takes on the characteristics of a learning organisation. Therefore, the nascent organisational culture must take into account the requirements of the process.

Using the above method of proceeding, the application of the EFQM Model in the CEE countries gives the following advantages:

- Order is brought to the system of management of a public administration office because, as a result of evaluating the application of the EFQM Model, not only the strong sides of the office will be identified, but also areas for improvement.
- The system of functioning of a public administration becomes transparent, overt and open to the public because organisational changes are based on assumptions originating with business, i.e., on cost calculations and logic. In addition, the office has to adopt an open information policy.
- Red tape is cut by introducing modern methods of information flow and process optimisation.
- The office operates relying on values contributing to the development of a proper work culture being the basis of a 'normal' development of organisations.
- The motivation of employees, covered by a new motivation system, increases considerably.
- The quality of work rises owing to the rise of motivation and improvement in information flow inside the office.
- The qualifications of employees improve owing to the training they receive.
- The inventiveness and entrepreneurship of employees increases, who—having more competence, information, power, dignity and pride—can work more effectively.

- The level of integration and loyalty of employees to the office rises accompanied also by care about the office and individual workplaces as a result of new work ethics and organisational culture.
- The trust in office and civil servants will increase within its local community (stakeholders).
- The office's effectiveness is improved.
- Public administration influences the rate of social and economic changes on local and regional levels, and, consequently, on the central one. This will bring the changes to the whole country and activate the mechanism of building the cultures of democracy and capitalism.
- A system is put in place which will serve as a basis for other social initiatives gradually making society and the economy stronger. This is so because an orderly office will have to live in a symbiosis with its local community thereby lending support to many social or economic initiatives.
- Confidence in the institutions of the state increases considerably because of transparent offices, sensitive to the needs of inhabitants and clients, will raise the quality of their services and will support the development of the local community. Offices will become active 'players' shaping the social and business environments on the scale of their communities.
- People are more involved in civic matters. While implementing the EFQM Model, public administration will be obliged to work in agreement with its local community. Consequently, offices will provide mechanisms to make people engage in public affairs.
- Corruption is curtailed because an orderly and flattened organisational structure, delegation of authority and job descriptions and descriptions of processes will eliminate arbitrariness and chaos from decision-making. Moreover, the application of the EFQM Model and setting in motion the Continuous Improvement Process will be a natural and systematic 'X-raying' giving the picture of organisation in a repeated cycle.
- The introduction of the EFQM Model will allow EU countries to accept CEE countries as developing in the same direction as that of the Union's economic reforms.

In this way, public administration will become socially responsible, citizen-oriented institution, providing services with quality but also playing an active leadership role – building a democratic dialog - in the process of change in the society.

This process of change will build a responsible, active civic society, based on values, and having trust in public administration.

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## **Applying Quality to Public Administration in Practice, Presentation of the Common Assessment Framework (CAF)**

*Dag Strømsnes\**

### **Introduction**

The Common Assessment Framework (CAF) is offered as an aid to public administrations in the EU to understand and use quality management techniques in public administration. The main purpose of CAF is to provide a simple, easy-to-use framework which is suitable for a self-assessment of public sector organisations across Europe. It incorporates the main features of both the EFQM model (1999) and the Speyer model, and benefits also from adaptations of the EFQM model which have been developed in a number of EU Member States (notably, UK and DK) to make it more appropriate for public administration organisations in general. The basic design of the Framework is, therefore, based on two principles:

- 1) Relevance to and suitability for the specific features of organisations in the public administration sector; and
- 2) Compatibility with the main organisational models in use, both in public administration and private organisations in Europe.

Quality Management schemes employing a variety of models and methodologies are in operation in all the EU member States, covering the private sector, the public sector or both. In addition to these, the European Quality Award Scheme should be mentioned, which covers all Member States and is open to both the private and public sectors.

The CAF has three main purposes

- 1) To serve as an introductory tool for public administrators who want to improve their managerial skills and may be interested in applying QM to their own organisations, and would like to apply a simple self-assessment to the organisation to gain some feeling for the use of such tools;
- 2) To act as a “bridge” across the various models and methodologies in use in QM in public administration in the various EU countries, by introducing some measure of comparability between the results which are produced by the different systems; and
- 3) To allow for the introduction of benchmarking studies between public sector organisations.

Compared to a fully developed QM model, the CAF is a very “light” framework, applying only to the highest levels of organisational decomposition. It is assumed that any organisation which intends to undertake a serious programme

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of analysis and development would select one of the fully developed models (such as the Speyer or EFQM models) for this purpose. But this very “lightness” enables the CAF to maintain compatibility with the main models: any more detailed analysis would rapidly become involved in the differences and divergences between the models.

CAF is the result of continued support and co-operation under successive Presidencies of the EU (UK and Austria in 1998, Germany and Finland in 1999 and Portugal in 2000). In 1998, the Directors General of Public Administration („DGs“) established a Steering Group to manage the co-operation between the 16 partners (15 Member States plus the Commission) in the field of international exchanges and co-operation in public administration development („Innovative Public Services Group“). This Group oversaw developments on a number of fronts, including the preparations for a major international conference on Best Practice (Lisbon, 10 to 12 May 2000), and the development of the CAF.

The basic design of the Common Assessment Framework (CAF) was developed under the Finnish Presidency of the EU (second half of 1999). It was developed on the basis of joint analytical work undertaken during the Austrian Presidency (second half of 1998) by EFQM, the Speyer Academy and EIPA. Under the Finnish and Portuguese Presidencies (second half 1999 and first half 2000), the final CAF was produced and pilot-tested. The continued co-operation and assistance of both the Speyer Academy and EFQM is gratefully acknowledged – without it, the CAF could not have been produced.

### **Operation**

CAF provides a self-assessment framework under which an ad hoc group of employees in an organisation can conduct a critical assessment of their organisation guided by the CAF structure. There are some simple principles to guide the selection and conduct of the group. This self-assessment procedure is clearly less rigorous and less detailed than an organisational assessment conducted by trained external assessors. However, it is also much less expensive, and has some advantages such as revealing the perceptions of staff towards their own organisation. CAF can, at least, pose interesting questions about the organisational performance and results achieved, which could provide a planning basis for programmes of organisational reform and development.

Organisations are free to use the CAF as they wish, since it is in the public domain and free of charge. It is important to have some guidelines on how to manage the various stages of a self-assessment exercise. Where the intention is to use CAF for purposes involving comparison with other organisations (for example, to establish bench-marking with comparable organisations), the application of the guidelines for the use of CAF should be useful to ensure a certain degree of formalisation and standardisation of the assessment-process itself.

The CAF has been designed for use in all parts of public administration, covering public bodies at national/federal, regional and local levels of administration. It may also be used under a wide variety of circumstances – as part of a systematic programme of reform, on the individual decision of a public service organisation, or as a developmental exercise in part of an organisation. Because of this background, it is important to try to avoid making any assumptions about the organisational environment in which a self-assessment may take place.

In some cases, and especially in very large organisations, a self-assessment could be undertaken in a part of the organisation – a selected section or department. But some consideration should be given to ensuring that the section or department selected for such an exercise discharges the full range of responsibilities which are covered by the CAF model. It could cause problems if, for example, an assessment were undertaken in a section or department which had no significant role in policy-making, or no autonomy in personnel policy, and those parts of the model could not realistically be assessed.

### **CAF structure**

The CAF employs a 9-box structure to identify the main aspects of an organisation which require consideration in any organisational analysis. Within each of these boxes, a list of criteria is provided, which identify and question the main issues which should be considered within this aspect of the organisation.

#### Criterion 1: LEADERSHIP

- Develop a clear vision, mission and value statement
- Demonstrate personal commitment to and role model for continuous improvement
- Motivate and support the people in the organisation
- Create involvement with customers/citizens and partners

#### Criterion 2: POLICY AND STRATEGY

- Develop, review and update Policy and Strategy based on clear criteria
- Base Policy and Strategy on information relating to present and future needs of stakeholders
- Implement Policy and Strategy through the process of cascading, aligning, prioritising, agreeing and communicating plans, objectives and targets
- Build capacity with regard to organisational learning and continuous improvement

#### Criterion 3: HUMAN RESOURCE MANAGEMENT.

- Plan, manage and improve human resource policies aligned with the policy, strategy, structure and processes of the organisation
- Manage recruitment, career development in relation to fairness of employment and equal opportunities

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- Develop skills and new competencies of employees
- Develop practices which allow employees to become involved in improvement activities and ensure that they are empowered to take action

### Criterion 4: EXTERNAL PARTNERSHIPS AND RESOURCES.

#### Criterion 4a: External partnerships

- External partnerships are managed
- The performance of the organisation is benchmarked against leading counterpart organisations

#### Criterion 4b: Internal resources

- Finances are managed
- Information resources are managed
- Information Technology is managed
- Other resources are managed

### Criterion 5: PROCESS AND CHANGE MANAGEMENT

#### Criterion 5a: Process management

- Creation of a conceptual and analytical framework to support effective planning
- Systematic Design and Management of Processes
- Effective resource allocation
- Effective Project Management

#### Criterion 5b: Change management

- Planning and management of change
- Establishment of a suitable reform process
- Mobilisation/qualification of employees for Reform

#### Criterion 5c: Management of customer / citizen orientation and involvement

- Improve openness and understanding
- Improve public access to services
- Actions taken to empower customers/citizens

#### Criterion 6: Customer/citizen-oriented results

- Reaction to results of customer/citizen perceptions
- Results of actions taken to improve public access to services
- Results of actions taken to empower customers/citizens

#### Criterion 7: People (employees) results

- Results achieved with respect to people's perception of the organisation's leadership and management
- Results achieved with respect to people's satisfaction with the organisation's working conditions



- Results achieved in relation to competency development
- Results achieved in relation to active involvement in the organisation
- Measures indicating levels of motivation/morale

Criterion 8: Impact on society

- Results relating to improved perception by society of the organisation's social performance
- Results achieved in relation to the prevention of harm and nuisance
- Results of activities to assist in preservation and sustainability of resources
- Results of other indicators of societal responsibility

Criterion 9: Key performance results

- Financial outcomes
- Non-financial outcomes
- Measurement of performance

In relation to each criterion, five alternative assessments are listed. The assessment responses are necessarily different with respect to the enablers and the results, so two different panels of responses are used. In both cases, the responses indicate in broad terms

- not started/not implemented/don't know
- some modest progress
- substantial progress
- a full range of actions have been implemented
- highest standards of implementation and review: a continuous improvement cycle has been established.

Each of these responses would generate "scores" of 0 to 5 respectively. Within each of the 9 "boxes," the scores would be averaged to produce an overall result for that "box", and the results from the "boxes" would be totalled to produce an overall result for the organisation. This "scoring" system permits some basic comparison between the results from different organisations, both in the overall, and within the individual boxes.

Of course, this self-assessment result depends totally on the accuracy and frankness of the assessor(s). In answering every question, assessors are asked to consider how they could explain and justify their answer to an external assessor, with reference to evidence of actual structures, activities or results of their organisations.

With respect to the action after self-assessment, the assessments of the Self-Assessment Group on each sub-criterion will be carefully recorded, together with the statements of "evidence" supporting each assessment.

This record will be carefully examined by senior management with a view to identifying the main findings of the self-assessment, the areas in which action is most needed, and the kind of action which is called for.

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In preparing such a plan, the management might wish to consider the use of a structured approach, including the questions:

"Where do we want to be in 5/10 years?" (= goal setting),

"What have we got to do in order to reach these goals?" (= strategy/task definition).

The responsible senior management member(s) should make a report to the staff about the results of the senior management discussions and the action plan which is being developed to address identified problem areas. If no results were visible following a self-assessment, to the Group itself or to the staff at large, there would be some danger of disappointment and perhaps even cynicism, which could be very unhelpful to the organisation. On the other hand, a frank discussion on the results and the follow-up proposed should encourage a co-operative spirit.

This plan could also refer to plans to conduct later self-assessment sessions, in order to check on the success of measures taken and to identify new priorities for improvement.

Following the completion of a self-assessment and associated action plan, the management have a number of options with respect to further use of the Quality Management approach.

One possibility would be to conduct another self-assessment exercise after a suitable period (perhaps one year) to assess progress and examine further measures for improvement. One of the fundamental concepts of Quality Management is that of establishing a "culture" of constant improvement and critical self-assessment in the organisation. This would be helped by periodic self-assessment exercises.

The management might also consider the desirability of making further assessments more detailed and rigorous by adding elements of external expertise, either in the form of post facto verification ' or by adding external experts to the Self-Assessment Group.

### **Pilot Testing**

The latest version of the CAF (version 4) was pilot-tested by 17 public service organisations in 7 EU Member States. These included organisations at central, regional and local levels of public administration, and with varying degrees of exposure to quality management, ranging from very experienced to without any previous experience. The main findings were that:

- the self-assessment exercise took about one day to complete;
- the CAF was easy to use;
- CAF would provide an excellent starting point for an organisation introducing quality management;

- further improvements in the design were proposed, especially with respect to the assessment panels.

### **Future Prospects**

As it stands, the CAF is offered for use as a self-assessment instrument by any public service organisation which is interested in exploring the application of Quality Management.

The CAF could be developed as a tool to support international co-operation in European public administration, including international benchmarking. With further testing and improvement, the CAF could provide a reliable base for measurement or comparison of performance between public sector organisations.

In the resolution on quality and benchmarking of public services in the European union, dating November 7<sup>th</sup> 2000, the ministers for government administration in the EU member states took this decision:

”We express the wish that the required efforts towards an improvement of CAF efficiency be actively carried on so that it becomes a national evaluation instrument as well as a means of communication and a benchmarking tool for EU Members States administrations.”

From this text the following purposes may be inferred. The CAF should serve as:

1. a national evaluation instrument;
2. a means of communication; and
3. a benchmarking tool for EU MS.

At the DGs meeting in Strasbourg on the 9-10<sup>th</sup> of November, the decision was taken, following the ministers’ resolution, to “Promote the use of CAF and its improvements by relying on the lesson drawn from the development of its use by public administrations of European Union Countries.”

This was specified in the following points:

- The innovative public services group shall ensure its development and promote its use.
- Guidelines of this tool of self-evaluation shall be identified and published under its responsibility.
- The IPSG shall investigate the potentialities and requirements to use CAF as a benchmarking tool.
- The aim is to set up a support resource centre that could be in charge of the CAF, specifying the methods of its use as a benchmarking tool between administrations.

### **Self-assessment as a tool for improvement**

It is common practice to perform an analysis or assessment of an organisation before deciding programmes for organisational development and improvement. The process of analysing and assessing an organisation can be based on many

different methodologies and systems, but also on different approaches to the assessment. The most rigorous, thorough and reliable assessment will probably require a detailed analysis by external consultants who are experts in this field. However, this is also likely to be the most expensive approach, and may cause staff resistance or other problems.

An alternative approach, which avoids these difficulties, is a process of self-assessment, in which the employees of the organisation perform the assessment of the organisation. (It should be made clear that is not a “self-assessment” in which the staff assess themselves, but rather that the employees in an organisation assess the organisation). As well as avoiding heavy costs, this has advantages of involving the staff in the process by giving them the opportunity to express opinions and helping to explain the reform measures. While the internal staff may lack the specialised training and experience of the expert consultant, they have the advantage of knowing the organisation and its actual problems.

Because the staff engaged in a self-assessment exercise are unlikely to have any special training or experience in organisational analysis, a self-assessment procedure must be structured in some way, and must be based on a framework which “guides” the self-assessment. The CAF provides one such framework. The design of such a framework rests on the basic principle that it is possible to design a “logical skeleton” which represents the common features important in all organisations (such as “Leadership”, “Policy and Strategy,” etc.). Based on that “skeleton”, it is possible to construct a series of questions which test the organisation in all important areas, and provide a logical basis for making basic statements about the organisation’s performance in that field. If, for example, it is accepted that every organisation should have a visible and documented mission and strategy, a question can be included which asks whether the organisation under examination has met requirements in this field or not. An entire series of such questions, developed under a suitable framework, can lead to some conclusions as to the level of performance of the organisation, and can highlight the areas needing most attention.

Considerable theoretical advance and practical experience has been gained since the Second World War in the fields of organisational development and organisational analysis, and there are several well-established “skeletons” on which a self-assessment framework can be based. The CAF is based on the two most widely-used models in European public administration – the “Speyer” model and the “EFQM” model. It benefits from the experience of using both models in its design and structure. It is hoped that the CAF will provide a simple, easy-to-use and appropriate framework for self-assessment exercises in European public administration.

A suitable framework will pose the correct questions for a self-assessment exercise, but the questions must be considered and answered in a setting which is likely to lead to the most accurate and useful responses. Self-assessment is, by definition, a process which is not subject to external checking or review. It

would be very possible to conduct a self-assessment exercise which produced results which were totally inaccurate and useless. The work must be undertaken under circumstances which are likely to produce accurate and useful outcomes, and the assessment procedure must seek to resist temptations to exaggerate efforts or results achieved. The proposed arrangements for organising and conducting a self-assessment programme are discussed in detail in guidelines for the use of the Common Assessment Framework (CAF).

In summary, self-assessment is a procedure which can produce an assessment of the organisation at little cost and quite quickly. The findings will not be as detailed or as thorough as a full analysis by external experts, but they can still be useful as:

- 1) an introduction to the field of quality management;
- 2) an initial indicator of strengths and weaknesses in different parts of the organisation's performance;
- 3) a basis for comparison with the performance of other comparable organisations;
- 4) an insight into how the organisation appears to the employees;
- 5) a possible source of ideas on how and where to work on performance improvement.

In seeking to strengthen the depth and accuracy of an organisational assessment using CAF, it should be remembered that the Framework was developed as a relatively "light" introductory tool which would permit public organisations to test self-assessment with little risk or cost. In view of this background, there are limits to the extent to which CAF could safely be used as a tool for detailed and critical analysis. An organisation planning to apply Total Quality Management principles in depth might be advised to use one of the more developed and detailed models which are available from other sources.

## **Quality Management in the Public Sector Through the Common Assessment Framework (CAF)**

*Hon.-Prof. Dkfm. Dr. Helfried Bauer\**

The Common European Assessment Framework System (CAF) is a very useful tool in the endeavour to achieve quality in the tasks carried out by public administrators. It not only constitutes an important element of strategic work (determining one's own strengths and weaknesses), but also offers an opportunity to help employees and their supervisors enjoy common learning experiences together.

### **How can quality be defined and assessed?**

The quality of the performance achieved in the private sector as well as by public administrators is traditionally controlled through the medium of technical and legal standards, e.g., safety regulations and procedural rules. However, for several years now, quality has meant more; namely aligning products, processes and procedures with the expectations and demands of customers and citizens. For example, quality management can, after surveys conducted among users, serve to increase the acceptance of politics and public administration. By incorporating employees and customers, it can also be used to improve performance in a number of different ways.

The conceptional bases in the employment sector comprise quality systems such as ISO 9000 ff. standards and their further development as ISO/DIS 9001:2000, as well as the model of the "European Foundation for Quality Management" (EFQM), which has been used by major European companies since the early 1990s, the 2Q system, and several others. These systems can be regarded as concepts for "Total Quality Management" (TQM). According to Frey/Leopoldt/Mangold (1999, p. 8), these are "strategic integrated management systems aimed at securing satisfied customers ... which incorporate the whole enterprise with all its activities, employees, customers and the entire corporate environment..." In practical terms, systems such as EFQM work with performance indicators in nine different fields, in which a number of sub-criteria identify the most important factors in the search for defining and securing quality.

Quality assurance, in the sense of describing the status achieved and examining the strengths and weaknesses of an organisational unit, can be conducted by the company itself through the medium of its management and employees. This is referred to as self-assessment or self-evaluation. At the same time, an assessment by external experts is also possible. A combination of both points of view is also beneficial because it then permits the comparison of internal and external opinions.

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### **Dimensions of quality management in the public sector**

Quality management (QM) has many different facets. This is particularly true of the public sector where, in addition to the individual benefits for citizens and customers, there are other categories or criteria which should be taken into account, with new standards (used cautiously at first) e.g., those used to sustain economic management, such as political benefits (political legitimation), public welfare (for the local community and for a country as a whole), legality, economic efficiency, usefulness (effectiveness), and future prospects.

Based on M. Oppen, Schedler/Proeller (2000, p. 65 f.) distinguish similar categories which they refer to as the following quality dimensions: product-related, customer-related, process-related, value-related and political quality.

This clearly demonstrates that in the public domain, the criteria developed for the employment sector cannot be applied without modification. Furthermore, for public administration bodies – which are not competing among themselves commercially – two aspects are of particular significance: “learning from the best” (i.e., benchmarking) and comparisons. Here, the prerequisites are a similar understanding of quality and similar rules for assessment; in other words, an individual quality assurance system.

The Speyer Quality Competition for public administration bodies ’ which was initiated in 1992 and is held every two years, established such a system and the related criteria with the help of Professors H. Hill and H. Klages. Its aim is to motivate public administration bodies to achieve more quality through the medium of competitive comparison. The latest development in this context is the Common Assessment Framework (CAF), which was established by the European Union.

### **What is CAF?**

Beginning with the Austrian Presidency in 1998, in the spring of 2000 the European Union launched a quality management scheme aimed at assessing the quality of public administration bodies. The goal of this quality assessment system for public sector organisations is to provide public administration bodies in the EU Member States with an instrument for promoting the understanding and application of quality management strategies”. The idea is also to focus on what has been achieved (a comparison between plans and their realisation) as well as on comparisons with other organisations; in other words, the conscious orientation towards external units. Last but not least, it is a sign of the endeavours being made to establish a new organisational culture in which mistakes or weaknesses are not condemned (the new “mistakes culture”) but which offers opportunities for learning and improvement.

The “Common Assessment Framework” (CAF) established by the European Union has recently been translated into German (CAF, 2001). In cooperation with the KDZ, the Public Administration Development Department of the

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Federal Ministry for Public Services and Sport is endeavouring to familiarise interested parties with this system and to help them put it into practice.

The CAF essentially consists of 9 criteria “boxes” (areas to be appraised), each one containing individual criteria, totalling 42 in all (in the Annex on page 25 you will find a list of the relevant criteria). These criteria are formed from a mixture of the performance indicators used in the 1998 Speyer Competition and those used in the EFQM model. In principle, all the criteria referred to in the CAF should be used for the assessment exercise. If necessary, the list of criteria can be expanded.

### The CAF criteria boxes

Criterion 1	Leadership
Criterion 2	Policy and Strategy
Criterion 3	Human Resource Management
Criterion 4	External Partnerships and Resources
Criterion 5	Process and Change Management
Criterion 6	Customer / citizen-oriented Results
Criterion 7	People (employees) Results
Criterion 8	Impact on Society
Criterion 9	Key Performance Results

In addition, two assessment panels (rating scales) are presented, one of which, the “Enablers Assessment Panel,” permits the assessment of measures and actions, and the other, the “Results Assessment Panel,” shows the results achieved. All the members of the organisation perform the evaluation either individually or in different working groups. The aim is to achieve maximum uniformity of results in the self-assessment exercise.

### Assessment Panel 1

Enablers Assessment Panel		Please put an “x” where applicable
1	We have not started or implemented relevant actions (or don't know)	<input type="radio"/>
2	We have just started introduction of relevant actions.	<input type="radio"/>
3	We have partly implemented these actions.	<input type="radio"/>
4	A programme of relevant actions has been fully implemented.	<input type="radio"/>
5	We have introduced a permanent quality improvement cycle based on a review of previous programmes.	<input type="radio"/>



**Assessment Panel 2**

Results Assessment Panel		Please put an "x" where applicable
1	No results have been measured, or results are in decline (or don't know)	<input type="radio"/>
2	Results show some improvement.	<input type="radio"/>
3	Results show an improving trend over a number of years.	<input type="radio"/>
4	We have achieved targeted levels of performance.	<input type="radio"/>
5	Results are consistently achieved at the highest level of performance in this field (by reference to benchmarking, awards, favourable reviews, audits or other external assessments).	<input type="radio"/>

**Results of the self-assessment exercise**

The basic idea of the CAF consists of applying the sub-criteria developed for the individual criteria boxes to one's own public administration body as a whole or to the individual organisational unit which undertakes the self-assessment. For each criterion, thought should be given to the existing factors, how they function in daily administrative operations and how they are experienced and used. Afterwards, points or marks should be awarded and these range from 1 (the worst) to 5 (the best). A bad "score" means that measures or results referring to the relevant criterion either do not exist or are not known. A rating of 3 can, for example, be given if the measures/actions in question do not only exist as projects but have already been implemented, at least in part. As regards the findings, a rating of 3 means that results have already been ascertained (measured) and that there are clear signs (manifestations) of the attempts to achieve long-term improvements.

Example for Criteria Box 7 – Employee Satisfaction:

Sub-criterion 7.1 – The active involvement of the employees in the life of the organisation. This is ascertained through surveys which are carried out regularly (e.g., every year), through interviews conducted by external sources. The results of the interviews show that certain categories of employees are often better able to judge the degree of responsibility, suggestions for improvement made by staff members, participation in voluntary seminars given by external experts and possibilities for further training. However, not all staff members have yet been affected by these measures and procedures.

The resulting rating is:3

The marks awarded can either be summarised as point values based on the criteria boxes or can be shown as a profile of strengths and weaknesses given in more or less detail. If several working groups are set up, the assessments of the individual groups can be compared and any differences in the ratings can then be discussed and a complete profile compiled.

As a general rule, one self-evaluation or self-assessment exercise is not enough. Less satisfactory results, in particular, will prompt improvements. After a reasonable period of time, these should be subjected to a new self-assessment exercise and examined more closely.

### **Should self-assessment be done alone?**

Contrary to the appraisal of an administrative unit by external consultants, the self-assessment exercise should be undertaken primarily by the relevant administrative department, i.e., by the management and employees themselves. This means, on the one hand, that the evaluation process, which should be conducted in several well thought-out stages, must be organised by them. On the other hand, it also means that the accompanying thought processes must take place within the company, that the relevant players must partly judge their own actions, and that the employees must give their managers ratings. This is certainly a demanding task since it calls for the willingness to take a critical look at one's own way of working, one's own findings, and one's own strengths and weaknesses. This generates thoughts on the results achieved, which in turn leads to in-house discussions about possible improvements and other consequences arising from the self-assessment exercise. If this succeeds, it constitutes another milestone along the road to further development. Tips on how to conduct the self-assessment in an appropriate way will be contained in the guidelines to be published in the near future.

In order to prevent the failure of a self-assessment exercise, which could negatively affect the long-term development of the staff and the organisation, there should be a possibility of recourse to some form of outside support. This assistance can be offered in two different ways:

1. the subjects, the key factors for quality assessment, and the sub-criteria should be explained in detail. In addition, help on how to incorporate practical circumstances into the criteria scheme should also be offered;
2. the appropriate monitoring of the self-assessment exercise can help to determine one's own position. At the same time, organisational development findings can be incorporated and strategic conclusions drawn for further modernisation processes.

### **First experiences in Austria with the CAF**

First experiences in Austria with the CAF have shown that there is a great need to explain the criteria boxes and the individual sub-criteria to employees and even to middle and top managers of public administration bodies. This can largely be attributed to the fact that while there is a relatively uniform international understanding of the goals, strategies, instruments and processes employed in modern public administration management, these international discussions are mainly conducted among public management experts and administrative reformers. However, different areas of politics, public administration (particularly

those which are most in need of modernisation) and the mass media are not (yet) participating in such discussions or only at a very superficial level.

Experiences with CAF in Austria have shown that the application of the CAF for a self-evaluation or self-assessment exercise requires a certain amount of clarity concerning methods of organisational development and important stages of change management. It happens not infrequently that self-evaluation is seen as a means of defence against hypothetical reproaches concerning the lack of willingness to change. This, then, sometimes leads to a “self-assessment” which glosses over the situation and to results which offer few tips for improvement because “everything that is needed already exists and is being put into practice.”

The conclusion that can be drawn from these practical experiences is that the criteria embodied in the CAF constitute an ideal, practice-oriented introduction to modern public administration management. Internal workshops designed to explain assessment processes may perhaps contribute more to the mutual understanding and discussion of the current status than leading immediately to a uniform and realistic self-assessment. If there is too little awareness of the modernisation process, it is recommended that external consultants be brought in for the purpose of presenting, explaining and interpreting the conceptual framework.

In the OECD and EU countries (see the relevant publications), there is a certain amount of agreement as to how administrative and political practices can best correspond to the required criteria. It is thus clear to all those involved that, for example, sub-criteria 4 b I (“Measures to Assure Appropriate Financial Management”) should be fulfilled first and foremost through strategies such as promoting more cost awareness at all levels, setting up internal accounting systems (cost and results accounting), the application of benchmarking and benchmarking comparisons, as well as (in the budgetary area) by reviewing structural indicators and the balance of accounts. Particularly with respect to international comparisons it should first be examined whether and to what extent similar or at least appropriate interpretations of the individual sub-criteria can be permitted.

### **CAF – Future prospects**

At any rate, the CAF offers the opportunity to collect different self-assessment findings (also anonymously) at a national and international level in order to ascertain average values and, later on, also standards, and then to compare them. In this context, the European Union is planning to establish a database together with its Austrian partners (Department for Administration Development of the Federal Ministry for Public Services and Sport, KDZ).

The CAF self-assessment scheme offers an ideal opportunity to give one’s own organisational and staff development fresh stimuli. At the moment, there is no cheaper possibility for taking a self-critical look at the progress which has already been made in the modernisation of administrative structures and for

renewing one's commitment to the path that has been embarked upon. The KDZ continues to offer organisational units, which put their self-assessment findings at the disposal of the database, the possibility, free of charge, of compiling a quality profile and a brief interpretation or short commentary. More details are given in our website under [www.kdz.or.at](http://www.kdz.or.at). The self-assessment exercise is expected to generate a "learning from the best" (benchmarking) process which will be very helpful in developing qualitative solutions.

### **References**

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Schedler, K., Proeller, I. (2000), New Public Management. Published by Paul Haupt, Bern, Stuttgart, Vienna

Federal Ministry for Public Services and Sport (Ed.) (2001), Gemeinsames Europäisches Qualitätsbewertungssystem – CAF (Common Assessment Framework). Vienna. The text of the CAF can also be downloaded from KDZ's homepage ([www.kdz.or.at](http://www.kdz.or.at)).

**Attachment: CAF Assessment Criteria**

<b>Criterion 1 - Consider the evidence of what the organisation's leadership is doing to</b>	
Sub-criteria:	
1.1	Develop a clear vision, mission and value statement
1.2	Demonstrate personal commitment for continuous improvement of the organisation
1.3	Motivate and support the people in the organisation
1.4	Create involvement with customers/citizens and partners
<b>Criterion 2 - POLICY and Strategy - Consider the evidence of what the organisation is doing to:</b>	
Sub-criteria:	
2.1	Develop, review and update Policy and strategy based on clear criteria
2.2	Base Policy and strategy on information relating to present and future needs of stakeholders
2.3	Implement Policy and Strategy through the process of cascading, aligning, prioritising, agreeing and communicating plans, objectives and targets
2.4	Build capacity with regard to organisational learning and continuous improvement
<b>Criterion 3 - HUMAN RESOURCE MANAGEMENT: Consider the evidence of what the organisation is doing to:</b>	
Sub-criteria:	
3.1	Plan, manage and improve human resource policies aligned with the policy, strategy, structure and processes of the organisation
3.2	Manage recruitment and career development in relation to fairness of employment and equal opportunities
3.3	Develop skills and new competencies of employees
3.4	Develop practises which allow employees to become involved in improvement activities and ensure that they are empowered to take action
<b>Criterion 4 - EXTERNAL PARTNERSHIPS AND RESOURCES</b>	
<b>Criterion 4a - External partnership and resources - Consider what measures are in place to ensure that:</b>	
Sub-criteria:	
4a.1	External partnerships are managed
4a.2	The performance of the organisation is benchmarked against leading counterpart organisations
<b>Criterion 4b - Internal Resources - Consider what measures are in place to ensure that:</b>	
Sub-criteria:	
4b.1	Finances are managed
4b.2	Information resources are managed
4b.3	Information technology is managed
4b.4	Other resources are managed
<b>Criterion 5 - PROCESS AND CHANCE MANAGEMENT</b>	
<b>Criterion 5a - PROCESS MANAGEMENT - Consider the evidence how the organisation manages and assures its processes, through</b>	
Sub-criteria:	
5a.1	Creation of a conceptual and analytical framework to support effective planning

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5a.2	Systematic Design and Management of Processes
5a.3	Effective resource allocation
5a.4	Effective Project Management
<b>Criterion 5b - CHANGE MANAGEMENT - Consider the evidence how the organisation manages and assures change by:</b>	
5b.1	Planning and management of Change
5b.2	Establishment of suitable reform processes
5b.3	Mobilisation/qualification of employees for reform
<b>Criterion 5c - MANAGEMENT OF CUSTOMER / CITIZEN ORIENTATION AND INVOLVEMENT - Consider the evidence of how the organisation manages the interaction with customers/citizens to</b>	
5c.1	Improve openness and understanding
5c.2	Improve public access to services
5c.3	Actions taken to empower customers/citizens
<b>Criterion 6 - CUSTOMER / CITIZEN - ORIENTED RESULTS</b>	
Sub-criteria:	
6.1	Reaction to results of customer/citizen perceptions
6.2	Results of actions taken to improve public access to services
6.3	Results of actions taken to empower customers/citizens
<b>Criterion 7 - PEOPLE (EMPLOYEES) RESULTS - Consider evidence of results relating to:</b>	
Sub-criteria:	
7.1	Results achieved with respect to people's perception of the organisation's leadership and management
7.2	Results achieved with respect to people's satisfaction with the organisation's working conditions
7.3	Results achieved in relation to active involvement in the organisation
7.4	Results achieved in relation to competency development
7.5	Measures indication levels of motivation/morale
<b>Criterion 8 - IMPACT ON SOCIETY - Consider what the organisation is achieving with respect to the impact on society, with reference to:</b>	
Sub-criteria:	
8.1	Results relating to improved perception by society of the organisation's social performance
8.2	Results achieved in relation to the prevention of harm and nuisance
8.3	Results of activities to assist in preservation and sustainability of resources
8.4	Results of other indicators of societal responsibility
<b>Criterion 9 - KEY PERFORMANCE RESULTS - Consider the evidence of trends in results being achieved for the organisation, in relation to:</b>	
Sub-criteria:	
9.1	Financial outcomes
9.2	Non - Financial outcomes
9.3	Measurement of Performance

## Obstacles to Implementing TQM in Public Organisations

*Zdravko Pečar M. Sc.\*, Prof. Dr. Vladislav Rajkovič\*\* and Prof. Dr. Ivan Bratko\*\**

### Abstract

This paper addresses the question of how to adjust the managerial approach to quality (TQM), which was originally oriented towards the private sector, to the public sector for improved usefulness.

The major obstacles are its limited flexibility (legislative restrictions for resource allocation) and the specific status of direct and indirect users/consumers and ways and sources of payments for the public services. The author is against the straightforward use of the existing business models for quality assessment, and suggests that these be adapted before implementing them in the public sector.

### 1. What is Quality?

We always associate quality with something good or excellent. We constantly demand quality from everyone around us; friends, co-workers, merchants, suppliers and other business partners.

We know a number of definitions for quality:

- Quality is achieving or exceeding the expectations of buyers.
- Quality is matching the needs.
- Quality consists of a number of characteristics of products or services that are based on the ability to satisfy specific needs.
- Quality service completes the expected task and is responsive to customer's needs.

In addition to these general definitions, aimed at customer satisfaction, we can use the mathematically oriented definition as well:

“Quality is defined by the level to which the product or service satisfies the needs and expectations of the customer/buyer.”

We can express this with the following equation:

$Ql$  (quality level) = sum of  $V_i$  (importance of variable) x  $V_a$  (assessment of variable)

$Ql$  = Quality level

$V_i$  = importance of Variable

$V_a$  = assessment of Variable

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## BUILDING BETTER QUALITY ADMINISTRATION FOR THE PUBLIC

Quality level (QI) is calculated as the sum of multiplying the impact and assessed values of all key variables.

When evaluating the impact (importance) of each variable and its subsequent assessment, we experience the largest differences in opinions between customers. Their relation to quality characteristics of products and services is very individual.

As in the case of determining a quality characteristic of a car, some individuals would regard the price as the most important characteristic (variable), while for others safety, speed, economy, etc., will be more important. Every key characteristic will also be viewed differently by every individual. Therefore, we need to use comprehensive questionnaires and employ quantitative statistics when we do research.

Quality is based on individual opinions, is perceived differently from place to place (different cultures, standards of living. etc.), and changes with time (generally, expectations grow).

In spite of this, we must systematically focus our efforts on the issue of quality and manage it as objectively as possible; this goes for the public sector as well. It must become the priority of every employee and top managers must share the responsibility.

Quality in public services has more complexities than the same issue in the private sector due to a great number of stakeholders who share the role of customers, while in the case of the private sector, customers are a single entity and, at the same time, buyers with greater responsibility. Therefore, the TQM in the public sector must be approached with greater care and keeping all specific differences (direct and indirect customers, levels of government and their policies, laws, etc.) in mind.

## **2. Tools and Techniques for Quality Management**

### Quality management (assurance) and Total Quality Management

We often spot a great deal of confusion when people don't separate comprehensive quality management or Total Quality Management from the quality assurance system.

Some confusion can be traced back to the fact that the quality assurance system. described in the series of international standards DIN EN ISO 9000 – 9004. was renamed the quality management system. No changes were made in content, either deliberately or unintentionally, and this created an affinity to Total Quality Management.

The idea of creating a quality assurance system that can be certified has been raised by adaptation of national legislation to European directives on product liability. Jurisdiction obliges a company to take all necessary measures within their responsibility to ensure that only sufficiently safe products are



brought into circulation. Therefore, products and services have to be technically up-to-date and all economically viable measures have to be taken.

So, a company must maintain state-of-the-art technological knowledge. Companies are obliged to realize all legal requirements through adequate facilities and processes.

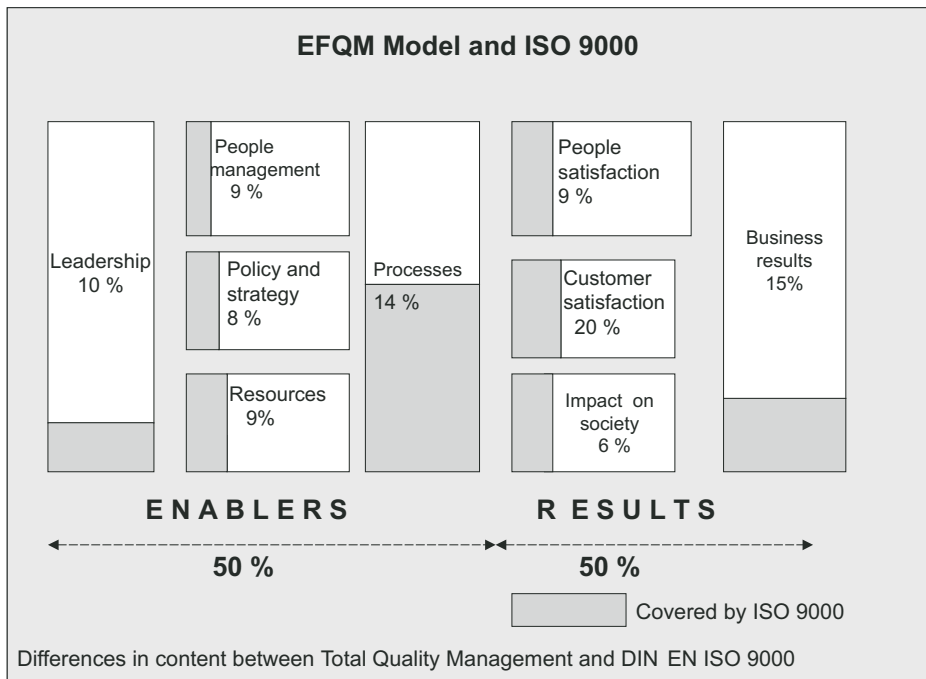
In general, every quality system must have:

- A proper and effective organisational structure;
- Systematically designed work processes which supplement each other (process organisation);
- Documentation of objectives, quality targets and achieved results;
- Adequate process regulations and rules of conduct;
- Supervision if all prescriptions are followed in day-to-day business;
- Meaningful testing procedures with results corresponding to long – term experiences from the product’s practical use.

These legal requirements have lead to increased interest in the certification of quality systems (ISO)

While the above standards presume that quality is achieved by doing things right, a total quality concept focuses on the question of whether the right things are done.

With TQM, the customer orientation is the focus of attention.



## BUILDING BETTER QUALITY ADMINISTRATION FOR THE PUBLIC

The main characteristics of TQM are:

- Quality is concerned not only with products and services, but also with (value adding) processes, working conditions and the environment.
- Quality is not a purely technical function or department, but rather a systematic process which penetrates the whole organisation.
- Total Quality Management requires an organisational structure which focuses on quality not only on the level of individual work places, but also regarding cooperation between departments and beyond company limits.
- The idea of continuous quality improvement must not be limited to production of goods and services. but should cover all areas of the organisation.
- Customer needs are the only measure of quality, not the interests of various units of organisation.
- Comprehensive quality improvements can only be achieved if everyone is involved –not just a few specialists.

We can say that:

- DIN EN ISO 9000 – 9004 are mainly focused on the in – house perspective;
- TQM is more outwardly bound.

The differences can be illustrated by using the EFQM model (Zink, 2000, p.38).

Feigenbaum (1987. p.64) defined Total Quality Management as:

”The management approach of an organisation. centred on quality. based on participation of all members of the organisation and aimed at long–term success through customer satisfaction, as well as benefits for all members of the organisation and for the society.”

### **3. Constant Increase in Quality Emphasis**

During the last few decades, technology has made it possible for just about anyone to produce a high-quality product that is competitively priced. The improvements in telecommunications and transportation have made it possible to move data and products to any location very quickly. The focus has increasingly shifted, therefore, to speed in execution of activities and, as a strategic imperative, to quality. The growing emphasis on quality of products and services has led companies to embrace a body of management principles that increases the reliability and excellence of goods and services.

The only difference-makers are people. Everyone has computers and robots. How organisations capitalize on their human resources (skills and cumulative learning) differentiates them from competitors. How the processes of encouraging, delegating, teaching, and managing people has changed is the subject of most discussions concerning the quality movement.

Seven Golden Rules

- You must approach quality specifically and systematically.
- Quality takes time to implement; quick fixes do not work.

## Obstacles to Implementing TQM in Public Organisations

- Involve all employees and make sure they are all empowered to make decisions regarding quality.
- Quality requires focus and concentration.
- Quality is a management process and a business strategy that leads to competitive advantage and to less-expensive products of superior quality.
- Customers are the central focus of all improvement processes.
- Managers often get in the way of an organisation's transformation and are at fault if the workers do not produce quality in all that they do.

### The European Model for Business Excellence (As a Starting Point)

In the same way that the Deming Prize in Japan and the Malcolm Baldrige National Quality Award in the USA were created at the end of the 80's, so too the European Foundation for Quality Management (EFQM) was founded at the end of 80's with the aim of bringing across the idea of comprehensive Quality to managers of European companies.

The European (EFQM) model was created by more than 250 experts with the intention of being flexible enough to be applicable within all branches, industries and sizes of companies as well as within the different cultural environments in Europe.

The (EFQM) model consists of two groups of criteria, "Enablers" and "Results," where each count for 50% (equal weight) of the points awarded.

<b>Enablers:</b>	
1. Leadership	100 points
2. People management	90 points
3. Policy and strategy	80 points
4. Resources	90 points
5. Processes	140 points
<b>Results:</b>	
6. People satisfaction	90 points
7. Customer satisfaction	200 points
8. Impact on society	60 points
9. Business results	150 points
<b>Total:</b>	<b>1000 points</b>

## BUILDING BETTER QUALITY ADMINISTRATION FOR THE PUBLIC

The American National Quality Award criteria consists of the following items and values:

<b>American National Quality Award</b>	
1. Leadership	110 points
2. Strategic planning	80 points
3. Customer and market focus	80 points
4. Information and analysis	80 points
5. Human resource development and management	100 points
6. Process management	100 points
7. Business results	450 points
<b>Total:</b>	<b>1000 points</b>

### **4. Public Organisations Should Expand the TQM Model**

Quality is (even more in the public sector) largely a subjective, intangible “soft” item. As such, it has no use in managerial processes. To gain usefulness, we must make this unstructured item ever more structured and consequently manageable. This can be done by introducing the appropriate measurement systems to give a more objective, quantitative, and recognizable content to all important characteristics.

Quality cannot be achieved if we don’t measure all critical process characteristics of public service, i.e., inputs, outputs, efficiency (output/input), economy and effectiveness.

Is the definition “Achieving or exceeding the expectations of the buyer” really appropriate for assessing quality in the public sector?

When examining the well-known definition of quality for the public services, we can see that often the consumer is not a real buyer who pays for the service. The payment is made by government via a budgetary process. The same government should, therefore, play the role of the regulator (as the market mechanism does for private business) of productivity, economy, etc.

Consequently, we should include additional stakeholders to judge the quality of public organisations. In the case of our administrative units, one of those should be the Ministry of Finance, and this ministry should help to define the price level for the unit of standard services and distribute the budget finances

according to the outputs/outcomes as opposed to the inputs of public organisation.

With this reasoning, the quality of a public organisation should be judged not only by direct users but also by other stakeholders responsible for the particular public policy in question, mainly the Ministry of Finance, and other connected ministries and government agencies (like the National Audit Office in UK), parliament or other democratic institution.

### **5. Case Study: A Quantitative Expression of Quality**

In research done over the last two years, I have studied the performance of 58 district administrative units in Slovenia with the emphasis on organisational performance during the period of the last four years. The research findings show that the difference in productivity (number of standard services / per employee) is more than 1 : 10.

During the research, I also developed a model for evaluating the Quality of the macro (because units can not make independent decisions in regard to allocation of resources) and micro aspects of these public services (department of spatial use).

The basic criteria of this model are:

Macro Aspects: (350 Points)

1. Leadership of the administrative service system 200 points
  - Directing the public managers (40)
  - Developing better legislation (60)
  - Management system and budgeting (60)
  - Responsibility to public and local government (40)
2. Information and analysis 75 points
  - Management of information and data (20)
  - Competitive analyses and benchmarking (35)
  - Use of data and analyses in decision-making (20)
3. Strategic planning 75 points
  - Development of strategy (50)
  - Strategy implementation (25)

Micro Aspects: (850 Points)

4. Legal aspects 150 points
  - Accordance with laws (40)
  - Accordance with norms and standards (30)
  - Accordance with spatial plans (50)
  - Accordance with plans of public enterprises (30)
5. HRM development 100 points
  - Planning and evaluating human resources (30)
  - Work systems for high performance (20)

## BUILDING BETTER QUALITY ADMINISTRATION FOR THE PUBLIC

- Education, training and development of employees (30)
  - Care for employee satisfaction (20)
6. Process management 125 points
- Design and content of administrative services (30)
  - Process management: efficiency of services (50)
  - Process management: supportive services (20)
  - Performance management (all stakeholders aspects) (25)
7. Business results 240 points
- Results on service quality (50)
  - Operational performance results (60)
  - Results of human resources (50)
  - Results of overall performance (80)
8. Customer orientation and satisfaction 235 points
- Knowing the needs of customer and market (25)
  - Management of customer relations (20)
  - Assessing satisfaction of customers (40)
  - Results of customer satisfaction (150)

Total Points 1200

After this first step of quantifying the relative degree of different variables (attributes) on the quality of administrative units, we can begin with the next task of assessment (with adequate questions) of the value of each variable for individual administrative unit.

$Ql$  (quality level) = sum of  $V_i$  (importance of variable)  $\times$   $V_a$  (assessment of variable)

According to the table of variables, we assumed that the macro aspect is responsible for about 32% of the influence on the quality level. The remaining 68% is in the hands of the individual administrative unit.

### Computing the quality level of the macro aspect

We assume that the macro variables are assessed on a scale of 0 to 1 and the results are as follows:

$$V1 = 0.52$$

$$V2 = 0.46$$

$$V3 = 0.36$$

$$Ql = V1 (200 \times 0.52) + V2 (75 \times 0.46) + V3 (75 \times 36)$$

$$Ql = 104 + 34.5 + 27$$

$$Ql = 165.5 \text{ points}$$

The relative value of quality is  $= 165.5 / 350 = 47.3\%$ .

We can conclude that there is a large area for improvement.

Based on this, the evaluators should develop a professional dialogue with higher levels (macro decision-makers) in order to pinpoint specific problems

and provide help to achieve the necessary improvements. In the next cycle of assessment, the results should show how the level of Quality has shifted upwards and which variables added most. This way, we can really see how valuable and useful this tool is and by using it more, it can be improved also.

### Computing the quality level of micro aspect

In the case of each of our 58 administrative units, we can make calculations based on the individual scores of assessment of the five remaining variables:

Since this model is still in the testing phase, we assume (no adequate expert group process was involved) the results for the highest and the lowest levels of quality as follows:

#### **The highest:**

$$V4 = 1.0$$

$$V5 = 0.78$$

$$V6 = 0.75$$

$$V7 = 0.98$$

$$V8 = 0.92$$

$$Q1 = V4(150 \times 1.0) + V5(100 \times 0.78) + V6(125 \times 0.75) + V7(240 \times 0.98) + V8(235 \times 0.92)$$

$$Q1 = 150 + 78 + 93.8 + 235.2 + 226.2$$

$$Q1 = 783.2 \text{ points}$$

$$\text{The relative value of quality is} = 783.2 / 850 = 92.1\%$$

#### **The lowest:**

$$V4 = 0.8$$

$$V5 = 0.18$$

$$V6 = 0.32$$

$$V7 = 0.12$$

$$V8 = 0.16$$

$$Q1 = V4(150 \times 0.8) + V5(100 \times 0.18) + V6(125 \times 0.32) + V7(240 \times 0.12) + V8(235 \times 0.16)$$

$$Q1 = 120 + 18 + 40 + 28.8 + 37.6$$

$$Q1 = 244.4 \text{ points}$$

$$\text{The relative value of quality is} = 244.4 / 850 = 28.8\%$$

This task of identifying and evaluating and assessing the quantitative results which should adequately represent the realistic level of quality is not an easy one. The process is full of different opinions from every participant. They all have their own knowledge and perceptions based on their environment and previous education and experiences. Therefore, everyone who tries to successfully complete this task should carefully select a representative group of experts, conduct a seminar/workshop to unify views and then narrow the differences in opinions of the group. But even so, we cannot expect perfect end results. We

must understand that no such results can be final and that we can just improve our knowledge step by step. Every new measure or indicator adds new value to managerial decision-making. What we don't measure, we don't know, and, thus, cannot manage.

Most of the tasks in TQM are continuous events and are aimed at achieving ever-higher quality and involve ever more people in this campaign.

### **Developments in Information Technology (The Tools of Artificial Intelligence) Can Make Quality Assessment an Almost Automatic Event**

During the last two years of research focused on the performance of 58 administrative units, the team of experts for artificial intelligence (lead by mentors Dr. Rajkovič and Dr. Bratko) at Jožef Štefan Institute provided two sophisticated UI tools, RETIS and DEXi, and these were employed for performance / quality assessment.

a) The benefits of RETIS:

RETIS stands for Regression Tree Induction System. It is a machine learning tool from the field of Artificial Intelligence that performs automatic knowledge acquisition from a given set of examples and represents this knowledge in the form of a regression tree. By using the various columns of performance data from electronic spreadsheets, it gives an automatic diagnosis on behaviour patterns of 58 administrative units, as shown in the following example:

*CASE Example of RETIS: VSE99 i*

b) The benefits of DEXi:

DEXi is the tool that makes automatic, multi-criteria decisions. In the case of Administrative units, we developed the criteria for each attribute of the Quality Model by means of classifying what the requirements for each basic attribute are: bad, average, good, excellent, etc. Then we developed a set of rules for each aggregate attribute at higher levels up to excellence at the top level. By using the related questionnaires for basic attributes, we gathered the necessary input data. When we plot this data into the DEXi model we can get an automatic ("soft") computation for the respective higher level attributes and an overall assessment of the quality of each individual administrative unit: average, good, very good or excellent.

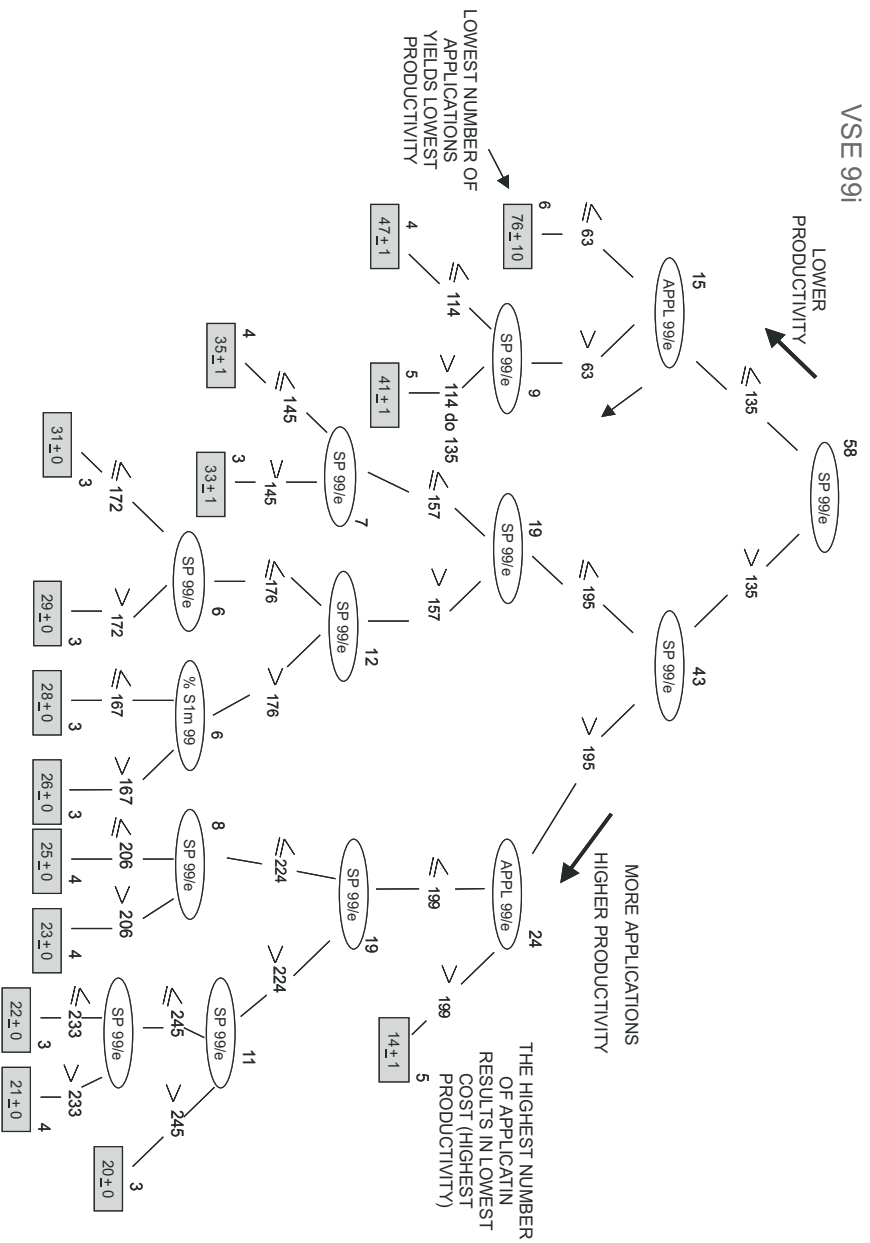
### Dilemmas That Remain to be Solved

The existing approaches to improve quality management in public sector are very helpful but they need several improvements. This is mainly with regard to NPM and public choice theory.

The TQM evolved from the private sector environment and doesn't take into account the important specifics of public service.



CASE Example of RETTS: VSE99 i



## BUILDING BETTER QUALITY ADMINISTRATION FOR THE PUBLIC

The consumer/buyer in the private sector is the only end user of products and services while in the public sector, we have many direct and indirect users of public services. This makes needs and expectations difficult to define. The users of public services usually don't pay directly for services. The payments are made through budget mechanisms. Therefore, nobody cares enough about the economics of service providers (value for money) and the cost per unit of services is largely irrelevant. This is the largest discrepancy between the public and private organisational view of quality.

In the private sector, those companies who don't reach the benchmark of productivity face the threat of losses and liquidation. When losses exist for a longer period of time, crucial changes are needed. The models of Quality assessment are used mainly in the best companies in the field. Similarly, in the public sector, the benchmarks of productivity should also serve as the basic, general evaluation of "value for money" and the models of Quality assessment should be used in the search for other details.

Here are some examples.

Example 1:

The Water Supply Company can score high on the EFQM model for quality assessment in spite of the highest level of nitrates in their pipe systems compared with other water supply companies in the region. The latter data is not widely known but kept more as a business secret. Their widely publicized high score on quality assessment shouldn't mislead the government, customers, and other stakeholders to be satisfied with their performance.

We should look at the EFQM model only as an additional tool for a structural examination of comprehensive quality issues. But the model should not be a substitute for common sense. In this case, customers need to be more aware and demand purification of polluted water as the highest priority.

Therefore, for public services, we need to define numerous standards based on professional (health) norms and "bench marks" to make a preliminary judgment of the quality of performance.

Example 2:

Another problem arises from the fact that public organisations don't have the freedom, like the private sector, to freely choose the market place where they operate. Consequently, one water supply company must operate in a very sparsely populated urban area and must drill very deep for the water while another company operates in a very concentrated urban area and has easy access to water sources. Here, we have to take into account these basic differences when applying the "benchmarking" process.

Example 3:

In the case of the 58 administrative units, the study showed various levels of productivity. Let's imagine hypothetically an organisation with a productivity

level 10 times lower than an organisation with the highest productivity that can be scored on the EFQM model for quality assessment. Here we would need an additional judgment of quality, at least from the Ministry of Finance, which pays for the same standard of services up to 10 times more to one service provider than to the other another.

While in the private sector the consumer/user always pays for the product or service, in the public sector the payment is made by someone else. We need to expand the TQM user – supplier external chain to existing additional stakeholders that can be identified in the case of every specific public service environment.

## **6. Conclusions**

In the private sector, the quality of a product or service is practically linked (interconnected) with the quality of the organisation that produces them. It is only theoretically possible that at the same time an organisation has high quality products and low productivity. It can only happen if the organisation is the only producer (monopolist) who can transfer the higher costs of production to consumers via higher prices. Just as soon as competition enters the market, the prices adequately decrease and all producers must achieve the productivity level dictated by competition. Market forces, thus, automatically regulate the need for high productivity.

The public sector lacks these kinds of market forces. Therefore, we must find new, creative ways to evaluate productivity, organisational economics, and cost per unit of standard service, and other performance indicators. This can richly supplement and advance the existing quality assessment models.

My argument is not opposed to the use of existing quality assessment models and ISO standards in public organisations. But those certificates and even awards shouldn't serve as substitutes for common managerial sense or even TQM, which is only an umbrella covering the widest set of advanced managerial methods, techniques and approaches.

In my view, quality assessment models and ISO standards are only systematic tools which should help managers to manage the progress in various fields of quality.

The value of these tools for public organisations will increase in parallel with new knowledge of democracy, governance, new public management and other managerial methods and techniques.

Facts to be taken in account:

- Using the models for quality assessment (EFQM model or adapted ones) has proven to be a valuable tool for identifying organisational strengths and areas for improvement in quantitative terms which otherwise would have remained unknown. The same tool later serves to measure the progress of implementing the TQM in the future years.

## BUILDING BETTER QUALITY ADMINISTRATION FOR THE PUBLIC

- Introducing TQM is a long-term organisational development process, which, on the basis of international experience, takes between five and ten years in business organisations.
- In the public sector, the TQM concept needs further adaptation in regard to New Public Management, “value for money” and numerous direct and indirect “customers” of public services.
- All participants need some feeling of success in the short run. This can be achieved through improvement projects. However, care must be taken that the quality approach is not reduced to a programme as this damages the employee’s motivation to participate.
- The main problem to overcome is sustainable change in organisational culture. A new organisational culture should bring about common priorities implemented in common aims, goals and objectives for all employees.

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## **Developing Best Practice in Quality Customer Service (QCS): The Irish Public Service Experience**

*Dr. Peter C. Humphreys\**

### **1. Background to the paper**

Located as it is on the western fringe of Europe beside the Atlantic Ocean, Ireland clearly does not fall within the core region covered by membership of the NISPAcee, namely central and Eastern Europe. However, an accident of geographical location does not mean that Irish experiences are of limited relevance to countries in the CEE region. In contrast, it can be argued that our experiences in Ireland are relevant to many of the recently independent countries in Central and Eastern Europe. From an historical perspective alone, Ireland strived for many years after independence to emerge from the economic dominance of a much larger neighbour and to be acknowledged and respected internationally in its own right. That emergence took time but active membership of the European Union (EU) was a very important and positive factor in helping to bring Ireland to its current position. Despite their different and diverse situations, many countries in central and Eastern Europe may therefore be interested to learn more about Irish experiences.

Such interest in Ireland is all the more likely given our current position as one of the most successful economies within the EU. Particularly when it is noted that such a healthy economic position represents a significant transformation from a very different past. With a population of 3.4 million people and a small, open economy, Ireland has managed to reverse decades of high unemployment and large-scale emigration. Instead, the current position is one of labour shortage in a number of key sectors of the economy. Irish experiences are all the more interesting when it is appreciated that this transformation has been achieved, in part at least, through a partnership approach at the national level between the government and the social partners (e.g., the employers and trade unions). Such an approach is quite different from the stance adopted in some other European countries during the last two decades.

The Irish public service has played a key role in this process of national recovery and transformation. Not only does it employ 235,000 people (or approximately 14% of those in work nationally) but also, more importantly, it directly provides a wide range of services that are essential for the sustained economic and social progress of the country. These services include central and local government administration, the military and police forces, the education and health sectors, as well as a wide variety of other regulatory and non-

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commercial public bodies<sup>1</sup>. It is within this context that it is absolutely vital to Ireland's continued social and economic well-being that the services delivered by public bodies are of the highest quality.

While this paper acknowledges that there is clearly no one right way to proceed in developing best practice in quality customer service and that each country needs to develop the approach that is most appropriate to its own particular conditions and circumstances, there is much that can be learned from each other. The types of issues discussed here within a specifically Irish context will strike a chord in many other European countries. Accordingly, this paper will identify key elements in the approach adopted in Ireland to date in order to help draw out lessons for consideration within other public administrations.

### **2. Objectives of the Paper**

In order to help stimulate discussion and debate, the primary purpose of this paper is to draw upon the latest research findings in order to examine critically the efforts being made at national and local government levels, within Ireland, to achieve real improvements in the quality of services delivered by public bodies to the citizen.

The paper will do this in three main ways:

1. It will review briefly the current internal and external pressures on the Irish public service that are creating a climate for change;
2. It outlines the main Irish developments that have taken place to improve the quality of services delivered by the public service; and
3. It seeks to identify some of the key challenges to be faced by public service managers, in Ireland and elsewhere, in their efforts to meet the needs of the citizens they serve more effectively.

For the purpose of this paper, quality is defined as the extent to which service delivery and/or service outcomes meet with the informed expectations and defined needs of the citizen.

The research findings reported on in the paper are informed by four main methodological approaches:

- A detailed review and evaluation of relevant Quality Customer Service (QCS) and change management literature in order to identify key issues and developments.
- The collation, analysis and evaluation of relevant international approaches to QCS by public service bodies.

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<sup>1</sup> The public service in Ireland does not include those publicly owned companies that provided marketed goods and services and accordingly such organisations are not included in the scope of this paper. For information, a further 50,000 staff are employed in such commercial State companies providing, for example, transport and energy goods and services (see Humphreys and Gorman, 1987 and Humphreys, 1983).

- Structured discussions with key personnel in central departments, external agencies, commercial and voluntary organisations, trades unions, as well as a cross-section of public service providers and
- In-depth case study analyses of Irish central and local government organisations that have pioneered QCS and/or engagement with the citizen.

A more detailed exploration of the issues discussed in this paper can be found in detailed studies by Humphreys (1998), Humphreys, Fleming and O'Donnell (1999), Humphreys, Butler and O'Donnell (2001), that are available to download at <http://www.irlgov.ie/cpmr>.

### **3. Social and Economic Drivers for Change**

While the types of issues and challenges identified and discussed in this paper will be similar in many other countries, it is important for understanding the specific approach that has been adopted in Ireland to have some appreciation of the particular national socio-economic and administrative context within which that approach has developed. In Ireland's case, this is particularly important because, over the past 10 years, we have experienced, and are continuing to experience, a rate of economic growth and social change, which is unprecedented in the history of the State.

In Ireland's case, it is vitally important to place the issue of quality customer service (QCS) at the centre of the national stage because:

- As a small open economy within the European Union EU, and given their strategic importance, quality public services have a vital role to play in creating and sustaining the necessary environment for socio-economic growth to continue.
- Since 1994, the Irish public service has been undergoing a major programme of modernisation: the Strategic Management Initiative (SMI). From the citizen's viewpoint, the State's ability to deliver quality services will be the key test of the success of the SMI as a whole.
- In addition to their engagement through the democratic process, citizens are gaining a new voice in the development of QCS, including through formal partnership arrangements with government. In the future, expectations are likely to rise amongst citizens for an effective voice on customer service issues and the public service will need to be innovative in responding to these wishes.
- At the present time, the Irish public service is competing as never before with private companies to recruit and retain the best staff. While the public service is likely to remain uncompetitive on wages, re-invigorating a culture of service to the citizens could improve the motivation of public servants, as well as the public services' position as an 'employer of choice'.
- Finally, given the high level of existing involvement with information technology (IT) based industries, an educated workforce and our critical dependence on internationally traded goods and services, Ireland has been

keen to exploit the potential benefits offered by e-commerce. Likewise, the revolutionary potential offered by IT has the ability to transform the way Ireland is governed (e-government) and greatly improve the potential for improved access to services by citizens (see Bellamy 1996). In fact, there is now a growing recognition that with developing information and communication technologies (ICTs), the potential exists, as never before, to transform government departments/offices into genuinely public service bodies.

In combination, these inter-linked social and economic factors represent significant drivers for change and offer the opportunity to achieve substantial improvements in the delivery of quality services to the Irish public. It is also important to note that in Ireland, this process has been supported by the long-term interest of politicians in the Oireachtas (the National Parliament), whatever their specific political affiliation, and has continued unabated throughout the period of different national governments.

#### **4. Main QCS Developments in the Irish Public Service**

Internationally, governments are striving to achieve significant improvements in the quality of services provided by their public bodies often as a core component of wider reform programmes (see OECD 1996). Quite simply, there has been a growing recognition internationally that QCS is good for business, whether in the public or private sectors. That same recognition is also taking root in the Irish public service and significant progress has been made to date. Like many other public administrations, Irish public services traditionally had a stronger focus on process issues than the needs of the citizen. However, times are changing.

##### **4.1 Strategic Management Initiative (SMI)**

The provision of quality services by public bodies to the wide range of customers they serve is at the heart of the current programme of public service reform, the Strategic Management Initiative (SMI). Delivering Better Government (DBG: 1996) saw “the achievement of an excellent service ... for the public as customers” as the central thrust of its change agenda. Indeed, given the significance of the services delivered by public bodies to the economic and social well-being of the nation, it has been argued that the Strategic Management Initiative’s ability to deliver significantly improved services to the citizens that ultimately pay for, and use, those services will be a litmus test for the success or otherwise of the modernisation programme as a whole. Equally, failure in this area could undermine fundamentally external perceptions of the role and contribution of the public service in modern Ireland.

##### **4.2 Building Blocks for Change**

However, it is important not to view the comparatively recent QCS Initiative (1997) within the Civil Service in isolation. Rather it builds upon, and has the



potential to develop further, a number of other major relevant policy developments at the national level that help lay the foundation for a quality customer service. Such building blocks would include:

- The Ombudsman Act (1980),
- Serving the Country Better (1985),
- The launch of the SMI itself (1994),
- Delivering Better Government/Better Local Government (1996),
- Public Service Management Act (1997),
- The Freedom of Information Act (1997),
- The Quality Customer Service Initiative itself (1997) and
- The Equal Status Act (2000)<sup>2</sup>.

In addition, for many years, a number of individual Departments/Offices had already made significant, pro-active efforts to improve the quality of services delivered to their customers. Such bodies would include the Department of Agriculture, Food and Rural Development; the Department of Social, Community and Family Affairs and the Office of the Revenue Commissioners (see Humphreys 1998). As research by Irish Marketing Surveys (1997) showed, these three organisations alone account for over 90% of contacts with the entire Civil Service by the general public. However, throughout the public service, there has been a gradual and growing recognition that all public service bodies have external customers. In some instances, these customers will be the general public or citizens like you or I. In other instances, customers will include employer, trades-union or other representational groups, individual companies, community groups and even other public service bodies. In a very real sense, everyone is someone else's customer!

### **4.3 The QCS Initiative (1997 onwards)**

As part of the SMI Programme, in May 1997, a specific QCS Initiative was launched to promote the wider and more co-ordinated adoption of improved customer service standards by civil service departments. Initially, each department was required to produce a two-year Customer Action Plan indicating how they intended to improve the delivery of quality customer service in the areas for which they were responsible. However, having reviewed the progress made, the Government established a new high-level QCS Working Group in autumn 1999 which made a number of key recommendations to Government; these were adopted in July 2000. These recommendations included the requirement that, from the beginning of 2001, each civil service department was required to

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<sup>2</sup> This latter and most recent piece of legislation outlaws discrimination in relation to the disposal of goods and premises; the provision of services, facilities and accommodation; as well as participation in educational establishments and clubs. The legislation outlaws discrimination on the grounds of gender, marital status, family status, sexual orientation, religion, age, disability, race and membership of the Traveller Community.

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produce a new Customer Action Plan for the period up to 2004, and this addresses a number of key issues.

In summary, each department now has to:

1. Ensure staff are recognised as internal customers and are properly supported and consulted with regard to service delivery issues;
2. Take a pro-active approach to providing clear, timely and accurate information that is available at all points of contact and meets the requirements of people with specific needs. Continue to simplify rules, regulations, forms, information leaflets and procedures;
3. Publish and display QCS standards that outline the nature and quality of service that external customers can expect;
4. Deliver quality services with courtesy, sensitivity and the minimum delay, within a climate of mutual respect between provider and customer;
5. Provide clean and accessible public offices, which ensure privacy, comply with occupational and safety standards and facilitate access for people with specific needs;
6. Where feasible, provide choice in service delivery in terms of payment methods, location of contact points, opening hours and delivery times. Use available and emerging technologies to ensure maximum access and choice, and quality of delivery;
7. Ensure the rights to equal treatment established by equality legislation, and accommodate diversity, so as to contribute to equality for the groups covered by that legislation. Identify and work to eliminate barriers to access to services for people experiencing poverty and social exclusion, as well as those facing geographic barriers to services;
8. Provide quality services through Irish and/or bilingually and inform customers of their rights to choose to be dealt with through one or other of the official languages;
9. Provide a structured approach to meaningful consultation with, and participation by, the customer in relation to the development, delivery and review of services. Ensure meaningful evaluation of service delivery;
10. Foster a more co-ordinated and integrated approach to delivery of public service;
11. Maintain a well-publicised, accessible, transparent and simple-to-use system of dealing with complaints about the quality of service provided;
12. Similarly, maintain a formalised, well-publicised, accessible, transparent and simple-to-use system of appeal/review for customers who are dissatisfied with decisions in relation to services.

Full details of the new Guiding Principles for Quality Customer Service adopted by the Irish Government are given at Annex 1.

In order to help ensure that a QCS approach is mainstreamed throughout the business processes of government departments and offices, the heads of each organisation are required to identify specific actions with targets in their published

Strategy Statements and give details of progress achieved in their Annual Reports. Similarly, within public service bodies, QCS issues are required to be addressed in the annual Business Plans of individual units.

#### **4.4 Information Technology (IT)**

In taking the QCS Initiative forward, the government has also stressed that best use be made of available and emerging technologies to facilitate improved access to information and customer choice through the development of on-line services. Of particular relevance in this regard is the Government decision on Information Society (IS) developments and on the adoption of an E-Broker model as the framework within which electronic public services should be delivered. A range of sites are currently available focused upon particular services, including social services ([www.reach.ie](http://www.reach.ie)), business ([www.basis.ie](http://www.basis.ie)), citizen information ([www.oasis.gov.ie/](http://www.oasis.gov.ie/)) and tendering for government contracts ([www.tendersireland.com/](http://www.tendersireland.com/)).

Guidelines have been issued to inform and ensure consistency of standards for departmental websites and standards for departmental websites are to be incorporated into the latest round of Customer Action Plans (2001-2004). In addition, on-line services are also currently being provided by the Office of the Revenue Commissioners ([www.ros.ie/](http://www.ros.ie/)), the Land Registry and the FÁS (National Employment Service) on-line jobs service ([www.fas.ie/](http://www.fas.ie/)). An SMI website has also been launched as a central information and contact point at [www.bettergov.ie](http://www.bettergov.ie).

#### **4.5 The Programme for Prosperity and Fairness (2000)**

To underpin these efforts, the need for continued improvement in the quality of public services has been reiterated in the current partnership-based national pay agreement: the Programme for Prosperity and Fairness (PPF), which covers all parts of the public service. The PPF (2000) stresses that 'improved standards of service follow from a strong focus on the needs of recipients, the setting of challenging standards in service delivery, and making the best use of available resources. In this context, it is essential to provide for consultation with, and feedback from, both the providers and users of the services in order to identify the required improvements and validate the progress being made subsequently in improving service delivery' (p.21).

A strong focus on the needs of customers, effective consultation with the providers and users of services, setting and achieving challenging standards, and identifying areas for improvement and monitoring the progress made are all key elements of the QCS improvement process. In fact, PPF (2000) sets out one of the primary objectives of the modernisation of the public service as "to provide excellent services that meet recipients' needs in a timely and efficient manner". To act as an additional incentive, the PPF provides that certain pay increases(s) will be paid in return for the agreement and achievement of

specific performance indicators, one of which is ‘the implementation of challenging service standards set in consultation with the recipients of the service’. Provision is also made for the establishment of Quality Assurance Groups for each sector, whose remit is to ensure that such performance indicators are sufficiently challenging.

### **4.6 Developments in the Wider Public Service**

These important initiatives in the civil service have been mirrored by similar developments in the wider public service. In this respect, there is little doubt that individual organisations in the public service have made considerable efforts to significantly improve the quality of service delivered (see Humphreys, Fleming and O’Donnell, 1999). At the sectoral level, it is also evident that significant efforts have been made prior to the advent of the QCS Initiative in 1997. Such examples include:

- The Code of Practice and Charter of Rights for the delivery of service to customers of the Office of the Revenue Commissioners;
- The Charter of Rights for Hospital Patients (1992) and Shaping a Healthier Future (1994), produced by the Department of Health and Children;
- The Department of Agriculture, Food and Rural Development’s Charter of Rights for Farmers, as well as;
- The Department of the Environment and Local Government’s programme for Better Local Government (1996)

In addition, individual public service bodies have taken initiatives. For example:

- An Garda Síochána’s (the National Police Force) Quality Customer Service Action Plan: Putting People First (1998), as well as, for example,
- The Equality Authority’s Customer Service Action Plan.

Within the local government sector, Modernising Government – the Challenge for Local Government (2000) recognises that delivering quality customer services is at the heart of the current reform programme. Accordingly, it launches a range of common Service Indicators for each local authority, which will help individual authority’s benchmark their performance against others. Progress against these indicators is to be reported in the published series of Annual Reports, with the intention of rolling out this quantitative approach to service and standards setting.

Finally, under the PPF, it is envisaged that the Guiding Principles should apply to all public services and that they should now be extended by each Department to include any public service organisation, agency or body for which it has responsibility. In so doing, however, it is acknowledged that many public service bodies have already made significant progress and that developments under PPF in the wider public service will complement work already in hand.

#### **4.7 Involvement with Quality Accreditation Schemes**

Within Ireland, two main quality accreditation schemes operate at present. These are ISO 9000 and the Q-Mark. While there has been considerable involvement with ISO 9000 in the private sector (e.g., the financial institutions, IT software and hardware companies, the legal profession, healthcare and the transport sector), as well as commercial state companies, there has been only limited participation to date by the civil service, local authorities and wider public service, due to its traditionally strong emphasis upon processes (see <http://www.iso.ch/>).

On the other hand, the Q-Mark is based on the principles of Business Excellence Model (BEM) and is derived from the European Foundation for Quality Management (EFQM) Excellence Model (see <http://www.efqm.org/>). As such it aims to provide a broader ambit of quality service than ISO 9000. The Q-Mark is a diagnostic framework that links together all existing quality improvement schemes within an organisation. The Q-Mark was originally based on ISO 9000 but more recently has transferred to the EFQM model. However, engagement by the public service has been limited and active consideration is being given to lighter frameworks such as the Common Assessment Framework (CAF)(see <http://www.eipa.nl/>) as well as the possibility of introducing a new QCS Mark specifically geared to the needs and demands of the Irish public service (see Humphreys, Butler and O'Donnell 2001).

#### **4.8 Transforming organisational culture**

One of the reasons that there is now active support being given to the wider involvement of public service bodies with quality service accreditation and recognition schemes is the growing recognition that the re-focusing of an organisation on the needs of the citizen, rather than the processes of the organisation itself, requires little less than a fundamental transformation in organisational culture. "For too long, the organisation and management of the public sector seem to have taken on a life of their own. A country's citizens were almost after thoughts to the complex network of structures, policies and systems internal to government. However, the reversion to a client focus in government changes substantially the operating environment for both elected officials and public service employees. Service quality is so much more than saying 'We'll answer the telephone in three rings or fewer'. It is a continuous effort to improve quality in every way possible. That means that as elected officials and as public service employees, we can expect the words 'service' and 'quality' to become virtually interchangeable in our lives. And the public will certainly look upon that as good news" (Eggleton, 1996, pp. 219-223).

Speaking from his extensive experience as President of the Treasury Board (Canada), Eggleton stresses that effective improvements in service delivery systems require more than superficial changes in work practices. The commitment to providing and improving the quality of services delivered to the public has

to be mainstreamed within the organisation. It has to become an integral part of the way that public body functions in both its internal operations and external interface with the general public. It often requires nothing less than a fundamental top-down and bottom-up reorientation of the established organisational culture. The truth of these words has certainly been demonstrated, in Ireland, by the experiences of the Office of the Revenue Commissioners (see Humphreys 1998) and the Department of Social Community and Family Affairs, as well as individual local authorities like Meath County Council (see Humphreys, Fleming and O'Donnell 1999).

### **5. Key Management Challenges**

By drawing upon Irish experience to date, as well as the experiences in other OECD countries that have been seeking to implement quality policies within their public services since the mid/late 1980s, it is possible to identify a number of key management challenges that need to be addressed effectively if quality public services are to be provided to citizens and other external customers.

These challenges include:

- The promotion and acceptance of quality customer service as one of the key principles of public service delivery. To achieve this, quality needs to be an integral part of services and to be seen as the responsibility of everyone involved in the design and delivery of services.
- Visible and effective leadership at the most senior level is a pre-requisite for building a customer focus in public service bodies, together with the championing of quality customer service values throughout the organisation and its business processes.
- Quality public services need to be developed, designed and delivered in a manner, which is genuinely customer-focused and responsive to changing customer needs and expectations.
- Within the public service in particular, the complex relationship between the customer and the range of other stakeholders (including the staff, the taxpayer and elected politicians) needs to be understood and managed effectively to minimise conflicts of interests in terms of what is understood as quality customer service.
- Challenges relate also to the nature of public services, their diversity and complexity, and to the fact that roles, responsibilities, functions and budgets are externally imposed upon public service organisations.
- Quality customer service relates essentially to how customers perceive services and how these experiences relate to expectations. Quality customer services need to be refocused on the customer and this will require citizen participation in the design and delivery of services. Real participation will require customer and citizen involvement to move beyond consultation towards the promotion of partnership and negotiation between all stakeholders.

It is also abundantly clear from past experience that addressing these challenges effectively raises issues that strike at the heart of an organisation's mission and purpose and in many cases would involve nothing less than a radical transformation.

Perhaps one interesting final question to reflect upon is: How can we recognise a quality public service organisation when we see one? The Treasury Board of Canada (1995) highlights the following characteristics as being typical of a quality service organisation:

- Everyone understands where the organisation is heading and understands his or her part in the process;
- There is respect for people in the organisation and all employees are encouraged to develop their potential;
- The primary focus is on serving clients; co-operation and teamwork are a way of life;
- Leaders are fully involved in the quality services programs and initiatives;
- Everyone concentrates on achieving quality; there is a focus on continuous improvement;
- Employees appreciate and understand stakeholders' expectations and know how to satisfy them; and
- The organisation is driven by quality and innovation (Treasury Board of Canada, 1995).

Perhaps one of the most challenging, exciting but also most frustrating aspects of the drive to improve the quality of services delivered by public bodies to the citizen is that the work never ends! The process involved is one of continuous improvement. Services can always be improved and when we think we have got there, and perhaps begin to become complacent, and then it is certainly time to look critically at how things are done and start to improve services once again!

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## **ANNEX 1**

### **REVISED PRINCIPLES OF QUALITY CUSTOMER SERVICE (2000) For Customers and Clients of the Public Service**

In their dealings with the public, Civil Service Departments and Public Service offices will:

#### **Quality Service Standards**

Publish a statement that outlines the nature and quality of service which customers can expect, and display it prominently at the point of service delivery.

#### **Equality/Diversity**

Ensure the rights to equal treatment established by equality legislation, and accommodate diversity, so as to contribute to equality for the groups covered by the equality legislation (under the grounds of gender, marital status, family status, sexual orientation, religious belief, age, disability, race and membership of the Traveller Community).

Identify and work to eliminate barriers to access to services for people experiencing poverty and social exclusion, and for those facing geographic barriers to services.

#### **Physical Access**

Provide clean, accessible public offices that ensure privacy, comply with occupational and safety standards and, as part of this, facilitate access for people with disabilities and others with specific needs.

#### **Information**

Take a proactive approach in providing information that is clear, timely and accurate, is available at all points of contact, and meets the requirements of people with specific needs. Ensure that the potential offered by Information Technology is fully availed of and that the information available on public service websites follows the guidelines on web publication.

Continue the drive for simplification of rules, regulations, forms, information leaflets and procedures.

#### **Timeliness and Courtesy**

Deliver quality services with courtesy, sensitivity and the minimum delay, fostering a climate of mutual respect between provider and customer.

Give contact names in all communications to ensure ease of ongoing transactions.

**Complaints**

Maintain a well-publicised, accessible, transparent and simple-to-use system of dealing with complaints about the quality of service provided.

**Appeals**

Similarly, maintain a formalised, well-publicized, accessible, transparent and simple-to-use system of appeal/review for customers who are dissatisfied with decisions in relation to services.

**Consultation and Evaluation**

Provide a structured approach to meaningful consultation with, and participation by, the customer in relation to the development, delivery and review of services. Ensure meaningful evaluation of service delivery.

**Choice**

Provide choice, where feasible, in service delivery including payment methods, location of contact points, opening hours and delivery times. Use available and emerging technologies to ensure maximum access and choice, and quality of delivery.

**Official Languages Equality**

Provide quality services through Irish and/or bilingually and inform customers of their right to choose to be dealt with through one or other of the official languages.

**Better Co-ordination**

Foster a more coordinated and integrated approach to delivery of public services.

**Internal Customer**

Ensure staff are recognized as internal customers and that they are properly supported and consulted with regard to service delivery issues.

## **SECTION 3**

### **Country Case Studies in Building Quality Public Administration**



Following a review of theory and models, we now turn to the richness and variety of practice. While fully-fledged total quality management (TQM) systems are rare in public administrations throughout Europe, some first steps have been taken in Central and Eastern Europe to achieve quality improvements.

The case studies presented here are drawn from countries with a wide variety of constitutional, legal and administrative traditions, but each one illustrates an important aspect of quality management – indicating the relevance of the concept for public administrations everywhere.

While the majority of the case studies illustrate the first steps along the road towards quality management, they are a good entry point for the introduction and development of quality management for which each country must chart their own path.

## **Comparing Local Government Performance – Cross-National Experiences and Perspectives**

*Bruno Lauritzen\**

### **1. Introduction**

The ‘New Public Management’ thinking has for almost two decades been influential in setting the agenda for public sector reform virtually everywhere in the world. Most notably in the Anglo Saxon countries, but for instance, also in the member states of the European Union and – more recently – to some extent in the EU candidate countries of Central and Eastern Europe. As opposed to traditional or bureaucratic forms of organisational control, NPM’s objectives have focused on improvement of the “three E’s” (economy, efficiency, effectiveness)<sup>1</sup>, reducing public expenditure and diminishing the role of the state, enhancing the quality of the public services produced and increasing the transparency of public institutions.

Performance measurement has been seen as instrumental in the change towards a new managerial approach because such tools may help shift organisational focus from inputs to outputs and outcomes thus improving efficiency and effectiveness when backed by appropriate incentive systems.

This agenda has also gained importance in the restructuring of sub-national government services in many countries. This is not surprising given that the local government mandate typically includes most services that are delivered on a daily basis to citizens. NPM thus emphasises the quality of public services and their responsiveness towards the needs and preferences of citizens or customers.

Local government performance is being measured in various ways; for instance, by means of customer satisfaction surveys and other qualitative and quantitative performance indicators, presumably reflecting effectiveness, efficiency and quality measures. The design, implementation and use of performance measures may be initiated by local governments themselves or by national government. In the latter case, the aim of the performance measurement is more or less explicitly to reach some form of comparison or benchmarking system that allows for direct comparison of the performance between service providing organisations and institutions or, sometimes, entire local government units.

This chapter will look at a number of examples of innovative development of methods and systems aiming at measuring sub-national government

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<sup>1</sup> In the British debate, many commentators have been dissatisfied with the three E’s of good public sector performance, thus suggesting a forth ‘E’, namely that of Equity, i.e., justice and fairness, in the provision of public services.

performance leading to a ranking of sub-national government units. Emphasis is placed on presenting various new approaches in the form of case studies. However, we will also discuss a few aspects of the many issues relating to both methodology and local governance and decentralisation, which the cases and approaches that are presented give rise to.

We will examine experiences from Denmark, Britain and the USA, while briefly commenting on relevance to Central and Eastern European local government.

## **2. Comparing local government performance: issues and perspectives**

The introduction of new managerial methods, such as performance measurement, in the public sector is thought to increase performance by making public organisations, such as local governments, more accountable towards both the political decision-makers as well as the public. It seems that performance indicators initially were seen primarily to provide decision-makers with information on 'economy' aspects of public sector performance, thereby giving politicians and managers better possibilities for controlling public spending and effective use of resources. However, in recent years the interest has gone well beyond crude cost indicators and has focused more on consumer satisfaction and quality of services, as reflected in the Balanced Scorecard approach, which are of greater interest to end-users in particular.

By developing systems that allow comparison of services – over time as well as between similar organisations or jurisdictions – democratic accountability is increased on behalf of the citizen and end-user. In Hirschman's (1972) terminology, the possibilities for exercising both exit and voice are, given certain circumstances, enhanced. In the case of sub-national government, citizens will be equipped with better possibilities to compare the service providing institutions within their local authority as well as their local authority as a whole with the neighbouring authority, thereby enhancing the possibilities for exercising exit. Furthermore, citizens will, in their capacity as end-users, voters or *inter alia* as school board members, likewise be equipped with tools to exercise the voice option.

Local councillors will likewise be provided with more adequate information and data on services and performance, which will increase the possibility to make informed policy-making decisions and prioritise services.

When combined with the free choice of services and the existence of real alternatives (i.e., a form of internal market), the use and publication of PIs will increase competition. This competition may be exercised between service providing institutions, for instance schools, within and across local jurisdictions or even between sub-national governments. Supposedly, such competition will result in increased performance and responsiveness towards the needs and preferences of the end-users to the extent that citizens and end-users have a choice of service providers and that the funding of services depends on the

number of 'customers'. The linking of promotions and career opportunities of public sector managers with the relative performance of their organisation may furthermore contribute hereto. The fact that PIs are made publicly available may in itself have an effect on service providing organisations; in particular, those that are under-performing, the argument goes.

One issue that deserves particular attention is that of 'ownership' and formulation of PIs. In decentralised systems of public administration, local governments and even individual service providing institutions are to a large extent given the autonomy to formulate and define the objectives and quality of services. However, insofar as PIs are formulated centrally and implemented in a top-down fashion, PIs may not be congruent with the objectives or 'success criteria' that have been formulated locally and which are supposed to reflect local needs and preferences. To illustrate, primary and secondary schools in Denmark are being encouraged by central government to develop and publish – in the form of what is called 'service information' – their particular pedagogical profiles, their particular services, etc. However, at the same time, increasing efforts are being made to assess the same schools' performance according to nationally uniform yardsticks, as described below. Whether this conceptual contradiction reflects a real dilemma is difficult to say and will depend on the formulation of individual PIs and the extent to which these 'infringe' on the autonomy of sub-national units.

### **3. The Danish case: the ranking of municipalities**

In Denmark, substantial decentralisation to local government has taken place since the Local Government Reform of 1970. Today, counties and municipalities enjoy a high degree of autonomy, which, as an example, is reflected in their share of total public spending. In 1998, local government spending accounted for 54 per cent of total public spending. Due to the high level of public spending, Danish local and regional authorities in fact spend the rough equivalent of 33 per cent of the total GNP.

Given this considerable responsibility for the socio-economic development of the country, it is not surprising that central government show a considerable interest in local government performance. Due to demographic and competitive pressures, the possibilities for increasing funding and quality of public services by means of increased taxes is no longer viable. The background for the increasing interest in adopting various means of measuring and comparing local government performance should also be seen against a backdrop of increasing public demands for local public services, e.g., schooling, child-care, care for the elderly, health care, etc.

Many of the new developments concerning the measurement and publication of local government performance are currently being formulated centrally by the Ministry of Finance and the Ministry of the Interior in particular. In 1995, an amendment to the Local Government Act (Section 62) made counties and



municipalities responsible for providing their citizens with information ('service information') on the quantity and quality of the main services provided by each county and municipality.

Furthermore, the Ministry of Interior has started to further develop service information on services provided by individual local government institutions, such as kindergartens, schools, high-schools, nursing homes, etc. It is the purpose of this work to be able to publish information on the content, quantity and quality of the services delivered by each individual institution and to make the information available on the internet. The types of performance measures and indicators used are identified on the basis on interviews of end-users of services as well as questionnaires.

However, we will here focus on the efforts made at comparing and ranking whole local government units according to a range of objective performance criteria. This work builds on the so-called 'Local Government Key Figures', which have since 1984 been published annually by the Ministry of the Interior. These key figures have made it possible for citizens to compare individual local governments on a whole range of variables, including local government taxation, local government spending on various services (e.g., expenditure on education per pupil, etc.), user charges on various services provided and so on.

The data making up the local government 'key figures' are based on the local government budgets reported on an annual basis to the Ministry of the Interior and typically consist of expenditure measures. Hence, most of the 'quality' indicators included in the key figures merely reflect level of spending, assuming that a relatively high level of spending on a particular service per produced unit is a measure of the quality of the service. This is obviously a weakness of the existing 'key figures,' as such spending measures do not take into account inter-authority differences in efficiency or quality (Ministry of the Interior, 2000b). The challenge is to provide data that are real indicators of the quality of the services in question.

The Ministry of the Interior has, on an experimental basis, started developing a supplementary measure for the quality of local government services; namely, an aggregated service score system, which was published for the first time in 2000. The publication of the scores is meant to be a demonstration of the method and a vehicle for creating debate on the issue. The service score is based on the key figures and an additional set of data drawn from various statistical sources. The service score is an attempt to overcome some of the weaknesses of input measures mentioned above, as it is to some extent based on measures that to a larger extent relate to the actual quality and content of the services delivered.

The score is an aggregate of the number of points achieved according to a range of criteria – input as well as output based. The measures making up the service score include the following (examples only):

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### Child care

- Total expenditures on child care per 0-10 year old
- Number of day-care places per 0-10 year old
- Number of staff per 100 0-10 year olds (ratio)
- Absence of waiting lists (YES / NO)
- Free choice of child care service/institution in the municipality (YES / NO)
- Monthly user charge for child care (in DKK)

### Schools

- Teacher / pupil ratio
- Average number of lessons /teaching time per pupil
- Average school size (total number of pupils)
- Private school places as a proportion of all school places
- School library expenditure per pupil

### Care for the elderly

- Expenditure per 67+ year old
- Number of staff per 100 67+ year olds
- Professionally trained staff as a proportion of all staff
- Number of recipients of home-help services per 100 67+ year olds
- Number of hours of home-help per week per recipient of home-help
- Free choice of home-help provider<sup>2</sup> (YES / NO)
- Existence of 24-hour home-help / home-nursing service (YES / NO)
- Number of houses for the elderly per 100 67+ year olds
- Maximum waiting time (waiting list) for home-help
- Maximum waiting time (waiting list) for place in nursing-home

The aggregate score for each local government is based on the national average for each criterion (some of which are mentioned above). Each local government is given a number of points depending on their score on each criterion as compared to the national average. The national average is defined at 100 points. All individual scores that are within a range of +/- 10 per cent of that average are also given 100 points. Municipalities that for a particular criterion have a value above 10 percent of the national average are given 200 points for that particular criterion. Municipalities that score less than 90 percent of the national average will be given 0 points. Hence, municipalities will for each criterion score either 0, 100 or 200 points. For those criteria that are not assessed numerically, but as either a 'yes' or 'no', municipalities are given either 0 points (if 'no') or 200 points (if 'yes').<sup>3</sup>

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<sup>2</sup> Some 51 municipalities did, in 2000, expect to have system by which elderly persons receiving home-help had the possibility of choosing between different providers, e.g., a choice between municipal staff and private providers contracted by the municipality.

<sup>3</sup> The methodology elaborated by the Ministry of the Interior is more complex than portrayed here and consists, in fact, of three different approaches. These are, however, based on the basic principles outlined above. See Ministry of the Interior (2000b).

Within each service area, e.g., care for the elderly, each municipality's aggregated points are calculated against the national average. Hence, a municipality that has an average service level, for instance, in the area of care for the elderly, will get a score of 1.00 for that particular service. When calculating the aggregate service score each service area is weighted according to its relative proportion of the total gross expenditure nationally. For 2000, municipalities are ranking from 0.88 to 1.26.

This form of ranking of performance has a certain appeal to it, although it is difficult to know exactly what lies behind the scores. But, obviously, it is also ridden with weaknesses relating to the data selection method, the choice of indicators and their relative weighting. Only a few of these problems will be mentioned here.

Firstly, some of the criteria may appear arbitrary. For most of the indicators, it is (fortunately!) obvious whether it is required to be above or below the average to obtain a positive score. For instance, a high teacher/pupil rate is a sign of high quality schooling service. The method also awards those local governments which have relatively small schools ("average school size"). But why are small schools to be preferred above large schools? Are small, thinly populated municipalities not bound to achieve a higher score than large municipalities – simply because of the socio-geographic make-up? Also, it may seem puzzling that the proportion of private school pupils (as opposed to pupils in public sector schools) is taken as a negative indication of the performance of municipalities (i.e., an indication of the number of pupils making use of the exit option). This may thus have more to do with the socio-economic make-up of the municipality, than with the performance of the municipal (public sector) schools.<sup>4</sup>

Secondly, many indicators cannot be included, as no data exist. As pointed out by the Ministry of the Interior in its publication on service scores, many relevant and wanted measures of quality are missing because of the lack of data, e.g., the number of PCs in schools per pupil.

Whether the system outlined above counteracts the decentralised local government service delivery is open for debate. It could be argued that the chosen criteria are only a set of minimum criteria based on the lowest common denominator and that locally formulated priorities will not and should not be in conflict with these. Who would, for instance, disagree that "the number of hours allocated to home-help for elderly persons" is a reasonable measure of quality of the services provided for the elderly?

### **3. Measuring local government performance in Britain**

The New Public Management thinking has been very influential in Britain, as in other English-speaking countries, and has paved the way for extensive use of

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<sup>4</sup> In Denmark, private schools are only partly funded by the public sector and require a fee.

performance measurement throughout the public sector since the early 1980s. Schools and local education authorities have their examination results and other performance indicators made public every year, universities are ranked on the quality of their research and teaching, and the National Health Service has, since 1983, produced the Health Service Indicators (Flynn 1997, p. 183).

Performance indicators have often been published in the form of league tables, which have triggered a heated public debate, especially concerning school league tables. School children's abilities are being tested at the ages of 7, 11, 14 and 16. The results of these tests (according to the National Curriculum) are published in the form of a league table for all schools in a region. In the quasi-market system of Britain, the effect of such a system is presumably that those schools that attract pupils, because of their high ranking in the league table, will expand. Those schools that are less successful may have difficulties recruiting and will thus be in danger of closing down. This system is supposedly designed to give parents a better opportunity to choose their children's school and to force schools to become more responsive to the end-users.

The problem with this sort of performance measurement is, of course, that exam results and other indicators may have more to do with the quality of the intake than the quality of the school: "The test tables will thus show the success of the school in attracting able pupils as much as its success in teaching them. If good results attract advantaged children who tend to do well, they become a self-fulfilling prophecy and will enable successful schools to become increasingly selective" (Taylor-Gooby & Lawson 1993, p. 110). There are, in other words, also a number of issues of equity involved.

For this very reason, league tables have been produced – as information has become available – that also illustrate pupils' progress through the various stages of testing, which demonstrates the 'value-added'. In this way, an element of value is added to raw examination data, i.e., indication is given of the value that schools can show to have added to their pupil's education. However, school league tables are still being widely criticised for being misleading, as they do not take into account the complex set of environmental factors that influence performance.

Local authorities have likewise had their performance on all key services widely published, although not all of these have attracted as much attention as the performance indicators of schools. However, the New Labour government elected in 1996 has focused much on extending the use of performance indicators in local government under the 'Best Value' approach guiding the Blair government's public sector reforms. In the publication 'Modern Local Government – In Touch with the People' (1998), the government presents a new statutory performance management framework for local government.

As in the Danish case, the intention is that local government performance is to be directly comparable to other authorities' performance by using nationally

uniform PIs. These PIs have therefore been identified and defined by central government, although local governments have been consulted in this process. However, local governments are at the same time encouraged to develop additional indicators which reflect local needs and priorities.

As in Denmark, there is a concern that attention must increasingly be focused on outcomes, rather than crude input or output indicators. Two types of PIs are to be used, namely a small set of 'general health' indicators (The Best Value Corporate Health Indicators) for each local government as well as key indicators reflecting the effectiveness and quality of each of the major services (The Best Value Service Delivery Indicators). For Service Delivery Indicators, for instance, five different aspects of performance are to be assessed: Strategic objectives, Cost and Efficiency, Effectiveness, Quality and Fair Access. For each of these, corresponding indicators will be developed. It seems that this balanced view of performance closely reflects the principles in the Balanced Score Card approach.

Some examples of Corporate Health PIs and Service Delivery Indicators are shown below in Tables 1 and 2.<sup>5</sup>

In contrast to the Danish case, the local governments themselves are asked to measure their performance, although external auditors will check on whether performance information is accurate and if targets – which local authorities are also obliged formulate – are set in accordance with the statutory requirements. 'Modern Local Government – In Touch with the People' explains that the Government will require that, as a minimum, local authorities set:

- Quality targets over five years that, as a minimum, are consistent with the performance of the top 25 percent of all authorities at the time the targets are set;
- Cost and efficiency targets over five years that, as a minimum, are consistent with the performance of the top 25 percent of authorities in the region at the time the targets are set;
- Annual targets that are demonstrably consistent with the five year targets.

To ensure consistent performance information and comparability between authorities, a modernisation of the local government accounting framework has been carried out and a Code of Practice to be used by local government has been developed.

The requirements outlined above have resulted in a proliferation of PIs (now known as Best Value Performance Indicators or BVPIs), which in turn has led the Government to reduce the number of indicators from 224 in 2000-1 to 166 in 2001-2 to create increased manageability and to dispose of overlapping indicators (Department of the Environment, Transport and the Regions 2001).

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<sup>5</sup> We have not included in table 1 the extensive definitions of PIs described in the original document.

**Table 1**  
Examples of Corporate Health BVPIs

ASPECT OF PERFORMANCE	INDICATOR
<b>Planning &amp; measuring performance</b>	Has the authority established a timetable for preparing a community strategy that works towards a long-term sustainable vision for the area? Yes / No.
<b>Customers &amp; the community</b>	<ol style="list-style-type: none"> <li>1. The percentage turnout for local elections</li> <li>2. The number of complaints to an Ombudsman classified as "mal-administration"</li> <li>3. The percentage of authority buildings open to the public in which all public areas are suitable for and accessible to disabled people</li> <li>4. The percentage of interactions with the public, by type, which are capable of electronic service delivery and which are being delivered using internet protocols or other paperless methods</li> <li>5. Number of complaints per 1,000 police officers</li> <li>6. Percentage of these complaints substantiated</li> </ol>
<b>Management of resources</b>	Percentage of Council Tax collected The percentage of invoices for commercial goods and services which were paid by the authority within 30 days of such invoices being received by the authority
<b>Staff development</b>	The percentage of senior management posts filled by women The number of working days/shifts lost due to sickness absence The percentage of employees retiring early (excluding ill-health retirements) as a percentage of total workforce Minority ethnic community staff as a percentage of the total workforce

*(Examples extracted and adapted from Department of the Environment, Transport and the Regions, 2000, pp. 22-43)*

Ongoing changes in the PIs mean that it is difficult to generate a comprehensive year-on-year pattern of performance, as pointed out by the Government itself. However, certain changes in PIs are seen as necessary, not least of which is when this results in better indicators reflecting effectiveness and quality rather than pure economy indicators.

So, how are the new BVPIs to be used to improve local government performance? As in the Danish case, there is no direct reward mechanism introduced with the scheme. However, it is the intention that PIs will play an increasingly important role in awarding 'beacon status' to local governments. Beacon Councils, i.e., the very best performing local governments in terms of responsiveness, modern management and best value services, were first introduced in 2000. Beacon Councils are identified upon application by an independent advisory panel consisting of academics, business people, local government figures, practitioners and service users. When awarded beacon status, local governments are given wider discretion and freedoms in the way

**Table 2**  
Paying Housing Benefits and Council Tax Benefits

ASPECT OF PERFORMANCE	INDICATORS
<b>Strategic Objectives</b>	To ensure x % of those eligible for housing benefit/council tax benefit receive full entitlement
<b>Cost &amp; Efficiency</b>	Administration cost per claimant Percentage of new claims processed within 14 days
<b>Effectiveness</b>	Benefits overpaid as a percentage of total benefit expenditure Percentage of renewal claims for rent allowance processed without a break in service
<b>Quality</b>	The percentage of claimants who said benefit staff were helpful Percentage of new Housing Benefit claims processed within 14 days where the correct benefit entitlement was calculated
<b>Fair Access</b>	The percentage of claimants surveyed who said the claim form was easy to understand

*(From: Department of the Environment, Transport and the Regions, 1998, chapter 7).*

services are managed and delivered. Applicants for the second year Beacon scheme have been asked to submit their performance plan and indicators.

The new scheme of Best Value PIs represents an exciting, innovative and ambitious approach to developing methods for comparing performance in local government. One of the most positive and interesting features of the system is that it is explicitly attempting to incorporate a holistic approach to performance which was greatly lacking in the earlier performance measurement schemes in Britain. Although being implemented largely in a top-down fashion, it furthermore allows for some local ownership and involvement with respect to target setting, measuring, and development of additional PIs.

#### **4. The American 'Government Performance Project'**

In contrast to the Danish system of service scores, the Government Performance Project (GPP) is not based on 'objective' data or scores, but rather on a qualitative assessment of the states, agencies and cities in question. Also, it does not focus primarily on results as such, but rather on management capacity, thus holding government entities publicly accountable for the quality of management in their jurisdiction. What is being assessed is to some extent capacity for performance, rather than performance itself. The assessment is in all surveys carried out within five areas, which are seen as essential to public management: Financial Management, Human Resource Management, IT Management, Capital Management and Managing for Results.

The project is sponsored by The Pew Charitable Trusts and carried out by the Maxwell School of Citizenship and Public Affairs at the Syracuse University. The project was piloted in 1996-97 during which GPP studies were conducted in two cities, two counties, four states and four federal agencies. In 1999, the

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35 largest cities were probed and in 2001 the GPP will assess 40 counties across the USA.

The criteria within the five areas have been developed by senior advisory panels consisting of academics and practitioners and have subsequently been refined based on feedback from governments that have been evaluated by the project.

The criteria are as follows:

### Financial Management

- Government has a multi-year perspective on budgeting
- Government has mechanisms that preserve stability and fiscal health
- Sufficient financial information is available to policymakers, managers and citizens
- Government has appropriate control over financial operations

### Human Resource Development

- Government conducts strategic analysis of present and future human resource needs
- Government is able to obtain the employees it needs
- Government is able to maintain an appropriately skilled workforce
- Government is able to motivate employees to perform effectively in support of its goals
- Government has a civil service structure that supports its ability to achieve its workforce goals

### Information Technology (IT) Management

- Government-wide and agency level IT systems provide information that adequately supports managers' needs and strategic goals
- Government's IT systems form a coherent architecture
- Government conducts meaningful, multi-year IT planning
- IT training is adequate
- Government can evaluate and validate the extent to which IT system benefits from and justifies investment
- Government can procure the IT systems needed in a timely manner
- IT systems support the government's ability to communicate with and provide services to its citizens

### Capital Management

- Government conducts thorough analysis of future needs
- Government monitors and evaluates projects throughout their implementation
- Government conducts appropriate maintenance of capital assets

### Managing for Results

- Government engages in results-oriented strategic planning
- Government develops indicators and evaluative data that can measure progress toward results and accomplishments



- Leaders and managers use results data for policymaking, management, and evaluation of progress
- Government clearly communicates the results of its activities to stakeholders

In 1999, the GPP assessed the management capacity of the largest (by revenue) 35 U.S. cities. The survey was conducted by researchers and reporters at the *Governing* magazine in collaboration with professors and graduate students at Syracuse University. Comprehensive surveys (one for each of the five focus areas mentioned above) were sent to each of the 35 cities<sup>6</sup>. The completed questionnaire instruments and accompanying documents were analysed and hundreds of interviews were in the meantime conducted with respondents inside and outside city government, e.g., officers and managers, auditors, academics, etc. By combining the two processes, final grades were given for each of the 35 cities in each of the five categories. On Human Resources, for instance, grades ranged from A in Phoenix and A- in Austin and Indianapolis to D in Memphis. No fails (“F’s”) were recorded!

Although the exercises conducted under the GPP are costly, it is the intention to repeat the assessment at regular intervals. As a one-off exercise, the GPP would have a limited value. So far, the ‘examination’ of the 50 states, which was first made in 1999, is the only component that has been repeated. *Governing.com* reports that Alabama, which had the worst average grade of all 50 states in 1999 with a D average, improved its performance in four of the five categories in the 2001 survey landing at a C-.

As in the case of Denmark and Britain, the GPP exercise is prone to various criticisms. It may be argued that it is misleading to give grades on the basis of qualitative assessments of management capacity, which does not lend itself to clear-cut categorisation. Furthermore, the assessment will never be fair and the public will only be interested in the grades – not the reports on the basis of which the grades have been given. In response to these criticisms, the project researchers have argued that in the absence of grades, a project of this kind would have had little impact.

## **5. Concluding remarks**

The national systems of assessing performance of sub-national government looked at above are only a few examples of how it may be done. But they offer, despite their methodological weaknesses, inspiration and new interesting methodologies to be used.

The GPP has received much attention and press coverage, but is expensive as is the system of measuring local government performance in Britain. The latter places much demand on local authorities’ administrative capacity and resources, which is acknowledged in this year’s requirements in that the

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<sup>6</sup> Two cities failed for different reasons to submit the survey, but were included in the assessment in any case.

number of obligatory PIs has been reduced. The Danish example of municipal services scores, which has only been executed once on an experimental basis, is much less ambitious and inexpensive to conduct, provided that a sophisticated computerized data reporting system and a uniform and well-functioning local government budgeting and accounting system is in place.

The perspectives for the possible usage and application of the systems are many. In the USA, the mere publication and attention that the GPP has attracted has triggered initiatives in individual states and cities in order to improve or maintain performance, as the example from Alabama illustrates. It is also likely that the British, or rather English, system of performance measurement will continue to attract much public attention. The fact that the authorities themselves are somewhat directly involved in the process suggests that the new framework system will contribute to further local debate and involvement.

On the other hand, it is interesting to see that a country like Denmark, with its long-standing commitment to extensive decentralisation and local self-government is now developing – in a top-down fashion – crude performance measures that are rather insensitive to local priorities<sup>7</sup>. Furthermore, the way the ‘scoring system’ has been devised means that it does not encourage local ownership or involvement, although there is no doubt that the results will be widely published and stir intense local debate. Another intriguing perspective is concerned with the possibilities of establishing some system of rewarding those sub-national governments that perform well or fulfil certain minimum criteria. Such a funding mechanism may in the longer term be developed alongside the current state grant system, which is based on taxation bases and objective expenditure requirements.

The methods of local government performance measurement outlined above may serve as useful inspiration for the Central and Eastern European (CEE) countries many of which are in a process of local government reform and decentralisation of finance and public services towards the local level. These countries will increasingly be looking for measures that can help improve efficiency and effectiveness as well as – in the longer term – service user responsiveness and quality of services.

However, a number of issues are of importance in this context. Firstly, the Central and Eastern European countries will, until the point of accession to the EU, primarily be concerned with “getting the basics right”, rather than developing complex systems of performance measurement. Improvement of administrative quality in a CEE context will in the next few years primarily focus on the EU requirements for accession, which in a local government context particularly involves improvement of financial management, public procurement procedures

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<sup>7</sup> In all fairness, it should be said that (as mentioned above) other parallel central government initiatives have widely encouraged local government involvement in setting standards and corresponding PIs in local service delivery.

and, not least, proper internal financial control measures and external audit systems necessary for the effective control of EU funds.

Furthermore, the performance measurement methods discussed require substantial administrative capacity. For instance, the British and Danish methods outlined depend upon reliable and uniform local government budgeting and accounting systems and well developed management information systems. It is likewise important to point out that the systems looked at in this chapter can only be successfully implemented if central-local relations are characterised by a large degree of trust and openness.

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## **Introducing the Quality Management System: The Latvian Case**

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In Europe, the application of performance management has been widespread in the private sector, and is growing in importance in the public sector. Performance management includes a wide spectrum of different methods on how to evaluate efficiency and effectiveness in public administration. These methods cover issues ranking from the delegation of power and competencies, accountability for achieved results, and benchmarking to service quality standards and several quality management systems.

The objective of this paper is to describe and analyse the current trends in the introduction of quality management systems in Latvian public administration. The paper will describe several quality management systems which have been chosen by Latvian government as appropriate for public administration. The analysis of those quality management systems will be provided in order to find out whether the quality management system is suitable for public administration.

The author assumes that quality management systems can substantially improve the operation of public service institutions if the particular quality management system is modified according to the requirements at the public sector.

The paper presents both a theoretical background and a practical analysis of quality management systems with specific references to Latvian public administration at the national level. Particular attention will be turned to the analysis of the Latvian legislation regarding quality management issues.

The performance evaluation has been introduced recently as a new tool improving the general performance and quality of public administration. In the short time, it has proved to be a very helpful instrument for administration to define its role and functions regarding service delivery. Therefore, the paper will give the recommendations for successful introduction of the quality management system.

The paper will reveal that quality management should be an essential part of strategic planning and budgeting. This would be the way to provide good information to decision-makers, properly allocate the existing limited resources and support Latvian government accountability. The Latvian government's movement toward performance-based budgeting should rely on strategic planning and associated performance measures. It is assumed that it is possible to improve the quality of administration work by unifying procedures, and training personnel as well as by providing a manual of procedures and processes.

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Diminishing value-free activities at the administration could minimise the administrative expenditure. It has to be mentioned that one of the aims for introducing quality evaluation methods is related to the monitoring of expenditure of service standards.

### **Recent Initiatives**

Many procedural changes have been made in Latvian public sector. Due to the complex transition process on the economic, social and political levels, there is a lot of pressure to strengthen and complete, in the short term, reform initiatives. Additional support needs to be provided for the transformation of the culture and actions of the public sector in Latvia in order to achieve significant performance improvement. The performance evaluation has been introduced recently as a new tool to improve the general performance and quality of public administration. In the short term, it has proven to be a very helpful instrument for ministries to define the role and functions of supervised institutions that perform service delivery functions. Moreover, the client surveys already conducted in order to research the client satisfaction about the service delivery have proven that results of such surveys are important in improving the service delivery and making administration more responsive.

Already in 1995, the Public Administration Reform programme approved by the Cabinet of Ministries envisaged a system “which would efficiently and equitably carry out the functions entrusted to it by society”. Some recent incentives can be observed that would lead to further improvement. The Declaration of the Latvian government shows the assumption of values like competition and productivity of some foreign Public Administration models. Just like the new incentives need to be mentioned, so too then the functional reviews have to be mentioned. In order to raise the quality and responsiveness of public administration, it is intended to conduct the horizontal review. The goal of the horizontal functional review is to find out the duplicating function of public administration and rationalise the public administration structure.

Finally, the Blueprint on Public Administration reform was elaborated. The objective of Blueprint is to ensure the continuity of the reform process while taking into account previously defined tasks and principles. Integration into the European Union, bringing administration closer to citizens and development of professional and ethical administration are the goals that have to be achieved in the medium term.

In the Latvian legislation, there are no specific accountability requirements for quality management of public institutions. There is a legitimate interest and criticism, by the public and media, about what public institutions do and how well they do it. The stronger interest by ministries is expected in establishing legal requirements and using performance indicators, not just as a tool for managers to improve service provision, but also as a means to meet accountability requirements because of a need to provide value for money.

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Till now, the legislation has not provided the basis for performance indicators. The exception is regulations of Cabinet of Ministers “On performance indicators of the state budget”. The regulations state statistical indicators of national budgeting as input indicators without any link to output. Moreover, Latvian administration perceives performance evaluation as an external control, despite a core idea of indicators, to help find problems and solve them by means accessible to agencies or any organisation.

Describing recent incentives at the national level, the two concept papers have to be mentioned. Both concepts have been approved lately. Concept “On information centres or one-stop agencies” was accepted on December 14, 1999. The concept is aimed at improving the operation of government and local government institutions so that priority of those institutions would be improvement of service delivery. By introducing information centres, it is expected to provide high quality service delivery, to raise client satisfaction with delivered services, to develop professional personnel and to promote the use of IT<sup>1</sup>.

The second concept is the concept “On the introduction of a quality management system into public administration”. The concept recognises the introduction of one single model based on ISO 9000 standards of quality management systems in the public sector<sup>2</sup>. The concept on quality management system was approved on January 18, 2000. The issue of quality management systems was moved to an agenda because of a real need to achieve an improvement in procedural activities of public sector institutions. The management of procedures and satisfaction of client needs are the basic cornerstones of the concept that does not fully pay attention to the hidden problem of service delivery – the change of mission of public institutions and change of administrative culture.

The Ministry of Economy is occupied with spreading quality awareness in private companies and state enterprises, enhancement of certification bodies and Latvian Quality Association, and the establishment of the first Quality Award in 1999. Pitifully, the Ministry of Economy is doing this with the assumption that it is something for private sector, and still the necessity of using these instruments in the public administration reform process has not been discussed.

Many people identify performance measurement with a way of control from the external side and are reluctant to be evaluated. This is a wrong understanding of the performance management framework. On the one hand, some pieces of information are certainly interesting for a wide scope of people and allow

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<sup>1</sup> The Concept on improvement of service delivery of public administration institutions (introduction of the centres of information and service delivery). Approved in Cabinet of Ministers at December 14, 1999.

<sup>2</sup> The Concept of introduction of the quality management systems in public administration. Approved in Cabinet of Minister at January 18, 2000.

meeting external accountability requirements. On the other hand, detailed performance monitoring information helps managers identify emerging problems and improve service provision. Any future initiative must take into account the previous and current activities to reform and strengthen the Latvian public sector.

### **Performance Indicators and Benchmarking<sup>3</sup>**

The micro level is the individual organisation, agency or administration level. Performance evaluation usually happens by referring to other comparable organisations. Benchmarking and client satisfaction surveys are more common tools to make evaluations. If we are looking at the organisational level, it has to be mentioned that agencies are operating vis-à-vis citizens. Customer satisfaction as a tool for measurement can provide only one side of the information. In order to make a picture complete, a citizen charter or similar document should be elaborated. The Citizens Charter is a substantial instrument for client satisfaction. It is a quality indicator as well. The term "Citizen Charter" deals with a wide spectrum of instruments in different countries, but it has an identical background idea in all countries – to improve the quality of public service. Most commonly, such mechanisms are marked as charters, quality standards, performance standards or service standards<sup>4</sup>.

The following approach used in defining performance indicators and could be taken into account when choosing indicators for benchmarking<sup>5</sup>:

- Two equal periods of time. The comparison of the performance of an organisation over equal periods of time is a basic performance indicator.
- One institution versus another. This is another type of indicator used to compare the performance of all or part of institutions of a similar kind, e.g., schools, police stations, or research institutions.
- One country versus another. There are a number of current initiatives to use performance indicators across national borders.
- Comparison of time. One of the benefits of using time taken to undertake a function of any kind as the basis for compactors is that it can be applied widely, not only to production or performance of a service, but also to administrative services.
- Number of cases dealt with. This is an indicator which can be quantified against a variety of costs and benefits.

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<sup>3</sup> Due to the limited volume of the paper, only two quality initiatives will be analysed in the paper – benchmarking and ISO 9000 standards. The other initiatives that are used in Latvia will be analysed in the extended version of the paper.

<sup>4</sup> Kuutiniemi K., Virtanen P., "Citizen's Charters and Compensation mechanisms: Ministry of Finance, Helsinki, 1998, pp.9.

<sup>5</sup> PHARE Project "Support for Latvian Public administration, "Report for the Government of Latvia - performance indicators", Rīga, 1999.

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- Financial/performance combined measures. It can be possible to produce indicators which combine a financial element and output factor.
- Volume of service. Output can be expressed, for example, in terms of the number of cases dealt with and customer reaction in terms of the number of complaints.

A number of methods of comparison can be used to develop performance indicators. The selection of indicators is important, and it is essential to appreciate that the requirements of one area of activity are not necessarily the same as those of another. Traditionally, performance indicators have tended to be financially related. Indicators are now being used with regard to the time taken to fulfil a function, the achievement of quality standards, administrative efficiency, the number of complaints, waiting time and the professional/technical skills of the workforce.

There is already quite a considerable use of performance indicators within the Latvian government. However, organisations should endeavour to achieve as many indicators as possible with the use of existing or readily obtainable data. The use of indicators will offer the chance to observe the necessity to complete all work to customer specifications and satisfactory standards. Every opportunity should be taken to make use of the results of the indicators to achieve efficiency gains in the administration of an activity.

In the last two years, two institutions started to introduce performance evaluation mechanisms. The Road Traffic Safety Directorate<sup>6</sup> (RTSD) and the State Social Insurance Agency (SSIA)<sup>7</sup> are in the process of changing their organisational cultures and implementing quality-driven programs.

Both agencies, the RTSD and the SSIA, affect a large number of people and client satisfaction becomes an essential criterion for evaluation and quality measurement. Client satisfaction is a centrepiece of the quality policy. To meet that objective, the RTSD and the SSIA are developed as performance oriented institutions. Quality for RTSD and SSIA means that service delivery results in client satisfaction.

### **ISO 9000 series standards**

ISO 9000 standards are the key to an effective management system for every organisation. It concentrates on client's needs and wishes as well as promotes the management and planning of quality for products and services.

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<sup>6</sup> Road Traffic Security Directorate is responsible for the registration of motor vehicles and trailers, issuing registration license and state registration plates, etc.

<sup>7</sup> State Social Insurance Agency implements state policy on social insurance and social service delivery as well as administers a special budget of social insurance.



ISO 9000 standards:

- provide a clear understanding of client needs;
- guarantee a stable and good relationship with suppliers;
- provide the most effective quality management for products and services.

The quality management system, according to the international standards ISO 9000 standards series, ensure a certain order in the organisational activity and a certain stage of description and formalisation of the activities that are carried out. These standards can be applied to all types of public administration organisations. The standards provide the administrative methods to ensure production of a qualitative product and service. ISO 9000 standards demand that all the basic activities of the organisation be systematised and documented, and that purposeful training of personnel be executed as well as regular internal audits in the organisation be conducted.

By introduction of ISO 9000 standards, several advantages can be mentioned:

- There will be strictly determined and documented procedures for all organisational activities;
- Managers and employees will better comprehend problems;
- Work becomes more effective;
- Expenses for removal of damage and defects is reduced;
- The work atmosphere is improved;
- The exchange of information becomes more effective;
- The quality of products and service will be guaranteed;
- The relationship and co-operation with clients will improve;
- Serious attitudes towards quality are demonstrated.

A part of all these elements is already introduced into public administration in Latvia. For instance, the author could mention the following: internal audits, document controls, and procurement procedures which are regulated by legislation. During the last few years, public administration institutions seriously started implementation of the quality management system according to the international standard ISO 9000. The Latvian Bank (the central bank) was certified according to ISO 9002:1994, so proving the capability to organize activities according to the best practice in the central banks of Western countries. In the May 2000, the project on implementation of quality management system was started in the Liepāja city municipality, emphasising modernisation of the customer service centre and quality assurance in the municipality. In line with the Latvian Bank and Liepāja municipality, there are several institutions to be mentioned – the Latvian Maritime Administration, the Latvian Road Administration and the Chancellery of Saeima (the Parliament).

### **Conclusions and Recommendations**

Many procedural changes have already been made in the Latvian public sector. Due to the complex transition process at the economic, social and political

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level, there is a lot of pressure to strengthen and complete, in a short time, reform initiatives. Additional support needs to be launched for transformation of the culture and actions of the public sector in Latvia in order to achieve significant performance improvement.

If the regulations and concepts that are approved are to be really implemented, politicians and managers have to focus the reform process much more on results. Possibly there will be some resistance to really use managing for results as the basis of reform. Also, a commitment is needed from politicians, policy makers and managers to put into practice performance management in the Latvian public sector.

There are no obligations for government institutions to conduct client surveys. Institutions could use the introduction of ISO standards or Public Sector Excellence model instead of client surveys. The methodologies used for conducting client surveys differs thus making comparison more difficult. But the methodological approach of agencies could serve as guidelines for the other governmental agencies improving their organisational performance and behaviour.

Generally, the cases of the agencies (RTSD, SSIA) indicate that attention is being focused on the quality of public services measured by customer satisfaction. This is a new feature in Latvian public sector management directed towards the implementation of efficiency-driven programs and changes in of the role of citizens and the role of the state.

A model of quality measurement should be an essential part of strategic planning and budgeting. This would be the way to provide good information to decision-makers, properly allocate the existing limited resources and support Latvian government accountability. Latvian government's movement toward performance-based budgeting should rely on strategic planning and associated performance measures.

It is recommended:

- to introduce adequate supervision of all information flow relating to quality management;
- to encourage ministries themselves to adopt quality management;
- to use the pilot indicators for the introduction of pilot indicators in other ministries;
- to promote supportive strategic planning units in agencies and Ministries;
- to conduct workshops on performance management awareness and understanding, and performance based budget;
- to train in quality management;
- to develop information management systems.

In the process of introducing quality management, the existing difficulties and underdeveloped present situation of the public sector as well as foreign successful experience should be taken into account.

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## **Civil Servant Training Strategy as a Precondition for Improving the Quality of Public Administration: the example of Lithuania**

*Eugenijus Chlivickas\**, *Kristina Marceliene\*\** and *Raimonda Vaitenkovaite\*\**

### **Summary**

Creation of a national strategy of qualification development of civil servants has been one of the public service efficiency increase conditions. It establishes a long-term training policy for civil servants with the purpose of ensuring that state and local government institutions realise their goals.

The creation process of the public strategy professional development of civil servants is suggested in three stages: to describe and then to analyse the status of training and professional development of civil servants; to form a training strategy for civil servants and introduce it. The model of professional development is offering the ability to a realise strategy in which training of civil servants is interpreted as an element of a compound human resources system. By using this model, an attempt is being made to create an unbroken system of professional development of civil servants.

The end of the century brought plenty of reforms, changes and novelties into the Public Administration sphere. Seeking to solve complicated problems in the country, the main attention is focused on the increase of effectiveness and usefulness in state structures, the stability of the machinery of state, and the improvement of professionalism and responsibility.

Training of civil servants is closely related to the creation of new quality, and training, on the one hand, aims at creating an integrated and well-managed training system for civil servants from central and local government bodies and, on the other hand, at promoting the development of the system and action programme related with it.

Six years ago, as in many countries of Eastern and Central Europe, the reform of public administration was started in Lithuania. One of the spheres of the reform is the training and professional development of civil servants. Though there are many educated people and highly qualified specialists in the country, an inefficient legal basis and currently existing training methods served as a hindrance not only to the progress of training but to the development of Public Administration as well.

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The legal basis forms preconditions for creating the system of professional development of civil servants, which, with the state changes going on, is improved and adapted to the present conditions. The Republic of Lithuania Law on Civil Servants passed on July 8, 1999 regulates basic principles of public service, the status of the civil servant and the legal basis of public service. The Law also provides for the creation of the system of training of civil servants. Introductory training and continuous professional development are distinguished. The Law provided for specific institutions responsible for the professional development of civil servants, the preparation of training programme and management of other processes.

One of the main measures of implementation and execution of this Law is creating the state strategy of civil service training. It is expected that following the general state strategy of civil service training, strategies of different training institutions created will help achieve common goals and facilitate efficient functioning of the civil service training system.

**The object of the investigation.** The strategy of civil service training is one of the measures of strengthening the efficiency of the public service of the Republic of Lithuania. It establishes a long-term civil service training policy. The objective of the long-term civil service training policy is to assure that civil servant training of should help state and municipal institutions/organisations implement the objectives set.

**The goal of the investigation** is to create the civil servant training strategy based on methodology. Implementation would create the necessary preconditions for improving the efficiency of public service in the society and would become the success factor of the public administration reform. In order to achieve this goal, the following tasks should be completed:

- the present condition of training and qualification improvement of civil servants should be described;
- the training strategy of civil servants should be identified and formulated;
- the implementation mode of the training strategy of civil servants which is able to allow the creation of continuous qualification improvement system should be presented;
- the evaluation (getting feedback) criterions should be chosen.

**Topicality of civil service training.** Seeking to achieve efficiency in the sphere of state service, civil service training becomes ever more important due to the following:

- the rate of organisational and technical restructuring of the civil service is constantly increasing, and this requires that civil servants should regularly acquire new skills and learn regulations;
- the decrease in the number of civil servants demands that the individuals who have stayed in the public service should acquire more diverse skills;

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- the process of accession of the Republic of Lithuania to the European Union requires that civil servants should understand the peculiarities of public service functioning not only of their own country but of the European Union as well;
- so far, the tradition that as the civil servant advances, his technical rather than managerial competence is accentuated, has prevailed in the public service of the Republic of Lithuania. Cases are quite frequent that high level professionals of a narrow specialisation without any abilities for management and unable to efficiently run an office become chiefs;
- the society sets ever increasing requirements for public service and it is possible to satisfy them only by improving the skills of civil servants, as well as by changing their principles;
- constant pressure of the society on the public service to prove its efficiency by material achievements requires that civil servants should be able to efficiently plan their activity and think strategically.

The state sector was most often identified with a stable, reliable structure, which was little affected by the environmental structure. It turned out that strategic thinking, planning, analysing and applying changes, taking environmental factors into account, is necessary in this sphere more than in any others.

Employees of the public sector participating in the public administration structures and performing administration functions must do it functionally, beneficially, and effectively. They need knowledge, skills, organisational abilities, and capabilities to combine different methods and forms of activity. They must understand principles of drawing up the budget, staff management, the policy analysis, must be able to analyse interior and exterior environment of public organisations, and think and act strategically by observing norms and standards of public ethics. Employees of public institutions must have communicative skills to work in groups or in other collective structures and they must have the capability to communicate with citizens. Strategic thinking can provide quite a number of possibilities assuring efficiency in public administration. First and foremost, it is necessary within the top chain of the administration system.

The aim of the strategy of training the state and municipal employees is not to monopolise the level of professional development of civil servants of Lithuania in the sphere of public administration, but to assure the standards of imparting modern high-level knowledge to civil servants and optimal application and development of qualification development resources.

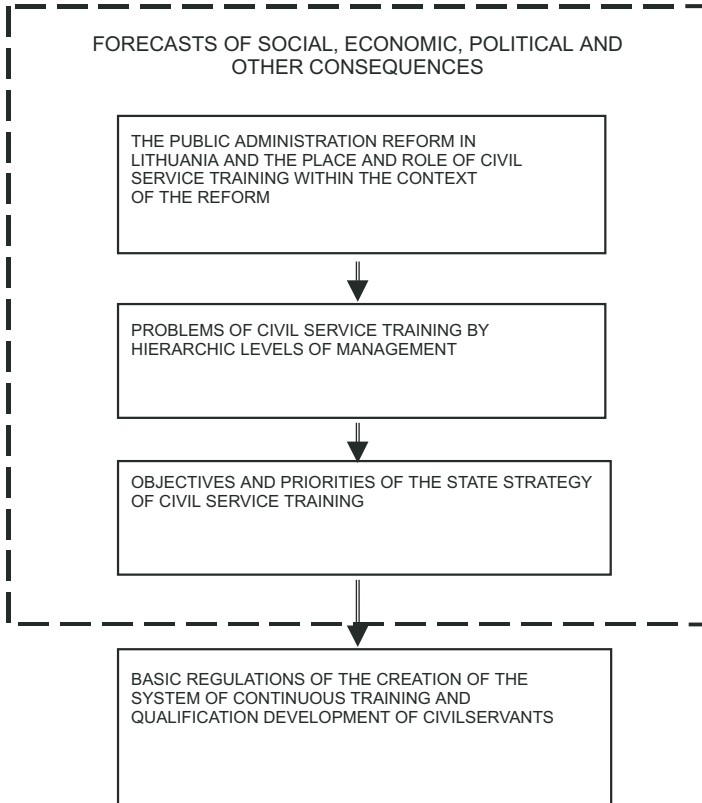
Development of the civil servants training strategy is based on the systematic approach. The strategy development process undergoes several stages:

- characterisation of the current civil servant training and qualifications improvement situation;
- identifying the civil servant training strategy;
- implementing the civil servant training strategy;

- evaluation (getting feedback) of the civil servant training strategy.

One of the most important elements of the formulation of the strategy is the definition of the current status of training and professional development of civil servants. This process is represented in Figure 1.

**Figure 1**  
Definition of the Current Status of Training and Professional Development of Civil Servants



**The public administration reform in Lithuania and the place and role of civil service training within the context of the reform.** After Lithuania re-established its independence, attempts were made to regulate the public service legally in 1995 when the first Law on Civil Servants was adopted. Soon it became clear that it did not create preconditions for development of those administrative skills which civil servants of Lithuania were expected to have.

The Government, taking into consideration an imperfect Law on Civil Servants, passed the Law on Civil Service on July 8, 1999. This Law is based on different principles – it is the object of administrative rather than civil law. The training

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of civil servants, their motivations, planning of training and qualification development of civil servants is defined in the Law as well as its financial substantiation.

In essence, currently theoretical preconditions for the training of civil servants have already been created. They are:

1. Financing and management of training process and the types of training are defined.
2. The financial resources are provided for – “The Republic of Lithuania Law on Civil Service” and “The Republic of Lithuania Law on the State Budget” guarantee that funds are planned in the estimate of expenditure of the institutions and organisation for training of civil servants, which are compared to the salaries of civil servants and they must make from 1 to 5 per cent of this amount.
3. There are functioning institutions of upgrading qualifications of civil servants. Departmental training centres, which have 3-6 years of work experience, and organised branch training of civil servants are established at many ministries. Also, there are training centres, which have a different kind of status (for example, established at higher educational institutions, etc.) and which specialise in training state and municipal employees. The Public Administration Institute of Lithuania has been established. All these institutions of professional development of civil servants are members of the Lithuanian Public Administration Training Association (LPATA). The above-mentioned institutions form the system, separate from the system of education and studies, which prepares training programme adapted to the specificity of civil servants and drawn up according to the principles of adult education.

### **Problems of civil service training in hierarchical levels of management**

All the problems related to the development of civil servant qualifications can be divided into state and institutional problems. The training strategy of civil servants being prepared establishes that state problems should be resolved on the state level involving the highest authorities of the country. By means of legal levers, it has been established that institutional problems should be solved taking into account the activity of the institutions of the qualification development of civil servants, adapting it in accordance with the regulations and guidelines of the strategy.

1. The following problems have been established at the state level:
  - Absence of the long-term state policy with respect to the improvement of civil servant qualifications. No system of permanent training, which would provide for methods and modes of implementation of the ideas of upgrading the qualifications of civil servants, has been created in the state.
  - Priority groups of civil servants, who should be trained within the nearest 3-5 years, are unclear. Priorities of training civil servants by different



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kinds of training are not formulated. It is not assured that the possibility (funds) for training would be given to preferential groups of civil servants.

- Prestige of civil servants is low in Lithuania. There is an insufficiently positive attitude of many state and direct leaders to the training of their subordinates. Restrictions are placed on practitioners to becoming trainers.
  - The interrelation between the participants of the training system and the responsibility of the state for the reliability of functioning of the whole system has not been established.
  - It has not been planned that official training would prevail in the introductory stage of training, while the informal training should be provided in the continuous training. It has not been achieved that decentralisation of management should be one of the basic principles of the informal training. The state, in adopting corresponding laws and acts of secondary legislation, should create favourable conditions for training adults and for development.
  - There is insufficient potential of the personnel services to implement training objectives (to determine training needs, to plan and to assess training, to assure training knowledge is put into practice, etc). The part of the law obligating institutions to prepare training programme is not functioning.
  - The institution staff services have not prepared professional requirements for civil servants in their departments. The objectives and qualification descriptions underlying these professional requirements should become guidelines in developing civil servant qualifications in the corresponding sphere.
  - The adequacy of the training system to the activity of civil servants has not been assured.
  - There is no link between the renewal and assessment system of the employee knowledge and career planning and payment for work.
  - Absence of proper control of the quality of training (training programmes and teachers) on the state scale. So far, no relationship between upgrades of qualification programmes, study programmes and Master's study programmes has been established.
2. Problems to be solved within the competence of the Lithuanian Public Administration Training Association and its members, the Public Administration Institute of Lithuania and other non-associated training centres:
- insufficiently clear civil service training priorities by different types of training;
  - absence of the uniform information system of civil service training;
  - absence of a system of training programme quality assessment and absence of a system of analysis of training needs;
  - absence of a system of investigation of training efficiency (the effect of training on the activity of the civil servants and institution has not been studied);

- insufficient use of the possibilities and capacities of existing training centres.
3. Problems to be solved within the competence of institutions of Public Administration

One of the main obstacles hindering the assurance of effective civil service training is the weakness of the personnel system in public administration institutions. The personnel divisions, as a rule, perform functions of registration and hiring of the employees of the institution, and in some cases they perform functions of selection (competition organisation). However, they do not carry out the analysis of qualification needs, functions of planning of the training process and career. The present staff number is obviously insufficient to fulfil these functions. Functioning public administration institutions, though they conduct thorough studies of qualification needs of civil servants and, accordingly, adjust training programme, they cannot administer qualification assurance processes. Thus, one can state that presently existing civil service training in Lithuania has an extensive nature, is mostly based on personal motivation only, and this does not always coincide with the interests of the civil servant institution. A positive thing is that the majority of the training programme participants are top-level managers; therefore, the qualification that they acquire determines the formation of a modern climate of public administration in institutions.

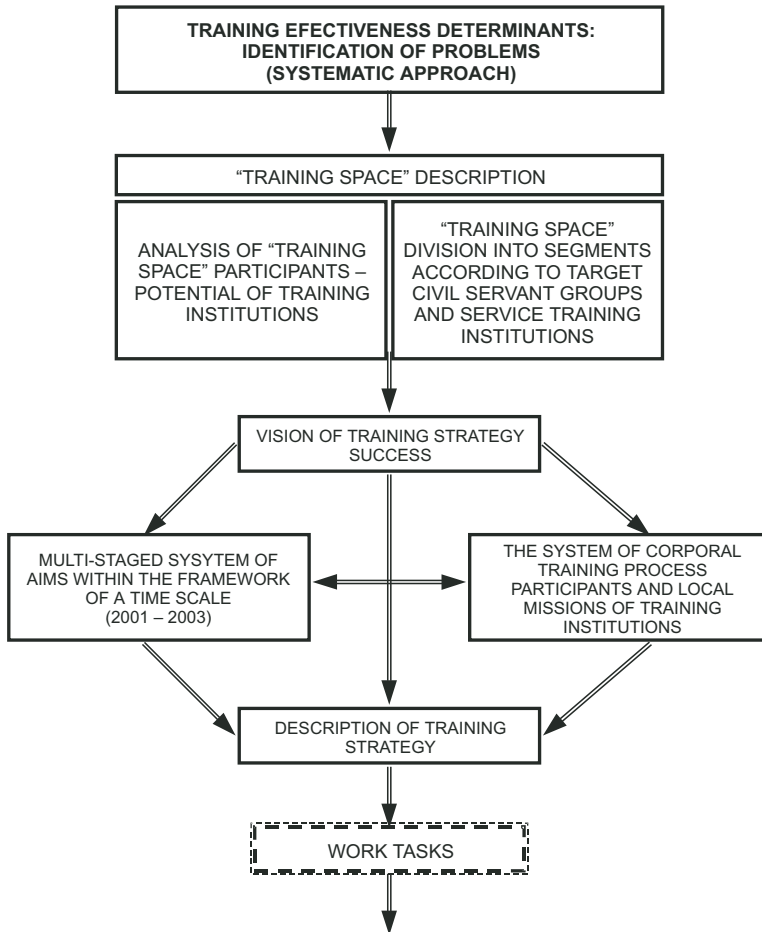
**Objectives and priorities of the state strategy of civil service training.** The goal system of civil service training must be multi-stage; the goals and objects should be distributed according to government levels. Setting and implementing objectives should start at the state level. The goal is to create a civil servant training strategy, and this goal should have the following characteristics:

- The objective must relate training to the environment. It should indicate the relationships of the training system with the exterior in order to characterise the spheres to which training is related. It is necessary not only to adapt to the present environmental conditions, but also to provide for possible threats and ways of solving or avoiding them.
- The training of civil servants must be investigated on the grounds of a systematic approach. It can be separately studied at the state, organisational, and personnel services level.
- The strategic objective should depend on the interior possibilities. It is necessary to assess the potential of each training institution, all the recourses of the state and separate training institutions available, which is organised at the present time.
- The objective must be set to all the state training institutions. All civil service training institutions will have to follow the confirmed strategy.

Formation of the civil service training strategy. The process of the formation of the civil service training strategy is represented in Figure 2.

**Figure 2**

Development of a Civil Service Training Strategy



It is necessary to formulate the philosophy of the qualification development of civil servants, which defines values and principles, on the basis of which institutions will seek to implement their objectives. The mission is treated as the statement, which reveals the objectives of the institution and the reasons they function. The mission must reflect the goals of interested groups of organisations. The mission, expressing strategic intentions of organisations and their role in the society, reflects the essence of the existence of organisations. The mission makes it possible to provide for objective and strategy alternatives, to make viewpoints of different interest groups similar. However, the most important thing is that it declares the attitude to the outside environment, expresses public interests and social responsibility.

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It is most expedient to form the objective tree when formulating the organisation objectives. The general tree is broken into lower objectives, which are broken into smaller ones. All the objectives are placed at a certain level. The objectives must be placed on the time scale. In that way there are first level objectives and the terms that are put into practice are separated in the multi – stage objective system.

Vision is the beginning of any conscious activity aimed at a long-term perspective and it is the point of support. In formulating the vision of the activity of the organisation or group, it is important to define the best possible or most acceptable variant for the future of the organisation. In forming the structure of the civil servants training strategy, it is important to take into consideration general objectives and the purpose of the public administration reform, the character of activities of state institutions, staff politics and management principles.

The civil service training strategy, as the constituent part of the conception of human resources management, is prepared taking into account the peculiarities of the strategic management conception and the objectives of the public administration reform in Lithuania.

Compliance with the civil service training principles is a very important element of the strategy development process.

*Principle 1.* Training must help state and municipal institutions/organisations implement and set up goals. In accordance with this principle, the top-chain leaders of state and municipal institutions or organisations undertake the responsibility to train their staff, which means that training should not be too little in the extent to which it is necessary for those institutions/organisations to implement their activity goals. This requires the following:

- Every year, each state and municipal institution/organisation has to define its activity goals and objectives in respect to its mission and priorities defined by the Government of the Republic.
- On the basis of its yearly activity aims and objectives, each state and municipal institution has to find out what kind of skills civil servants lack in order to implement those goals and objectives.

*Principle 2.* Training must help newly accepted civil servants to get quickly acquainted with the peculiarities of their service.

*Principle 3.* First of all, training must help newly accepted civil servants to develop those skills that are required by the position they occupy in the career system.

*Principle 4.* The responsibility in respect to the analysis of the civil service training needs lies with state and municipal institutions/organisations.

In accordance with this principle, state and municipal institutions/organisations have to define training needs taking into account the following three sources of information:

- the number of newly accepted career civil servants during the last six months and the number of those to be accepted in the coming six months;
- what kind of skills are required from all level career civil servants of the institution/organisation in accordance with the activity plan of the year;
- what kind of skills are required from all level career civil servants of the institution/organisation with respect to a civil servants position in the career system, and what skills are lacking.

*Principle 5.* The assessment of training effectiveness is performed by finding out to what extent it contributed to the implementation of activity goals and objectives of the institution/organisation.

In accordance with this principle, investments in training, its impact on civil servants skills and attitude, and the application of the acquired knowledge must be assessed on all hierarchical levels of civil service institution by finding out to what extent it contributed to the implementation of their activity goals and objectives.

**Implementation of the civil service training strategy.** The strategy implementation places stress on the integrity of the system and makes an analysis of its separate elements. A most appropriate national strategic model of civil servants qualification improvement has been worked out and is shown in Figure 3.

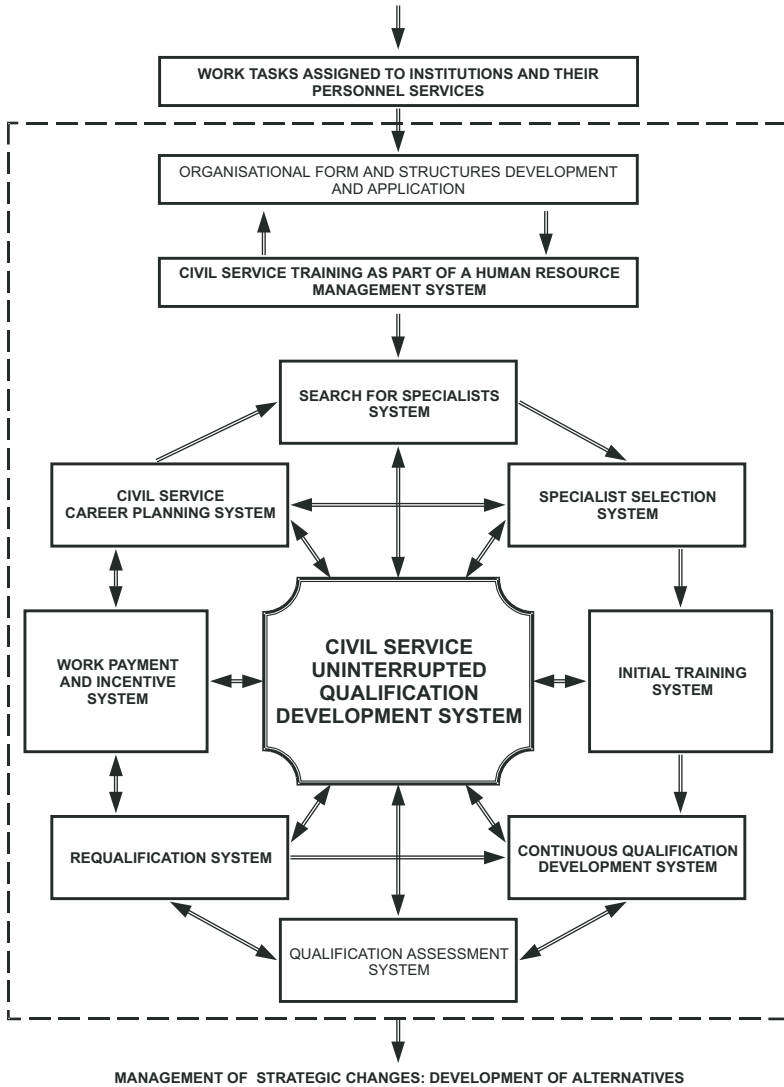
**Tasks set forth before state institutions and their personnel services.**

Any new challenge requires people to implement it. The public administration reform means reforming civil servant mentality. The aims and objectives of the public administration reform make a basis for setting up tasks before state institutions. Combining public and private interests seems to be one of the most complicated moments of the public administration reform. Therefore, realisation of legal regulations in public service administration must be a mission implemented by state institutions themselves.

Tasks set up before state institutions with regards to the public administration reform:

- to define each state institution's place in the administrative structure of the state as an integral space of national strategy implementation;
- to define state institution activity directions, principles and measures directed towards integrating the state institution infrastructure in the public administration system;
- make necessary changes in the organisational structure in order to achieve a better co-ordinated co-operation of public administration sub-systems;

**Figure 3**  
Implementation of Civil Service Training Strategy



- grant the Lithuanian Public Administration Training Association the status of expert-observer of the public administration reform. It would co-ordinate the work of the reform implementation assessment centre representing personnel services of all state institutions.

Tasks set up before the state institutions' personnel services:

- state institutions should start reforming their activity with modernisation of the personnel service;

- the personnel service staff should consist of personnel management specialists having basic managerial education and work experience or of specialists of social sciences (master's or an equivalent degree);
- the state institutions' personnel services must become civil servant examination sub-units dealing with selection, training and assessment criteria and choosing criteria suitability;
- experts of the Lithuanian Public Administration Training Association (personnel management experts) should provide personnel services with consultations on the first stage of the civil servants training strategy implementation.

**Training and assessment of state institutions personnel service specialists from the point of view of personnel managers' professional qualification and work quality.** Personnel management, as a practical managerial activity, deals with assessment of an individual prior to legalisation of labour relations (labour recruitment and selection), at the time of work (assessment) and dismissal (failure to cope with work). In order to deal with this task, it requires high qualification personnel management specialists. The quality of personnel depends on their qualification and efforts. The assessment of an individual takes place during the whole management process; however, the right linkage of the process depends on the objectivity of a personnel management specialist. Personnel management, as a specific managerial activity, requires specially trained specialists for this kind of work. Issues related to personnel management specialist qualifications and work quality should be resolved on the following levels: quality of training, quality of selection, quality of professional activity, and quality of activity assessment.

The implementation of a complex personnel management system based on method research results would enable co-ordination of scientific progress and effectiveness of practical activity. A closer connection between research and practical activities would be a very positive incentive for Lithuania's further development and progress. The new administrative structure of the Republic, consisting of ten districts, is very convenient for implementation of new economic principles, and the implementation of the public administration system should favourably impact all spheres of the economy.

Internal expenditures of management for quality improvement do not have a direct quantitative expression in economic equivalents (money). However, internal management efforts directed at quality improvement serve as a precondition and a condition to achieve economic (external) quality improvement effects. The internal (management) expenditures for quality improvement are necessary, first of all, for personnel. As a qualitative transformation occurs as a result of individual effort, it is necessary to change the personnel management system, which means a real implementation of a management model when the efforts of leaders and their subordinates would be co-ordinated by quality criterion.

In order to fully ensure development effectiveness and high quality, demand and quality control should be taken into account. Unified development minimums could be achieved by certifying development programmes for a defined period. A programme certification process requires ensuring a method background, development qualification and necessary logistic support of the programme. That would allow effective use of human and material development resources of institutions.

### **Formation and application of organisational forms and structures.**

Organisational reforms and new structure establishment cannot be avoided in the implementation of the civil service training strategy.

The key organisational form of modernisation and integration into European structures principals should be as follows:

- all organisational structures, established in the process of the public administration reform, are to be governed by the requirements defined by the Law on Civil Service;
- in order to comply with a law prevalence principle, civil service training must be conducted in compliance with civil servant rights provided by national laws, which means that a civil servant must be informed of his/her duties, granted real rights and authorised to implement rights of state institutions;
- equality and political neutrality principles are to be implemented by requiring that civil servants not participate in political activity (civil service training strategy requires that there be a distinction between political neutrality and political indifference);
- transparency must be the key working principle of state institutions, which means that civil servant activity (as well as state institutions' activity) is public and understandable, open to assessment and open to getting acquainted with it.

The state institution management structures should be modernised and new effective organisational forms, which would be able to solve the problems of public reform, should be established while implementing public administration reform. In that case, personnel assessment methods and organisational forms must conform to high quality and expenditure requirements. The civil service training applies what is the assessment centre method, which serves both as a means of assessment and personnel development.

In order to implement the provisions of the civil service policy of the Republic of Lithuania and to ensure that national institution are effective in preparing Lithuania's integration into the EU, an uninterrupted civil service qualification development system will be established that will include the following elements:

- a search system for specialists able to work at state organisations;



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- a selection system of specialists for state institutions who could occupy specific positions and perform specific functions;
- an introductory training system designed for civil service newcomers;
- an all-level, chain civil service system with continuous qualification improvement that will include improvement of qualification in accordance with specific duties (specific information and skills) and target qualification improvements (new information and skills);
- an all-level, chain civil service qualification assessment system;
- a re-qualifying system designed for civil service specialists.

It is necessary to properly use the experience of all participants of the process and to co-ordinate their activities while drafting legal acts on the preparing of the Civil Service Law and forming and developing the civil servant training strategy.

The Lithuanian Public Administration Training Association joins the principle training institutions engaged in civil servant training and qualification improvement and takes an active role in drafting legal acts on the implementation of the Civil Service Law. It also participates in the development of a national strategy on the development of civil servant qualifications.

The Aims of the Association:

- co-ordinate the activities of the Association member in the field of training, research and consulting and to ensure the effective use and development of existing training resources;
- participate in the formation and implementation of a national policy in the civil servant qualification improvement sphere;
- guarantee quality of services provided by the Association members;
- co-ordinate and perform a demand research of qualification improvement and to conduct assessments of training and its impact on effectiveness of activity;
- initiate and implement projects in the field of public administration;
- co-operate with state and local institutions, associations and other organisations of Lithuania and foreign countries;
- disseminate information about the Association and its members to international organisations.

The Lithuanian Public Administration Training Association is capable of implementing the provisions of the national strategy directed at the development of civil servant qualifications, to perform action co-ordination, and to ensure the quality of qualification improvement service and its effective integration into the currently conducted public administration reform.

Establishment and future development of the uninterrupted development of the civil service qualification system must serve as a basis for civil servant irreproachable quality of work in preparing and implementing a national policy in the sphere of Human Resource Management (HRM).

**Evaluation of the civil servant training strategy – getting the feedback.**

Getting feedback is an important step; without feedback, creation of the strategy of the state civil servant and foreseeing different methods of implementation will not have any sense. Feedback helps us to foresee alternatives and corrections, notice not only advantages of the creation and implementation of the strategy of civil servants of the state, but disadvantages as well.

We can get feedback about the creation of the civil servant strategy and implementation, using all common methods: keeping a close watch on the change in the training situation of the civil servants of the state and questioning training institutions, which are participating in the creation and implementation of the strategy. We also watch what new positives and negatives have appeared when implementing the strategy and what changes have appeared in the organisations themselves during the implementation of the civil servant training strategy.

The other method for evaluating the strategy (of getting feedback) is questioning customers – civil servants of the state, who have been trained according to the new training strategy. They could be questioned about changes when implementing new strategy, which of them are positive, which created additional problems. The evaluation of the training strategy of the civil servants of the state should be executed in non-traditional fashion, leading general models of quality evaluation, which are being applied to institutions and organisations to determine the quality level.

For quality evaluation, these could be applied:

- ISO 9000 series standards;
- The EFQM (Europe Framework for Quality Management);
- The CAF (Common Assessment Framework) and others.

ISO 9000 standards are the key to effective management systems for every producing organisation; it concentrates on clients needs the most and provides effective quality management for products and services. The training institutions of the civil servants deal with that kind of activity, which usually doesn't have any clear limits, determined by processes and procedures like industrial organisations have. It is for this reason that public administration organisations, including training institutions of civil servants and their activity, are evaluated conveniently according to the CAF model, which is very similar to the EFQM model, but the order of the structural elements is consistent and the priorities of organisation are coordinated clearly.

The civil servant training strategy could be evaluated by invoking the CAF model successfully when taking into consideration the creation and implementation of the strategy broadly. Just imagine, when creating a new strategy of civil servants, implementing it, there appears a new institution which is responsible for and occupied with the creation of the above mentioned strategy and foreseeing of implementation methods. Generally speaking, the

creation of a new training strategy of civil servants is the result of cooperation between all the training institutions of civil servants and organisations. Otherwise, the assumption of origin of the above-mentioned new institution lets us notice easier the adaptation of CAF for evaluation of the strategy of civil servants. In that case, the quality parameters of “new organisation” are evaluated consistently according to the 9 criteria of CAF. The leadership, policy and strategy, external partnership, process and change management, customer-citizen oriented results, people results, impact on society and key performance results for creation and implementation have been analyzed in turn. Several alternative methods for elimination of disadvantages that could appear have been established. Talking about total quality management (TQM), we could execute this kind of evaluation before strategy creation. When there is no “new organisation”, in the process of creating the strategy, foreseeing methods of implementation and correction, its functions are being shared out for training, working and management institutions of civil servants.

Some disadvantages have been noticed in evaluating the training strategy of civil servants during the implementation of CAF:

- CAF is a self-assessment model. It would be perfect if organisations and institutions had enough means to execute a quality analysis, invoking outside specialists. Then comparing research results, the objective data is expected.
- In the recommendation, how to accomplish a quality analysis according to CAF, it is indicated that this is the task of managers as an intermediary link. We would suggest including organisational chiefs in the work group. In this way, it would become easier to inform managers about research results, especially about weaknesses in organisation.
- CAF is focused on results very much. But how about process, work, and effort.
- Some items of CAF repeat, e.g., human resource management and people (employees) results. In an organisation, these two items are tightly connected.

### **Conclusions**

1. In order to carry out the public administration reform and successfully raise the efficiency of public service, the civil servant training strategy was developed and prepared for implementation.
2. The creation (formation) of a national civil servant training strategy was (is) a consecutive process, which underwent several stages:
  - characterisation of the current civil servant training and qualifications improvement situation;
  - identifying the civil servant training strategy;
  - implementing the civil servant training strategy;
  - evaluation of the civil servant training strategy (getting feedback).

## BUILDING BETTER QUALITY ADMINISTRATION FOR THE PUBLIC

3. The analysis stage of the public servant training and qualifications improvement situation included:
  - description of the place and importance of the public servant training in the context of the public administration reform;
  - identification of the public servants training problems depending on management hierarchy levels;
  - the goals and priorities of the public servants training strategy;
  - provision of the main guidelines for the creation of the continuous public servants qualifications improvement system.
4. The public servant training strategy was formulated on the basis of the general goals of the public administration reform and on the concept of the image of state institutions and the management of their personnel.
5. The implementation model for the state public servant qualifications improvement strategy was identified and proposed. This process was carried out by setting concrete work tasks for institutions and their personnel departments as well as by improving the existing (and creating new) organisational forms of the institutions. Major modernisation and integration principles of the organisational forms were also identified.
6. The main pre-requisite for implementing the strategy was the continuous improvement of the public servant qualifications system, which included a search for qualified specialists, selection, initial training and continuous improvement of qualifications as well as the public servant qualifications assessment and specialist re-qualification systems. It created conditions for implementing the state human resources management policy.
7. Development and implementation of the public servant qualifications improvement system required (requires) co-ordination of the activities of all the parties participating in the process. The Lithuanian Public Administration Training Association, which unites in itself major qualifications improvement bodies, acts as an efficient co-ordinator of qualifications improvement activities and plays an active role in the implementation of the public administration reform.
8. Evaluation (getting feedback). We suggest doing an analysis of quality according to CAF. Identified CAF disadvantages are: orientation to the results, dependence on objectiveness, repetition.

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## **Public Perception of Local Governments in Poland**

*Paweł Swianiewicz\**

What public opinion thinks about local government administration and how local authorities communicate with local public opinion should be considered among the most important criteria of the quality of local public administration operation. Other criteria are obviously very important, but omitting relationships with citizens would make the whole issue much too technocratic and would be in contradiction with basic principles of the democratic system. Such an approach has been accepted not only in theoretical considerations but also in numerous empirical analyses of local government and local administration performance both in Western Europe (see for example Putnam 1992) and in East-Central Europe (compare Swianiewicz 2001a).

In this paper, we try to analyse how public opinion in Poland perceives functioning of local administrations and also how local governments try to communicate with their citizens in the period between elections.

Local government reform is widely treated as one of the most successful parts of political, social and economic transformation after 1989 in Poland. Such an opinion is frequently expressed by prominent politicians, academics and is widely popularised through the press, radio and television. The local government reform may have not been top rank, but it has occupied quite a high position in the political agenda of change since the beginning of the political regime at the end of eighties. On May 26, 1990, a day before the first democratic local elections, professor Regulski – prominent academic and one of the main authors of decentralisation reform - announced on television that the following day “Polish citizens would wake-up in a new country.” But have they noticed that change? And how do they see local governments and their operation now, after 10 years of the new system in operation? And finally, how do local governments try to communicate with their citizens between election periods? This paper tries to present a brief answer to all of these questions.<sup>1</sup>

### **1. What do people think about local governments?**

#### **1.1 Do they care?**

Is local government an institution which attracts the attention of the average citizen? Do they think it is important to their every-day life? Before we try to

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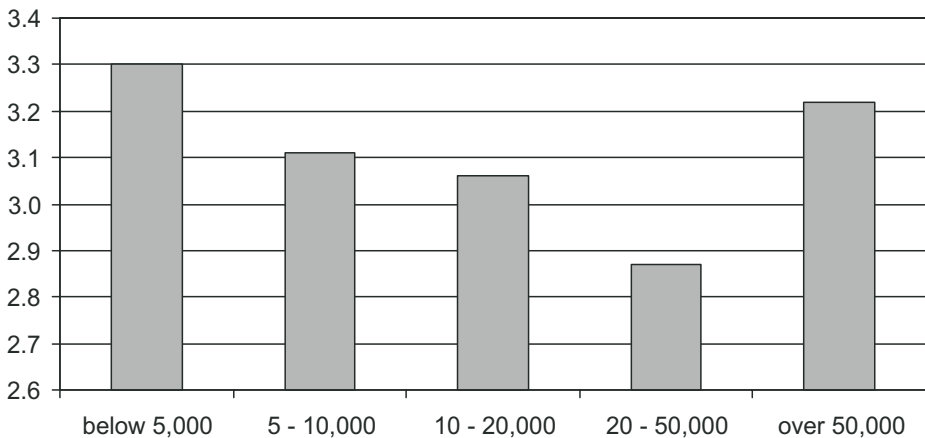
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<sup>1</sup> This paper is a short version of the study prepared in the framework of the Local Government Policy Partnership project sponsored by the Local Government Initiative/Open Society Institute in Budapest and British Government Department for International Development. Full version of the report has been published in Swianiewicz (2001b).

analyse citizens opinion, let us try to answer what local authorities' perception of people's interest in their activity is. In 1997, over 500 mayors answered a questionnaire<sup>2</sup> in which they were asked to what extent citizens are interested in the activities of the local council. The answers were on a five-point scale from "not interested at all" to "very much interested". The proportion of mayors who choose the two highest scores ("they are interested in" or "very much interested") was somewhat higher than those who said, "they do not care at all" or "very little interest" (33% - interested, 22% - not at all or little interested). There was an interesting pattern of variation between local governments of different sizes. Higher interest was found in smaller communities - especially high in communities up to 5,000 inhabitants (44% interested and only 18% not interested). In larger local governments, citizens' interest, as perceived by mayors, decreases and is the lowest in the group between 20 and 50 thousand population, where the number of those not interested outscores the number of those who are interested. In the largest cities, public interest increases again significantly, although still lower than in the smallest communities. This relationship is illustrated Figure 1 on a 1-5 scale, where 3 means an equal number of interested and not interested citizens.

**Figure 1**

Mayoral opinion on citizens interest in local government activity and size of the community (scale of 1-5, 1997)



As for the citizens' behaviour and perceptions, the first answer to questions asked at the beginning of this section may be provided by the analysis of the turn-out in local elections. If people think that local government plays a

<sup>2</sup> Questionnaire organised in 1997 in Poland, Czech Republic and Slovakia as part of the international research project "Local Democracy and Innovation" co-ordinated by the University of Bergen and sponsored by the Norwegian government. This source of data is further referred to as "LDI 2".

significant role, they should be willing to vote for their local councillors. This indicator does not bring a very positive message for prospects of local democracy in Poland. During the last decade, Poland has had three local elections in 1990, 1994 and 1998. Turn-out in all of these three events was quite low – the average for the whole country was between 32% in 1994 and 46% in 1998. The trend over time has not been positive either. Between 1990 and 1994 the turn-out decreased from 42 to 32%. Although participation in 1998 was higher (46%), it may be explained by very vital political discussions on territorial reform which attracted much of the public’s attention rather than by the increase in the long-term interest in local democracy. Moreover, local turn-out has been always considerably lower (sometimes even about 20 percent points) than in close-in-time central elections, either Parliamentary or Presidential.

**Table 1**

Turn-out in local, parliamentary and local elections in Poland

	<b>1989-1990</b>	<b>1993-1995</b>	<b>1997-2000</b>
<b>Local</b>	42% (1990)	32% (1994)	46% (1998)
<b>Parliamentary</b>	63% (1989)	51% (1993)	47% (1997)
<b>Presidential</b>	61% (1990)	68% (1995)	61% (2001)

*Source: Statistical Yearbooks, GUS, Warszawa*

The positive interpretation of facts quoted above may refer to the Lipset (1981) argument saying that low participation in elections may result from a high level of satisfaction. People are more willing to vote if they see the necessity to change something rather than when they think that things may stay as they are. In such a situation, low turn-out does not necessarily mean that people do not care about local democracy. They may think that it works well and they do not see a reason for their own (electoral) intervention. However, this interpretation is undermined by the data presented in Table 2. While the majority of respondents are convinced that central level institutions have a big impact on their life, in the case of local government, the belief in only a small impact prevails. Only one third believe in the big impact of local government decisions and almost one in six respondents do not see any influence of local government decisions on his or her life.

**Table 2**

Do you feel that decisions made by the following institutions have a significant impact on you and your family life?

	<b>Big impact</b>	<b>Small impact</b>	<b>No impact</b>
<b>Central government</b>	49	33	12
<b>Parliament</b>	46	35	13
<b>Local government</b>	34	42	16

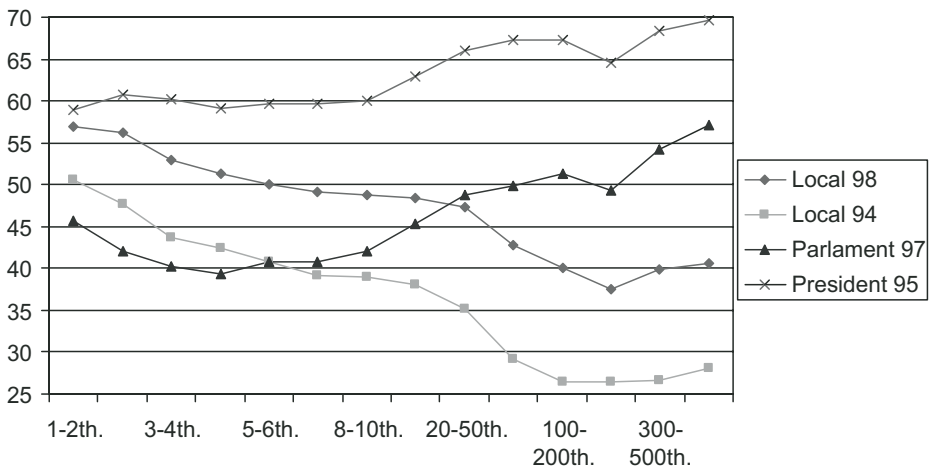
*Source: CBOS survey of citizens, march 1994*



One more important difference between perception of politics on a central and on a local level is related to the size of communities. While interest in central politics increases with the size of community, it is quite opposite at the local level. This is well illustrated by Figure 2. In general, the smaller the local government, the higher the turn-out in local elections. But in the case of Presidential or Parliamentary elections, the highest turn-out is usually found in the largest cities. Differences in the interest in politics and willingness to participate is usually explained by the amount of information a citizen has access to, which is usually related to social status indicators such as education level, wealth and occupation. In larger cities, people are usually better educated and more wealthy and this explains their better orientation in public matters and, consequently, higher level of participation in political events. But the nature of local politics is different and the same factors which explain high turn-out in central elections in large cities, may also explain the opposite relationship in local elections. Size remains the most powerful explanatory variable for turn-out, even when controlled by other variables such as level of income or education of the local population. As we will see in the next few sections, people in small communities feel (and they are) much better informed about local political process that citizens in larger cities.

**Figure 2**

Turn-out in local and central elections and the size of municipalities



Also, the subjective perception of local elections importance varies depending on the size of community. In 1998, respondents were asked to evaluate the importance of local elections on a 10-point scale, where 10 means the largest importance. Results are presented in Table 3. In rural communities and small towns, people believe in the value of local elections much more than in large municipalities. Moreover, the variation between the less educated and those with university degree suggests that the difference is not due to different social

structures but due to the different nature of local politics in small and large communities. People in small towns believe in the importance of local elections, despite the fact that they are usually less educated than inhabitants of Warsaw, Krakow, Poznań or any other large city. Citizen perception and voting behaviour confirms the mayors' opinion that people in the smallest communities are the most interested in the operation of their local government. But the mayors' opinion that citizens in the largest cities are more interested than those in mid-size local governments is not confirmed either by electoral behaviour or by the popular perception of local government importance.

The reform theory (Mouritzen 1989) argues that citizen willingness to participate in local politics might be larger in big local governments, because large administrative units may be granted with more functions, so local politics becomes more important for people's everyday life. In Poland, cities over 100,000 citizens (as well as a few smaller cities) are responsible for more services than smaller local governments since 1993. However, neither the data provided in Figure 2 nor those in Table 4 provide support for the reform theory suggestions. It seems that the nature of social life and politics in small communities is much more important than the amount of functions that local governments are responsible for.

**Table 3**

Importance of local government elections on a scale of 1-10  
(10 – the largest importance)

Variation by size of municipality		Variation by education level of respondents	
Rural community	7.40	Primary	7.00
City below 20,000 population	7.69	Vocational	7.01
City 20-100,000	7.36	Secondary	7.57
City 100-500,000	6.92	University degree	7.95
City over 500,000	7.15		

Source: CBOS survey of citizens, October 1998

Participation in local elections has also got an interesting regional variation. In general, voter turn-out is considerably higher in South-Eastern Poland (regions near Krakow and Rzeszów) and in Mid-Western Poland (especially around Poznań) than in the East, Central, Northern or Western parts of Poland. This pattern is similar to the variation in central election turn-out and is usually explained by the stronger tradition of civic involvement and self-organisation in regions with higher participation in the elections<sup>3</sup>

One more illustration of the relatively limited citizen interest and orientation in local government issues is provided by the survey organised in 2000 by the

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<sup>3</sup> This topic is discussed in much more detail in Swianiewicz (2000).

USAID Local Government Partnership Project in 10 municipalities<sup>4</sup>. The survey asked respondents to look at three, shortly described procedures, and identify the one which is needed to elect their councillors. On average, only 21% of adult respondents (potential voters) were able to identify the procedure used in their locality. In some municipalities, as large a proportion as 70% was unable simply to choose between the three options and just picked the “don’t know” response. Regarding the rules of the mayoral election, only 43% of respondents knew that a mayor in Poland is elected by the council. Nine percent believed that mayors were elected by voters. These results suggest that either the election law in Poland is too complicated and citizens do not follow it or that they do not care too much about local governments and local elections.

## 1.2 Do they know?

In the previous section, I have analysed how much people care about local government. Now I try to answer if they know anything about it. One of the dimensions of local government knowledge is knowing some local representatives. Also, in this respect there is a huge difference between small communities and large agglomerations. Table 4 shows how often people personally know councillors and candidates in local elections.

**Table 4**  
Do you know personally (per cent of answers: “yes”):

A. any of the councillors in your municipality (1996)			B. any of the candidates in local elections (1998)	
	1992	1996		
Rural community	44	67	Rural community	81
City below 50,000 citizens	29	48	City below 20,000 citizens	74
City 50-200,000	29	31	City 20-100,000	60
City over 200,000	21	24	City 100-500,000	46
			City over 500,000	31

Source: Swianiewicz, Bukowski (1992) *Demoskop 1996* and CBOS November 1998

Not surprisingly, citizens know some of candidates more often than the actual councillors. In 1992, almost half and, in 1996, more than two thirds of the rural population but only one fourth of the people in large cities knew at least one councillor. Similarly, in 1998 the vast majority of citizens in rural communities and small towns knew at least one candidate in the election, while in the cities of over half a million, more than two thirds did not know any. Although the questions asked in 1992 and 1996 were not identical to the question asked in 1998, it seems that the knowledge of councillors is gradually increasing. Between 1992 and 1996, the fastest growth concerned small municipalities (population below 50,000).

<sup>4</sup> I want to express my gratitude to Viktor Wekselberg, a consultant working for the USAID LGPP Programme for providing information on results of the survey organised in 10 municipalities. I have also used Victor Wekselberg’s comments to results of this survey.

The variation between small and large local governments is self-explanatory. If there is anything surprising in data presented in Table 4, it is that a relatively large number of citizens of large cities declared that they know some councillors. One may expect that some respondents answered “yes” even if they knew a councillor by name or “by face” (for example, from local television) only. Otherwise we would need to believe that a statistical councillor of a large city was known by at least two thousand adult citizens.

Knowing someone from a local authority is only one dimension of “knowing something” about local government. Equally important is how well informed citizens are about local government activity. In 1996, in an OBOP research study, 14% of respondents agreed that local authorities sufficiently inform them about their activities, 39% rather agreed while 23% rather disagreed and 8% strongly disagreed. The rest of the respondents had no opinion. It means that just slightly over half of the citizens felt sufficiently informed, which is not an extremely good result. We do not have precise data on development of opinions on that issue in the following years. But the survey conducted in 2000 in 10 selected local governments by the USAID Local Government Partnership Programme<sup>5</sup> suggests that the situation has not changed for the better. Only 3% of respondents agreed with the opinion “during the last year I learned more about gmina affairs, as compared to the previous year.” 31% rather agreed with this statement, while 37% rather disagreed and 13% strongly disagreed. Those who improved their knowledge on local government activities were clearly in the minority. We will return to the problem of communication between local authorities and citizens in the last section of this chapter.

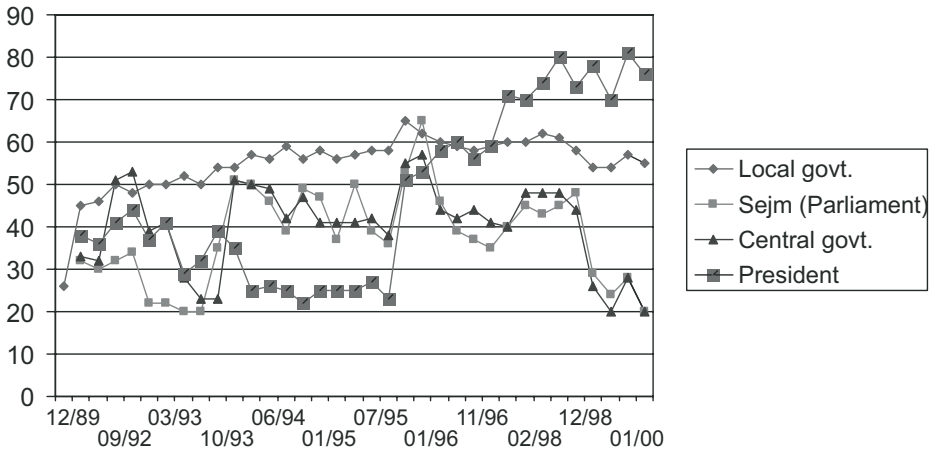
### 1.3 Do they trust?

Do citizens trust their local governments? To a large extent the answer is yes. Figure 3A and 3B shows that the level of trust has been relatively stable throughout the last decade and much higher than the level of trust in central government and the parliament. The comparison with trust in the president is more complicated, because opinions on the president have been fluctuating dramatically. The dynamics of the discussed phenomena is quite interesting. First of all, the level of trust increased sharply with the decentralisation reform in 1990. The former “people’s councils” were trusted by about one fourth of the citizens, while newly elected democratic councils achieved trust from almost

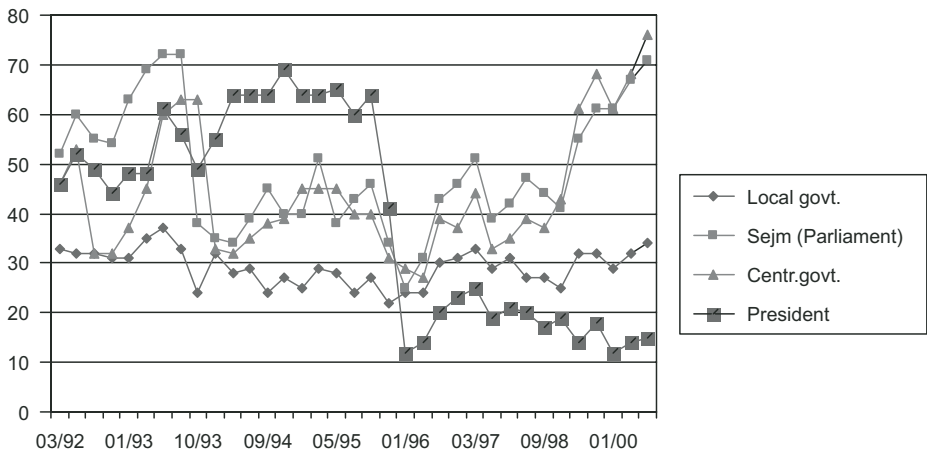
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<sup>5</sup> This survey - further referred to as “LGPP survey” – was focused on communication between local governments and citizens. It was conducted in 1999 and in 2000 in 10 local governments involved in USAID project. One has to be aware that these localities are not representative for the whole country – local authorities involved in the project were usually more than average interested in improving their communication skills. Therefore one may expect a possible positive bias, i.e., the findings may report better communication between local government authorities and citizens than it happens in an average Polish community. I would like to express my gratitude to Viktor Wekselberg, a USAID LGPP consultant who provided data and helped with their interpretation.

**Figure 3A**  
Citizen trust in public institutions



**Figure 3B**  
Public Disapproval for Government Institutions



half of the population almost immediately. The evaluation of local governments activity slowly but gradually improved until 1995, and has stabilised at a relatively high level (60% trust) since then. It is very striking that the assessment of local governments (as opposed to the assessment of central level political institutions) has been so stable and free of short-term fluctuations. However, what might be a warning sign is the very slow but visible decrease of the level of trust since the beginning of 1999. Indeed, this process has been parallel to the more recent critical picture of local governments in the media, more articles describing cases of corruption in municipal government and public disapproval of very high salaries of city boards and high level local officials.

**Table 5**

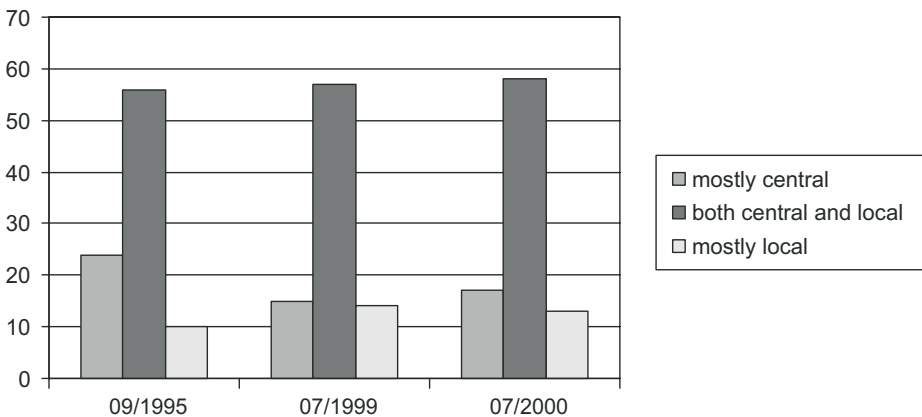
Citizens' opinions on the motives of local government decisions.  
 "Do local governments...?"

	10/1989	06/1993	06/1996	2000
try to satisfy citizens needs	31	41	50	41
- Rural communities		51		
- Towns up to 20,000		41		
- Cities 20-100,000		42		
- Cities 100-500,000		27		
- Cities over 500,000		30		
care mainly about their own interests		36	40	
- Rural communities		28		
- Towns up to 20,000		40		
- Cities 20-100,000		40		
- Cities 100-500,000		40		
- Cities over 500,000		50		

Sources: 1989 – A. Sarapata (quoted after K. Pełczyńska-Nałęcz 1998), 1993 – CBOS, 1996 – OBOP, 2000 - LGPP

**Figure 4**

Is corruption a problem in central or local administration? - opinion of citizens



As in previously described cases, the general assessment of local government is much better in small communities. In 1999, the level of trust varied from 60% in rural communities and 59% in cities below 20,000 to below 50% in cities over 100,000 population. Interestingly enough, the highest level of trust is among the youngest population (64% of trust in 18-24 age group). This is a much better result than among older generations (only 45% of trust in the over-65 age group).

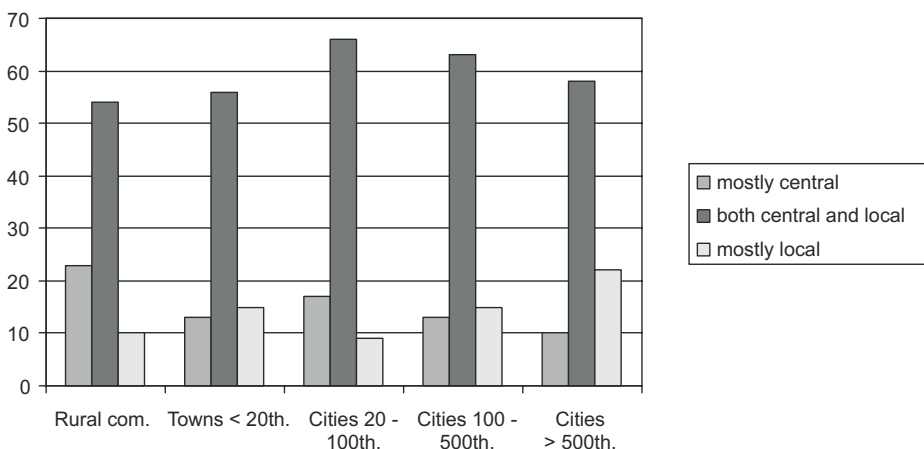
Most of the people believe that local councils try to satisfy the needs of ordinary citizens. Also, in this case, the proportion of positive opinions almost doubled after the 1990 reform, and continued to steadily grow (see Table 5). Again, more positive opinions are found among respondents from small rural communities.

But at the same time, the proportion of citizens who think that local governments care mostly about their own interests is quite high and even increasing. In the largest cities, the proportion of people who think like this reaches 50%.

The relatively good score of local governments is undermined by the widespread belief that municipal authorities are corrupt. The recent World Bank report (*Corruption in Poland...*, 1999) on corruption in Poland indicates the following areas in which local governments are especially vulnerable to corruption: zoning decisions, licenses and permits, contracts for construction work, and goods and services (p. 12). Regardless of the real situation, it is very dangerous for the prospect of local democracy that many people believe that local government is more corrupt than other parts of the administration. Such an opinion, for example, has been quite recently expressed by the President's main economic advisor Marek Belka (*"Strategia na..."*, 1999). It is also very important to stress that general public opinion changes as well. In 1995, the CBOS public opinion poll suggested that corruption was more frequent at the central level (24% of respondents, while only 10% thought it was more frequent at the local level), but a similar 1999 survey showed that people believed it was as frequent in the central government administration as it was in local governments (57% think it is the same with 15% thinking it is larger at the central and 14% think it is the same with 15% thinking it is larger at the central and 14%

**Figure 5**

Is corruption a problem in central or local administration? (07/2000) - opinion of citizens



that it is larger at the local level). A July 2000 survey confirmed this worsening in opinions on local governments. This is illustrated in Figure 4.

Figure 5 shows that the belief that corruption is mostly a central administration disease prevails in rural communes, while inhabitants of large cities believe that it happens more often in local administration. Negative opinions about local authorities also dominate among respondents with university degrees, while those with less formal education more often believe in the honesty of local officers.

According to a recent survey<sup>6</sup>, 15% of citizens know someone who at least once bribed local bureaucrats or councillors. Such a situation is much more frequent in large cities (21% in cities of 50-100,000 population) than in rural areas (11%) and much more common in Eastern (22% Świętokrzyski, 22% Małopolski) regions than in Western Poland (only 6% in Lubuski and 7% in Opolski region).

The opinions of local entrepreneurs are more pessimistic. As many as 38% of them know another businessman who offered a bribe. The regional pattern is again similar (70% in Warmińsko-Mazurski, 52% in Lubelski in Eastern Poland, but a few times less in Western Poland: 13% in Opolski). As it was in the issues discussed above, there is again a variation depending on the size of community – “urban businessmen” report corruption twice as often as their colleagues living in rural areas.

One third of the citizens are convinced that offering a bribe does not matter (does not help to solve your problem in your local administration) but such optimistic views are expressed by only 13% of local enterprise owners. The rural-urban pattern is similar again. For example, while 22% of rural businessmen think that offering a bribe does not matter, such an opinion in the largest cities (above 500,000) has been expressed by 5% of the respondents only. Also, the pattern of regional variation is quite similar to the case of the previous question.

The opinion that offering a bribe is usually almost inevitable in solving a problem is expressed by slightly more than 10% of citizens and local entrepreneurs. This proportion has remained unchanged since 1993, when the issue was investigated in a survey organised by CBOS.

### **1.4 Are they satisfied?**

What do people think about the results of local government activity? In June 1993, the number of those who believed that it led to positive results minimally outscored the number of those who didn't see such positive results (36% seeing positive against 35% who did not notice – see CBOS 06/93). The number of positive opinions strongly prevailed in rural communities (42 against 29) and

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<sup>6</sup> Below I refer to the survey of over 3000 citizens conducted in November-December 1999 by CBOS and December 1999 postal survey of owners of small local firms, for which over 600 businessman answered. For details see: P. Swianiewicz (2000).



marginally in cities below 100,000 population, while in the largest cities it was definitely negative (in cities over 500,000 population 21% positive against 50% negative).

But the number of those who think that the quality of local administration has been improving dramatically outscores the number of those who think it has been worsening. Because of significant short-term fluctuations, it is difficult to notice any clear trends, but it seems that the number of positive opinions is on the increase. It should be stressed that the most recent survey has brought the most optimistic results – with over 50% believing in improvement (Table 6). It is interesting that opinions expressed close to local elections (the recent ones were in June 1994 and October 1998) are usually more positive than those expressed in the between-election period. Those believing in gradual improvement dominate in municipalities from all size groups and among respondents from all education levels and age groups.

**Table 6**

Has local government activity improved or worsened during last few years? – citizen's opinions

	92	02/94	06/94	01/96	08/98
<b>Improved</b>	13	37	41	33	53
<b>Worsened</b>	13	11	13	6	8
<b>no change</b>	37	40	42	56	35

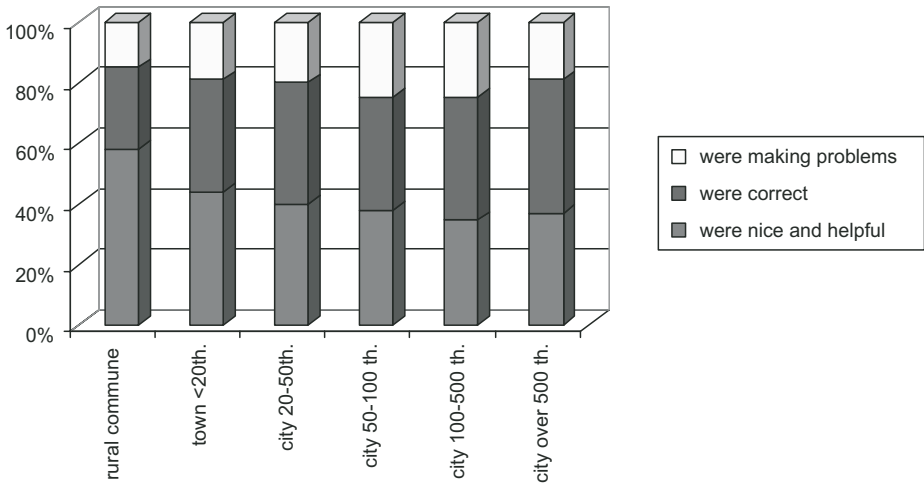
*Source: Swianiewicz, Bukowski (1992), CBOS February 1994, OBOP June 1994, January 1996, August 1998*

In 1999, over 3000 citizens and over 600 owners of small local enterprises were asked about their satisfaction with the client service in the city hall (see Swianiewicz et. al. 2000). In general, average citizens who dealt with local administration were much more satisfied with the way they had been treated than was the case with businessmen. When asked how they felt about the staff attitude, 46% of citizens said they were “nice and helpful”. The proportion of people satisfied was much higher in rural governments than in large cities over 100,000 population. At the same time, less than one fifth (19%) of the citizens felt that bureaucrats tried to “make things more difficult than necessary”. Again, the situation was much more optimistic in rural areas than in large cities. This variation is illustrated in Figure 6.

Local businessmen's experience was much less pleasant. Only 18% of them had an impression that officials tried to be helpful and nice, while 27% were of the opposite opinion. Also in that case, opinions expressed by respondents living in rural areas were much more positive than those from cities.

In most of the cases, the problems of citizens going to city hall were solved quickly and efficiently (52% of answers). Such positive opinions were again more frequent in rural areas than in large cities.

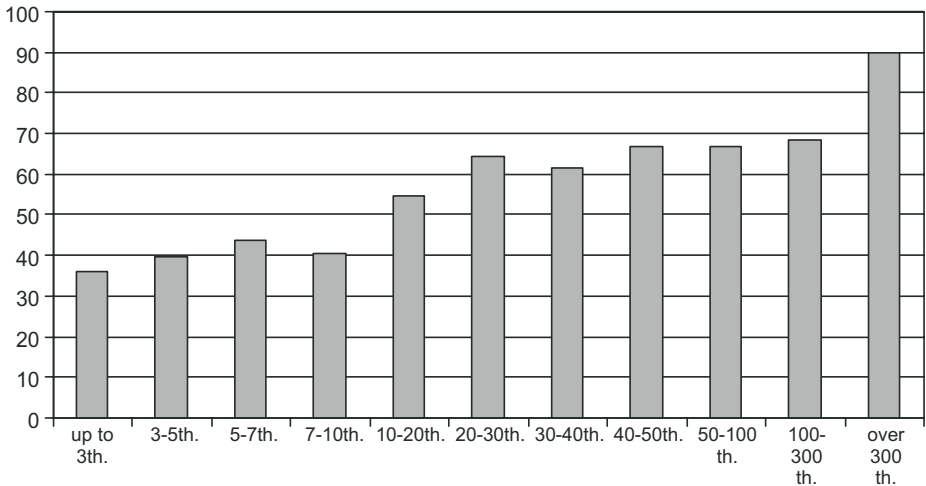
**Figure 6**  
 Citizen opinion on how well they have been treated  
 by officials in the town hall



The indirect measure of satisfaction with local government activity might be the turn-over among mayors after elections. Although in Poland the mayor is elected indirectly, by councillors, the electoral defeat of the group supporting him (or her) usually results in a replacement. It means that general election results are usually indirectly transmitted into an election of a new mayor. Taking into account this indicator, the voters evaluation of local governments in the last (1998) elections was not very positive. In municipalities of over 10,000, most of the mayors were replaced; in cities over 40,000, it was the case with over two thirds of the mayors and in the largest cities (over 300,000), all but one mayor was replaced (see Figure 7). It should be added that the turn-over among local mayors in 1998 was considerably higher than that of the 1994 elections.

But the pessimistic interpretation of this figure should be corrected by two factors. First, 1998 was the year of the first election to newly created governments of county and regional levels. Some of the former municipal mayors decided to run for new offices in higher tiers of government and some of them were successful. However, such cases, although quite numerous, have not exceeded 10% of the former mayors, so they could not change the general picture dramatically. The second, and probably more important factor (at least in the case of large cities), refers to the nature of the 1998 local elections, which for the first time during the last decade were mostly based on a partisan basis. In larger cities, but to some extent also in smaller communities, the voting behaviour simply repeated choices made during the central level elections - people voted for the same parties. Consequently, even locally, popular mayors

**Figure 7**  
Proportion (%) of new mayors after 1998 local elections  
and the size of municipality



had a low chance of survival unless they were supported by one of the two largest parties. But whatever the interpretation of the facts is, the turn-over in 1998 was very high and certainly the highest since 1990, when – in the first democratic election after the second world war – voters replaced over three quarters of all councillors and in cities over 100,000, more than 90% were replaced.

## **2. Citizens and local decision making – do they have a chance to make an impact?**

### **2.1 How local governments learn about citizen's perception? The mayors' point of view**

At the beginning of this section, we try to answer the question of what mayors think. Do they want to know citizens' preferences? And how do they try to learn about citizen's view? According to an LDI 2 survey, Polish mayors think that "being informed about citizens views" is one of the two (together with "procuring financial resources for the community") most important tasks they have. Among 15 different options, this task was selected as the most important by 25% of respondents and as the second most important by the next 9%. Procuring resources was indicated as the most important by 22% and as the second most important by another 24%. Among the three next most frequently mentioned, there is one more which relates to the citizens' participation in local governance – "encourage residents to be active in public affairs" (the two remaining which were most important were: "to implement electoral programmes" and "to concentrate on the long-term development strategy"). There is more evidence

that mayors think that being in touch with ordinary citizens is very important. As many as 93% agreed with the statement that “every mayor should find time to talk to citizens, even if it takes them away from other pressing tasks”. More than three quarters of mayors agreed that “active involvement of residents between elections is important in order to make local democracy work in my municipality”. The agreement on issues mentioned above was almost equally common in local governments of various size and geographical location.

At the same time, many mayors agree that “many councillors quickly lose touch with common citizens.” 38% of the respondents agreed with this statement, while slightly less – 35% - disagreed. The number of those mayors who believe that “councillors lose touch” is outscoring those believing in good contacts between representatives and local population in cities over 10,000 population. In communities of between 5 and 10 thousand people, the proportion of agreement and disagreement is about the same, while communities below 5,000 are the only category in which the number of those who believe in good contacts prevails.

There are a number of ways in which a mayor can learn the views of citizens. In the LDI 2 questionnaire, respondents assessed the importance of 10 possible methods. According to the results of the survey, the two most important methods are “organised meetings” and “personal contact with citizens.” When asked to choose the one most important method, over half of the mayors selected “meetings” and over one third “personal contact” (next in rank – “office hours” – was mentioned by only 3%). A similar pattern was repeated in all size groups up to 20,000 population, while starting from that point, the larger the city, the less important organised meetings are and more important personal contacts are. Knowing the nature of social life in big cities, we can assume that these answers mean that organised meetings are not very important and “personal contact” is in fact limited to the relatively narrow group of friends, colleagues and neighbours.

The number of answers “important” and “very important” are summarised in Figure 8. The figure allows for a few additional remarks on the specific pattern of learning about citizens’ views in large local governments. Together with the increased size, the importance of indirect sources such as local newspapers, local organisations, political parties and family and friends increases.

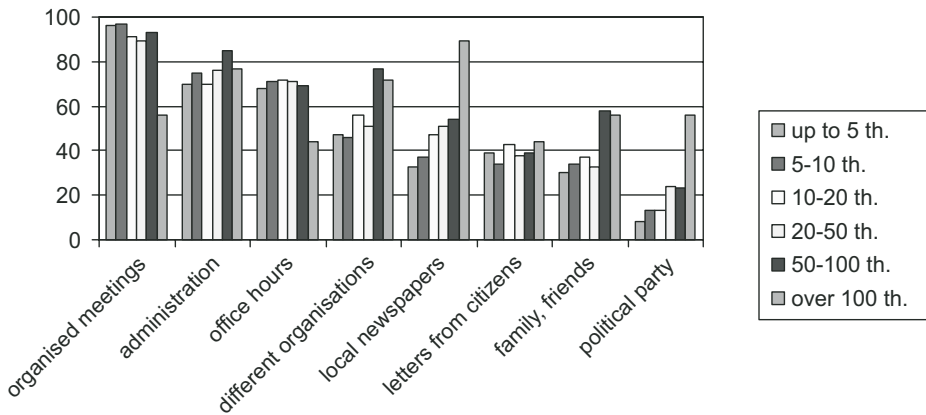
As has been explained above, local mayors think that learning about citizens’ preferences is very important to their job. But to what extent do they do this in practice and do they know how to learn? In 1999, over 200 mayors were asked what they were doing in order to improve the way citizens were served by local administration.<sup>7</sup> The results of this open-ended question suggest

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<sup>7</sup> Survey of 208 mayors ordered by the Gdańsk Institute for Market Economics and conducted by Polish Sociological Association in autumn 1999 as a part of research on institutional performance of local government administration (see Swianiewicz 2000)

**Figure 8**

What are the most important sources of information on citizen opinion?  
(mayoral answers - 1997, % of important + very important)



that mayors either had very limited knowledge of various techniques aimed at listening to their local public opinion or that the high attention placed on knowing citizens' preferences was just a verbal declaration. Trying to improve the functioning of local administration, most mayors concentrate almost exclusively on technical improvements (using computers, training of local staff, etc.). If improvement of communication between town hall and citizens was mentioned, it usually focused on the flow of information from local authorities to the general public, not the other way around. Less than 10% of interviewed mayors indicated activities focused on learning citizens' preferences, such as: regular registration of citizens' suggestions, regular meetings of councillors and town boards with citizens, and local public opinion surveys.

What is the result of the process of learning citizens' needs and preferences? Do citizens think that local authorities know their needs? The results of the USAID LGPP survey shed some light on this issue. 47% of respondents agreed that "local authorities know citizens' needs" while 31% were of the opposite opinion. Taking into account that local governments surveyed by the USAID were probably much more innovative than the national average, the result quoted – although not disastrous – is not very impressive.

## 2.2 Do (and how do) local governments translate knowledge of citizen's perception into local decision making?

The opinion of mayors about taking into account citizen's views while making decisions are ambivalent and not always coherent. When asked about groups of people whose opinion they feel is important to consider when making decisions, 79% indicated "all inhabitants in the municipality" as important or very important. Such answers were the same in local governments of all size groups. At the same time, 39% of mayors agreed that "local politics are often so

complicated that local residents can't really understand what it is all about" (only 27% disagreed with this statement).

To complicate the picture of the opinion of mayors even further, we can reiterate (from the previous section) that 76% believe that active involvement of residents between elections is important for local democracy. But 30% agree that "voting is the only way that local residents can have their say about what happens in local politics" (only slightly more – 37% — do not agree with this statement). Last but not least, 46% believe that "an average citizen has more influence on the way a municipality is run now than 3 years ago", while only 5% believe citizens' influence has decreased. All of these answers provide us with a not fully logical nor coherent pattern. We may only suspect that answers on some questions ("involvement of citizens is important", "citizens' influence increases") are verbal declarations reflecting willingness to be "politically correct", while some others ("local politics is too complicated", "citizens can only vote") reflect reality of a more elitist style of local politics and policy making.

### **2.2.1 Feeling of being represented**

What do citizens think about whose interests are pursued by local councillors and local authorities in general?

At the beginning of 1992 (Swianiewicz, Bukowski 1992), the largest group claimed local authorities mainly took care of their own interests, the next most frequent opinion suggested they were steered by local lobbying groups and only just over one in five believed that first of all they took into account all citizens' interest. In June 1993 (CBOS survey), the situation was somewhat better – the proportion of those believing in pro publico bono motivation slightly increased and the number of those claiming purely egoist motivation sharply dropped. The proportion of people believing in local councillors representing the general public was much higher in small communities and very low in big cities. In the latter case, a considerable proportion believed that local authorities represented their own political parties. Further details are provided in Table 7.

People with less education more often believe in the pro publico bono motivation (in 1993 - 23% with primary and 30% with vocational education against 11% of those with university degrees). Similarly, the highest believe in local governments' acting in the interest of most citizens is among respondents with a low level of income (in 1993 - 36% in the lowest income cohort against 18% in the highest income group).

Unfortunately, we do not have fully comparable data from recent surveys. However, some possibility to analyse the trend in the change gives us a slightly different question. In October 1989 (i.e., just before the local government reform), in June 1993 and in January 2000, CBOS surveys included a question: "do you think that in local authorities there are people who take care of interests of people like you?". Instead of choosing among different options and

**Table 7**  
Whose interests are first of all pursued by local councillors in your municipality?

	All citizens		Their own		Their political party		Lobbying groups		Don't know	
	02/92	06/93	02/92	06/93	02/92	06/93	02/92	06/93	02/92	06/93
Total	22%	24%	29%	19%	NA	15%	25%	10%	32%	22%
- rural community	34%	37%	NA	15%	NA	3%	NA	10%	NA	24%
- city up to 20,000	NA	22%	NA	18%	NA	9%	NA	18%	NA	25%
- city 20-100,000	NA	17%	NA	23%	NA	21%	NA	10%	NA	20%
- city 100-500,000	15%	15%	NA	21%	NA	24%	NA	5%	NA	22%
- city over 500,000		9%	NA	23%	NA	35%	NA	8%	NA	18%

indicating whose interests are taken into account “first of all”, respondents could answer simply “yes” or “no”. The result of this survey was relatively optimistic for local governments. In 1989, the pattern of answers was negative for local authorities – 28% said “yes” and almost twice as many (47%) “no”. In the 1993 survey 41% answered “yes”, 32% “no” and 27% had no opinion. In the 2000 results, this was somewhat improved again - 47% said “yes”, 41% “no” and 12% “don’t know” Moreover, the number of “yes” answers was larger than “no” answers in all community sizes, educational levels and income groups. This belief in representation of common people interests by local governments was much higher than in the case of regional governments (34%), central government (32%) or the Parliament (32%).

### **2.2.2 Feeling of influence**

Citizens’ opinions on their own influence are much more clear and more pessimistic than those expressed by mayors, although the direction of change is positive. In 1992 when asked about influence on the way the municipality is run, 85% declared they had no influence, 14% said they had little influence and only 1% assessed their influence as significant (Swianiewicz, Bukowski 1992). As is illustrated in the Table 8, the feeling of influence was much higher among those with a university education, in small local governments and among respondents with a higher than average income. In 1999, the number of those believing they influence local policies increased to 25% and in 2000 to 31%<sup>8</sup>. However, the number of those declaring no influence at all was still much higher (73% in 1999 and 67% in 2000). As was the case before, the feeling of influence is higher among people with higher education than among those with primary education. Similarly, the feeling of influence is still much more common in small rural communities than in big cities. In 2000, the difference between feeling that one has influence in small and large communities has been considerably smaller than in 1992 or 1999, but it is too early to determine whether this change has begun a new trend of changes. As one may expect, the feeling of influence is also higher among respondents with higher incomes, although the relationship is not very strong and much weaker than it used to be at the beginning of the transformation (1992).

It is characteristic that the feeling of influence on local policies, although not very common, is much more wide-spread than the feeling of influence on regional or central policies. In 2000, only 17% of the citizens thought they had any influence on regional policies and only 16% on policies important for the whole country (up from 11% in 1999). The more positive answers in small communities are characteristic of local issues only; the feeling of influence on regional and central matters is usually larger in large cities.

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<sup>8</sup> Both 1999 and 2000 data refer to CBOS surveys. Formulation of questions was not identical, (in 1992 – “Do you feel you may influence the way your municipality is run?”, in 1999 and 2000 – “Do you think people like you influence important issues in your municipality?”) - but close enough to allow for comparisons.



**Table 8**  
Citizens' feeling of influence in local matters.

	02/1992		06/1999		01/2000	
	"yes"	"no"	"yes"	"no"	"yes"	"no"
Total	15	85	25	73	31	67
Size						
- Rural	20	80	33	65	36	61
- City below 20,000	16	84	25	71	32	67
- City 20-100,000	13	87	20	79	29	70
- City 100-500,000	12	88	18	77	26	71
- City over 500,000			18	81	30	70
Income per capita(*)						
- Below 275 PLN	14	86	24	74	28	72
- 276-399	13	87	18	80	30	69
- 400-549	28	72	26	74	31	66
- 550-799	31	69	20	76	26	72
- over 799	33	67	28	69	40	58
Education						
- primary	9	91	22	73	21	76
- vocational	13	87	24	74	31	68
- secondary	19	81	26	73	36	63
- university	26	74	32	67	47	50

Sources: 1992 – Bukowski, Swianiewicz, 06/1999, 01/2000 - CBOS

(\*) – 1992 income categories were different (up to 100, 100-150, 150-200, 200-300 and over 300 Polish złoty), but the same number of categories allows for presentation of changes in the impact of this factor

Citizens' opinions on influence in local, regional and central matters are summarised in the Table 8 and Figure 9.

### 2.2.3 Forms of communication

#### • Local referenda

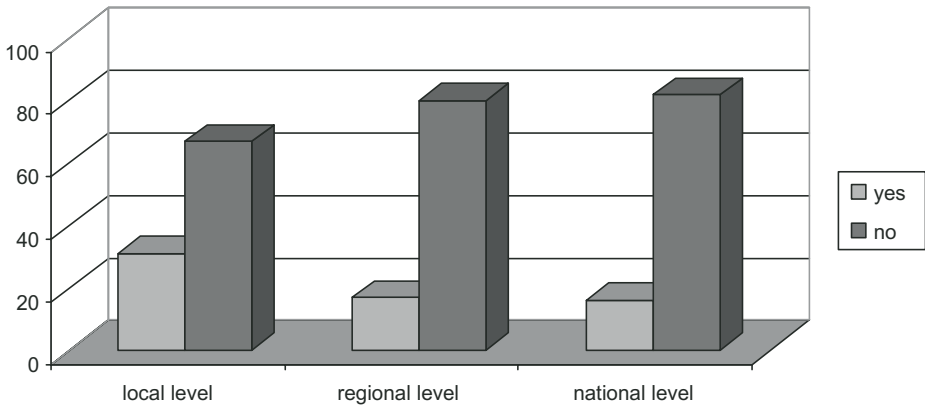
The large proportion of mayors questioned in the 1997 LDI 2 survey agreed that important local issues should be decided on in local referenda. Such an opinion was expressed by 45% of the respondents, while 29% of the mayors opposed this. As is shown in Figure 10, proponents of referenda prevail in small local governments (smaller than 20,000 population). In mid-size ones (20-50,000), the number of proponents and opponents is equal, while in larger cities mayoral support for referenda is much lower. That is somewhat surprising, since these are large cities in which learning the opinion of the electorate (in between election periods) is especially difficult and one may expect that these local governments should be especially interested in learning citizens' preferences in a direct way.

Polish Law on Local Government allows a body to organise referenda but it also indicates two situations in which referendum is obligatory:

- introducing additional local tax (the so-called "self-taxation" of citizens)
- dissolving the local council before the end of term

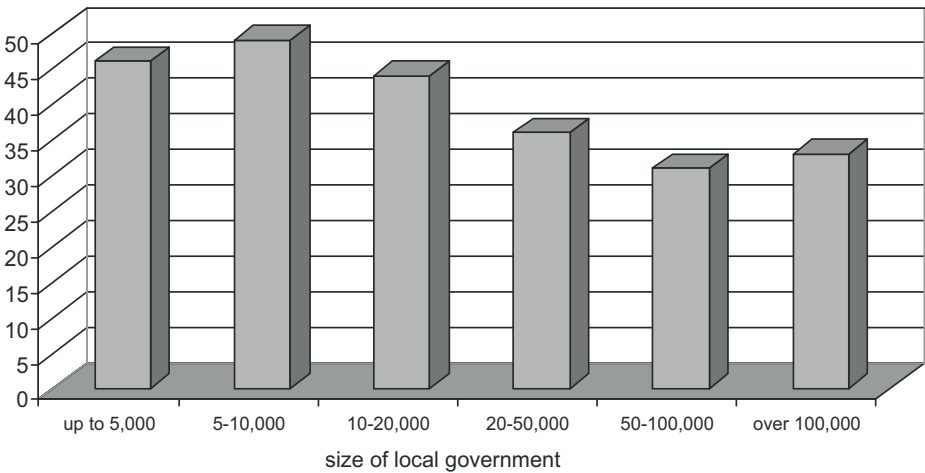
**Figure 9**

Do you think that people like you have an impact on important issues on a municipal, regional, national level? (CBOS survey of citizens, 2000)



**Figure 10**

Do you agree that important local issues should be decided by referendum? (mayors' opinions - pct of agree + rather agree, 1997)



In other issues, a referendum might be called by the gmina council or at proposal of citizens. The initiation of the referendum by citizens requires a written declaration of at least 10% of eligible voters, and validity of the referendum requires at least a 30% turn-out.

There is precise data available about referenda aimed at dissolving local councils. Between 1992 and the middle of 2000 there were over 220 such

referenda; this means that they happened in almost one in ten Polish gmina. A more precise analysis suggests three conclusions:

- as is presented in Table 9, the frequency of referenda gradually increases. In 1992, there were only 23, until 2000 their annual number was below 35, but between January and June of 2000, there were over 70 referenda aimed at the termination of the local council's term. It is difficult to say whether it is a result of the increasing disappointment with local government activity (the data presented in section 2.4. do not indicate such an increase) or perhaps of better organisation of opposition groups who are more and more efficient in mobilising local communities;
- recent referenda have also been more often successful (i.e., leading to dissolving the council and to an early election). In previous years, only between one in eight and one in ten referenda was successful, but in 2000, the success rate was one in six. Between January and June 2000 referenda led to dissolving of the same number of councils as during the eight previous years together.
- Until recently, such referenda were organised mostly in small and mid-size towns and cities – but not so much in the biggest cities (where mobilisation of a large electorate is difficult) nor in rural communities. However, after the 1998 elections, the tendency has changed and recently referenda against the council have been more frequent in rural areas.

The regional distribution of referenda to dissolve local councils has been very uneven. During the last term (after 1998), the most frequent have been referenda in the north-eastern (warmińsko-mazurskie region – referenda in almost one in ten gmina within less than two years) and the western (dolnośląskie and zachodniopomorskie regions) regions of Poland. On the other extreme

**Table 9**  
Number of referenda to dissolve a local council

	Total		Urban and mixed (urban-rural) local governments		Rural communities	
	Referenda	Successful	Referenda	Successful	Referenda	Successful
1992	23	0	13	0	10	0
1993	25	3	12	2	13	1
1994(*)	4	0	0	0	4	0
1995	34	1	27	1	7	0
1996	31	5	15	0	16	5
1997	33	3	17	3	16	0
1998(*)	0	0	0	0	0	0
1999(*)	10	3	2	1	8	2
2000(**)	72	12	28	3	44	9

*Comments: (\*) during 94, 98, and 99, because of a "close season" for referenda before and after local elections, legal possibilities to organise such referenda were very limited.*

*(\*\*) January-June 2000 only*

*Source: National Office for Elections (Krajowe Biuro Wyborcze)*

there are regions in the mid-western (wielkopolskie, opolskie) and south-eastern (małopolskie, podkarpackie) regions. It is a clear pattern that attempts at early termination of local councils' terms are the most seldom in regions with the highest turn-out, the most stable population and the largest traditions of self-organisation.

Unfortunately, precise statistics on other types of Polish local referenda are not available, but – despite mayors' verbal support for the idea of a referendum quoted above - they are certainly less frequent than those aimed at dissolving local council. Without any numbers, we can also say that the most typical local referenda have been dealing with:

- “self-taxation” of the local population. There have been several cases in which the local population have decided (through a referendum) to pay additional tax in order to improve the quality of the household waste collection. Regulski (2000) provides a description of the first such referendum organised in 1991 in the rural gmina of Pobiedziska. The turn out in that referendum was 56% and 76% of the voters approved self-taxation for improvement of waste collection;
  - the location of controversial investments such as solid waste disposal plants. Some of them were organised to block the new investment, others to confirm approval for the agreement (contract) signed between the close city and a suburban rural gmina, which agreed on a location of a plant within its territory;
  - a division of a gmina into two (or more) separate local governments;
  - during the 1998/99 regional reform to exert pressure on central government to change planned regional or powiat borders.
- **Decentralisation within local government**

A Polish gmina, being relatively large, provides space for decentralisation within local government. It concerns both rural communities, where decentralisation of some decisions to individual villages could have a place and big cities which might be divided into smaller districts (boroughs). The Act on Municipal Governments provides a space for such a decentralisation to what are called “auxiliary units.” Their existence and powers depend almost exclusively on the gmina (municipal) council. Such a decentralisation can significantly broaden the number of citizens involved in decision making on local public issues.

In rural areas, there is a very long tradition of limited forms of self-government led by the meeting village head (soltys) elected by local citizens. However, although village and district councils exist in almost all local governments, municipal councils are usually reluctant to transfer considerable amount of discretion to them. Nevertheless, there have been some examples of innovations in this respect both in big cities and in small, rural communities.

The city of Krakow provides one of the most interesting examples of such a decentralisation policy within the big city. The Krakow city council decided to divide the city into 18 districts. They have been given a discretion to decide upon certain functions including:

- repairs in primary schools, kindergartens and nurseries;
- repairs of local roads, pavements and street lighting;
- modernisation of playgrounds for children;
- taking care of local green areas; and
- staging of local cultural events.

The city council also approved rules related to the stable method of financing decentralised functions. A separate resolution by the council of Krakow city created a stable framework for the support of small investment projects (such as construction and modernisation of water and sewage systems) initiated by neighbourhood groups.

The role of village self-governments is usually larger than that of auxiliary units in the urban areas and the National Association of Village Heads (Krajowe Stowarzyszenie Soltysow) is a relatively influential lobbying group. It is quite common that many rural local governments leave some small portion of their investment budget at the disposal of individual villages. A very good example of far-reaching decentralisation in rural areas can be provided by the rural gmina of Brzeg in the Opole region, which has even decided to transfer part of its communal property to individual villages (Zell 2001). Villages in this gmina are allowed to keep part of local budget revenues (such as 100% of revenues from the tax on agriculture) and are responsible for some services such as transport of their children to local schools, local street lighting and maintenance of local roads.

#### • **Other forms of communication**

There are some other forms of communication between local authorities and citizens which are prescribed by law and which – as a consequence – provide a channel for citizens to influence local decision making. The most important forms of such communication include:

- obligatory consultations over some local legal acts, including land use plans. They need to be publicly available well before they are formally approved by the council, so everyone has an occasion to submit questions, protests, etc.;
- according to the Law on Local Government, council meetings are open to the public so citizens may participate in them and be updated about council plans and decisions;
- regulations on meetings of the council committees are not so clear, and it happens quite often that their meetings are closed to the public. On the other hand, the Law allows that up to 50% of committee members may be

## BUILDING BETTER QUALITY ADMINISTRATION FOR THE PUBLIC

recruited from outside the council. This clause is frequently used and in that way the forum of discussion of important decisions is widened;

- The Local Government Act states that “a councillor is obliged to represent his/her voters, to be in touch with citizens and their organisations, to listen to their opinions and to pass them to local authorities.” The Act does not precisely state the form of these contacts, but the practice of nearly all local governments is that councillors have official, regular hours during which they are available to citizens. Also, most of mayors have a few hours every week during which they are available for individual meetings with citizens;
- both the Local Government Act and the Public Finance Act state that “local government finance is open to public knowledge”. This means that the budget and other important decisions concerning local finance are publicly announced.

It is a common opinion that regulations concerning availability of information on public authorities' activity are not precise enough and there are plans to adopt a special law on public access to government information.

Other forms of communication such as surveys of public opinion, public meetings, public hearings, mail boxes, etc. are not obligatory, and although they are used by local governments, it is impossible to find statistics which would show how popular individual methods are. We can only provide some examples from local governments who are especially active in this field. Interesting cases are provided in the report summarising relevant experiences of municipalities involved in the USAID Local Government Partnership Programme (Wiktorowska 2000). One of the most comprehensive programmes of communication has been developed in the towns of Namysłów in Southern Poland and Nowa Dęba in South-Eastern Poland. The programme includes, for example, the following elements:

- preparation of a catalogue of services provided by the local government (both printed and a web-site version);
- improvement of the system of information for citizens through a notice and information point;
- regular meetings of councillors with voters;
- regular meetings of the mayor with neighbourhood groups and with various occupational groups;
- special telephone lines to executive board members;
- monthly programmes in local television with a possibility for citizens to ask questions by telephone;
- improvement of communication with local media;
- surveys of citizen opinion;
- a survey consultation of the budget proposal and a programme of local investments;
- a survey of citizens satisfaction with the way they have been treated in the town hall;

**Table 10**  
Frequency of information sources

Did you use any of the following sources of information during the last year?	Percentages of responses 'once' + 'twice' + 'more than twice'					
	CITIZENS		NGOs		BUSINESS	
	1999	2000	1999	2000	1999	2000
- Press publications regarding municipal affairs	58.2	58.7	NA	NA	NA	NA
- Meetings with councillors, members of the executive board	27.2	25.0	61.6	60.6	32.0	42.1
- Open meetings organised by the municipal office	24.1	22.8	62.7	60.2	27.9	33.9
- Budget presentations for the next year	17.2	12.6	45.7	35.5	27.2	26.4
- Announcements, minutes or protocols of council meetings	14.9	13.2	47.6	39.8	19.4	26.8
- Meeting of the council	13.1	12.9	41.1	42.5	15.0	20.9
- Municipal information centre	11.0	8.7	22.4	31.1	12.3	16.9
- Surveys conducted by local government	10.3	13.5	11.0	24.6	13.0	20.1
- Press conferences	NA	NA	18.7	16.9	11.2	12.2
- Meetings of council committees	9.0	7.7	32.9	30.8	10.9	10.3
- Regular meetings (meetings, dinners, trips and/or mutual visits)	NA	NA	29.4	26.2	9.2	18.9

Source: USAID LGPP survey in 10 local governments

Note: Number of respondents: 1999 - NGOs n = 211, Business n = 294, Citizens n = 2531; 2000 - NGOs n = 257, Business n = 254, Citizens n = 1240

**Table 11**  
Evaluation of media frequency use

I learn about local government activities from...	mean	very seldom	seldom	sometimes	often	very often
- Local press	1.9	17.6	18.1	28.1	26.0	10.2
- Local TV	1.2	38.8	20.6	23.5	13.8	3.4
- Bulletin boards	1.0	47.1	21.9	20.4	8.8	1.9
- Local radio	0.8	57.5	19.6	13.5	6.6	2.9
- Information materials distributed by local government	0.8	57.0	18.7	14.7	7.5	2.1
- Conversations with council members	0.5	75.4	11.1	8.2	3.7	1.6
- Conversations with office clerks and authorities	0.5	68.4	15.1	11.3	3.6	1.6
- Open meetings	0.3	80.4	10.4	6.5	2.1	0.7
- Internet	0.0	94.3	3.5	1.2	0.5	0.4

Source: USAID LGPP survey in 10 local governments

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- a regular analysis of articles discussing the issues of the town of Namysłów in the local and regional press;
- mail-boxes in the town hall and central places in the town;
- intensification of consultations with local NGOs.

The last item is worth broader comment. An intensification of co-operation with local NGOs is worth separate mentioning. Before 1990, the number of NGOs existing in Poland and the scope of their activities was extremely limited. In 1989, the number of foundations (one of two basic forms NGO organisations in Poland) was 277, while in 1996 that number increased to almost 6 thousand (Wynanski 1998). Co-operation with NGOs in providing many vital services (mostly in social services area) has been a clearly new trend in many local governments during the last few years. The first complex programme of co-operation was prepared in Gdynia in 1995. Between 1993 and 1996 the proportion of NGOs receiving support from local governments increased from 16 to 29% (Regulski 2000). An increasing number of politicians are aware that many tasks may be provided by NGOs better and cheaper than by local government in-house service delivery units. However, despite a very clear trend, a good co-operation with NGOs is still proof of an innovative approach rather than a rule concerning most of local governments.

The other noteworthy means of communication is the increasing use of the internet by local governments. Among 326 cities having the status of regional or county capital, there is not single one which does not have a web-site and having a www site is quite frequent among smaller towns as well. A very small number of them are operated by commercial companies, but the vast majority are operated by the local administration itself. The shape and graphic form of web-sites varies from very simple to extremely rich and sophisticated. Most of them are focused on providing up-to-date information for potential investors or tourists. For example, on the web-site of the winter resort of Krynica, one can check daily information on the weather forecast, snowfall and skiing conditions on all major ski-lifts as well as a rich database on available accommodation. However, on city web sites, there are also examples of information addressed towards citizens, such as a precise catalogue of services, the possibility to download forms and experiments with collecting feedback information from citizens through the internet. This means of communication is certainly very promising, but although the situation may change rapidly in the future, one should notice that presently, only a small margin of citizens declare that they use the internet as a source of information in their local government activities (compare Table 10).

Most of the citizens agree that local authorities try to inform them about activities undertaken. In June 1996, in an OBOP survey, 53% of respondents expressed such an opinion, while the opposite opinion was shared by 31%. What are the most important sources of information for local citizens? The USAID investigated this in its LGPP survey conducted in 1999 and 2000 in ten



local governments. As can be seen in Table 16, the most frequent source of information are press publications (about 58% of citizens claimed to read them at least once). The second most frequent source of information for citizens were meetings with councillors or with members of the municipal executive board (about 25%). Other sources of information are used by a relatively small percentage of citizens. Employees of NGOs declared a much more frequent use of all sources as compared to citizens. As compared to the other two groups (citizens and local businessman), employees of NGOs rely mostly on the official channels of information dissemination by the town hall.

This pattern of information sources is not very different from the one described a few years earlier (i.e., in 1993) by the survey conducted by CBOS. According to this survey, the most common sources of information on local government activity were: private contacts with friends and colleagues (78%), local press (56%), local/regional television programmes (42%), public announcements of local governments (35%), and organised meetings with councillors (15%).

The separate set of questions asked in the LGPP questionnaire allowed for an identification of a relative strengths of the different media that are at the local government's disposal (Table 11). Clearly the most powerful type of media is the local press. Thirty-six percent of respondents reported that they gain such information often or very often. Several other sources (local radio, information materials distributed by local government, conversations with council members, conversations with office clerks and authorities, open meetings, internet) are used rather seldom. More than eighty-six percent of the citizens rated their use as 'seldom' or 'very seldom'.

Analyses based on the USAID LGPP survey revealed a positive correlation between the evaluation of the local government office and a declared level of being informed. This correlation held, even when we controlled for perception of economic well-being. That means that the more informed people felt, the higher they rated their local government, regardless of their economic situation.

## **Conclusions**

What is the overall picture of the relationships between local authorities in Poland and the general public? The most important findings may be summarised in following points:

- the variation between small and large administrative units. Local governments vary significantly one from another. There is a very clear pattern of differences between rural communities and small towns on the one hand and large cities on the other. Citizens in small communities are of a much better opinion about their local governments – they trust them, they are more often satisfied with their activity. They also feel better informed and they are more widely involved in local public issues (this includes more frequent participation in local elections).

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- the regional pattern. In issues on which we have regional variation data available (the turn-out in local elections, the turn-over of mayors, opinions on corruption in local government, opinions on the way customers have been treated in the city hall), better results have been noted in regions with more civic traditions and better developed civic society (South-Eastern and Mid-Western Poland) than in those in Central, Eastern and Northern Poland. It is worth noting that regional variation in citizen opinion is very close to the regional variation in the actual performance of local government administration (Swianiewicz 2001a).
- the impact of education. Public opinion differs also depending on the level of education. In general, those with university degrees are of a much better opinion of local government activity; they trust local authorities more. But they are also more critical – they are more often aware (or afraid of) corruption at the local level, and they also more often suspect that not all councillors try to act in the interest of the general public.
- the change over time. What has been a general pattern of change in public opinion on local governments during the last decade? First of all, there was a dramatic improvement in the level of trust and in the level of satisfaction with local government activity shortly after the radical decentralisation reform in 1990. The pattern of public opinion has remained relatively stable since then. However, we can identify some issues where we have observed slow, stable improvement of the public opinion throughout the whole decade. A slow improvement in the citizen feeling of influence on local public issues and a slowly increasing belief that local councillors are taking into account interests of “usual people” provide just two examples of this positive trend. A constantly increasing fear of corruption in local governments is the only identified example of a negative change in the public attitude. 1995/96 was a pick of positive opinion on some issues. It was a moment of the highest general level of trust in local governments; the opinion on local corruption started to significantly worsen since then as well. It seems that the same period marked the end of the “honey moon” in the general picture of local governments in the national press, radio and television. In the first half of the nineties, there were many critical articles or TV programmes on individual local governments but the general opinion on the decentralisation reform was almost always very positive. In the second half of the decade the tune of media became more diversified. The question as to whether the change of the media picture influenced some aspects of the public opinion or vice versa is very difficult to answer and reminds a chicken and egg dilemma.

The general picture presented in this chapter suggests that people in Poland relatively often trust in local government, like it and are relatively satisfied with its activity but at the same time they do not think local government is very important for their lives. They are not very much interested in learning about local government activities and also not very willing to be active in local public issues. In the CBOS 2000 survey, only 22% of respondents answered positively

to the question: “during the last few years, have you ever tried to do something for the benefit of your community, district, village, town?”, and most of these positive questions related to activities undertaken for small neighbourhood groups. Such positive answers were given by respondents with higher education much more often (43%) than by those with primary education only (12%). Taking the risk of some simplification, this picture might be summarised as sympathetic disengagement – most of the people like decentralisation but do not care very much for local governments, do not think of it as very important for their everyday lives and prefer to stay aside. One may suspect that this situation is quite convenient for many local politicians. There are not too many signs that they try to involve the general public in public issues and the decision making process. Obviously, there are exceptions to this rule (some of them described in the chapter above) but, despite verbal declarations on the importance of close links with voters, for most local authorities, communication with the public is seen as a one-way street – local authorities try to inform the general public but learning about public preferences does not seem equally important.

The two stages of the decentralisation reform (1990 – introduction of local self-government on a municipal level and 1998/99 – introduction of the powiat and regional tiers of self-government) were introduced from above by politicians pushed by influential groups of experts. It does not mean that decentralisation was not supported by the public; on the contrary, citizen opinion, although fluctuating, has usually been positive for reforms. But with very few examples, there was not any strong pressure from below that demanded changes in the local government system.

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OBOP (Ośrodek Badania Opinii Publicznej – Tailor Nelson Sofres OBOP Public Opinion Research Centre) bulletins - based on a representative sample of the adult population (usually the size of the sample is 1000-1500).

LDI survey – a survey of mayors in Poland, Czech Republic and Slovakia organised in 1997 as a part of the Research Project on Local Democracy and Innovation. The Project was sponsored by the Norwegian Government and coordinated by Harald Baldersheim from the University of Bergen. The size of the Polish sample – 521.

USAID - LGPP survey – a survey of 10 municipalities involved in the USAID Local Government Partnership Project, conducted in 1999 and 2000. The size of the sample: for citizens – 2531, for local businessman – 294, for NGOs representatives – 211.

P. Swianiewicz, J. Bukowski (1992), – survey of over 1200 citizens ordered in February 1992 by "Wspólnota" – weekly local government newspaper. Data quoted in this chapter has been taken from the Swianiewicz, Bukowski paper describing results of the survey.

## **Performance Management System of Public and Private Sector Organizations in Russia: Comparative Research**

*Tatiana V. Zaytseva Ph.D.\**

### **Abstract**

Development of a performance management system in Public Administration in Russia became one of the core objectives of the latest attempt of Public Administration Reform. The paper contains the description of the comparative research of performance measurement systems in Public and Private sectors in Russia in order to evaluate weak points of the approach used in Public sector called “attestation” and to outline possible ways of improvement.

### **Introduction**

The new stage of economic reforms in Russia stimulated the next (already third) attempt of Public Administration Reform since the year 1990. Two previous attempts were concentrating on three main broad sets of concerns:

- To improve government ability to implement legitimate policies;
- To make government a responsible employer;
- To enhance the respect provided to government from the business and from the public.

Low level of respect from the public and intensive criticism of quality of service of Civil servants switched the focus of the reforms to the “Human factor” of state governance. The quality of service delivered to the public and the level of professionalism and expertise of civil servants became the core concerns of the latest attempt of reforms that started in year 2000.

Additional reasons, which made the situation with Civil Service more critical, were inappropriate level of professionalism of civil servants and the distribution of their ages. According to official statistics data, only 1/3<sup>rd</sup> of civil servants has diploma in Public Administration or relevant field and only 1/5<sup>th</sup> part of them – diploma in jurisprudence.

The main attention of the new reform conception was devoted to the improvement of the efficiency and effectiveness of service provision through the development of merit system and performance management system closely linked to the more explicit identification and management of accountability principles.

The attempt to start reforms in this area faced a lot of constraints and resistance. The implementation of the new approach to performance management of civil servants in Russia meant radical changes in the whole ideology of

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motivation leading to high quality and to productivity. The performance management system during the socialistic period was based predominantly on the evaluation of individual characteristics and qualification in the contrary to the “western approach”, where core principles of the whole system were and still remain predominantly results and job performance. More generally we could say that in most cases the “socialistic system” was trying to create a special type of a worker (civil servant), who would work with excellent results in any circumstances. “Capitalistic approach” in most cases concentrates on the creation of a special type of a system that will stimulate any worker to show best results and performance.

At the same time the increasing tension from commercial structures and public facilitated rapid changes in this sphere. As a result, President of Russia signed in August 2001 the Decree on “General Directions of State service Reform”, where the introduction of merit system and performance management is announced as a core concept. The latest version of the Law “About the system of State Service in Russian Federation” has some articles devoted to performance measurement and quality of Civil Servant’s work.

### **Description of the research procedures**

Objective of this paper is to describe the comparative research of performance management systems in Russian Public and Private organizations in order to outline preferred directions for change to be considered in the process of Reform. The main hypothesis was as following: Performance management system of Russian public organizations does not have enough relevant instruments to manage the employee performance in comparison to private ones.

The analogue of performance appraisal system in Russian public organizations is called Attestation. Attestation is defined as a procedure that helps to evaluate the level of professionalism and expertise of civil servants.

To compare the system of Attestation in Public sector and Performance Appraisal System in Private one we concentrated our attention on the analysis of different documents that are regulating these activities in organizations. The procedure of Attestation is covered by the number of following documents: the Law “About the system of State Service in Russian Federation”, “The Law about the Attestation of Civil servants”, and set of different rules, developed in the Ministry of Economy and the Ministry of Labor.

Performance Appraisal system in private companies was examined through the analysis of employee manuals of 19 Russian commercial organizations; sets of internal documents, such as instructions on “How to conduct Performance Appraisal”, “Regulations “, internal forms and questioners used for performance appraisal. To make the comparison following key areas were outlined:

- Goals
- Methodology

- Procedures
- Instruments
- Indicators
- Implementation of results.

### **Main findings**

There are a lot of approaches in the area of performance measurement in public sector in Russia. Many specialists consider that public management is somehow “different”, that the same rules and instruments that are applied to the private sector could not apply to the public one, or at least not in the same way. For instance, government agencies don’t have a bottom line or profit margin. But recent efforts, as this study shows again and again, attest that this is not true. Bearing in mind some key differences in the nature of Public and Private sector management, we still should consider the best practice in both areas and adopt it for the benefit of both systems. For instance, following the example given above, the bottom line for most government and commercial organization is equal, and it is their mission – what they want to achieve. Both government and private organization have to resolve one question: how to include customers, stakeholders, and employees in their management efforts – to reach the balance among the needs and opinions of all these groups.

New economic reforms facilitated rapid changes in the private sector in Russia. Private sector organizations have already successfully developed some set of their own policies and management techniques that are helping them to compete effectively, raising the quality the work of their employees and their profitability. On the other hand, attempts to replace the old management system in Public sector constantly face problems closely tied to the lack of relevant instruments adopted to the unique culture and traditions of our country. Despite the fact that Russia spent already more than ten years moving to the market economy, traditions and approaches of socialistic economy are still strong. And they remain more or less immovable in the area of performance management in public sector, starting with the question: who is the customer, and finishing with the question: how to reach better performance and quality of service of Civil servants.

As we have already mentioned, traditional system aimed to facilitate better quality and quantity of work of civil servants in Russia is the system of Attestation. Let us underline again that attestation is defined as a procedure of definition, monitoring and evaluation of professional, management and personal characteristics of civil servant, verification to what extent they meet requirements of their job. There are two main objectives of attestation outlined in the Federal Law “About the system of State service in Russian Federation” (article 24):

1. To verify to what extent a Civil servant is meeting requirements of his job.
2. To confer or to increase the qualification grade (directly tied with the payment grade).

Attestation is usually used to reach the following main goals:

- To create a pool of professional Civil servants with high level of knowledge and expertise;
- To assess a potential of best performers for appropriate succession planning;
- To increase the level of responsibility and discipline;
- To introduce merit based payment system;
- To withstand corruption.

Attestation is carried out by the Attestation Committee, which is usually formed by the Head of a governmental body. Civil servants should participate in attestation procedure not often than once in a year and not rare that once in four years.

As it was already outlined, results and performance of civil servants were and still are evaluated through the level of their qualification. During the soviet times the problem of performance was partially resolved through “socialistic competition” and management of the incentives of civil servants performance. This approach is not yet reviewed.

Without going in details of research process, let us summarize main findings of our study. Main differences of performance measurement systems (PMS) in organizations of both property types are as following:

### **1. Private and public organizations have different objects of PMS.**

Private: Individual effectiveness in terms of achieved quality and quantity of results

Public: Individual level of qualification and professionalism.

We can assert that there are different objects of performance management system in the companies of different property type. Private companies can not receive their mission by managing in vacuum. More specifically, the roles of customer, stakeholder, and employee in an organization’s day-to-day performance are vital to its success – and must be incorporated into that success. So, private companies have to manage performance as the unending process, receiving better results on less pay.

In government organizations in Russia customers are still not taken into consideration. We should also bare in mind that usually public organizations have more than one mission and at least two types of customers. For example, Ministry of Energetic has both an enforcement and service mission – and consequently different customer bases. In order to avoid conflicts among missions, special system of mediated performance management was elaborated. This system keeps high professional standards but is not fully connected with the day-to-day results. At the basis of this system are the approaches to classifying, paying and promoting staff. Instead of concentrating on outputs or outcomes, financial results, service quality or client surveys on customer satisfaction, this system measures the level of professional qualification as an



integral attribute evaluating the preparedness to show high results on service quality, outputs and outcomes, etc.

This approach requires the policy that builds linkages between qualification and compensation, and not between compensation and effort as it is in private sector. The whole procedure is build as a kind of examination to identify and to measure how good the skills and knowledge of personnel are adopted to their jobs. In this scheme difference in work performed, responsibilities assigned are not evaluated as core features, but are incorporated in the measurement of achieved qualification.

## **2. Different measurement indicators.**

Private: Individual efforts and value of undertaken activities.

Public: Accumulated skills and knowledge.

Another crucial difference exists in the question of specific indicators. Private companies tend to measure both tangible and intangible fields of activity. The main indicators usually are level of customer satisfaction, level of efficiency, quality and quantity (such as completion) characteristics, timelessness and costs. In other words, the aim of the performance measurement system in private organizations is to cover an organization's total span of activities and expenditure.

In public sector organizations main indicators are level of collected experience (which is usually substituted by seniority) and accumulated skills and knowledge. Civil servants are expected to develop constantly their skills and knowledge to better correspond to real line job requirements. Professionalism (in this case - knowledge of the content of the job), creativity, organizational and management skills are valued as most important among performance measurement indicators. It means that employees have to prove their qualification and also receive testimony from their colleagues and Attestation Commission.

It could easily be seen that those indicators are static by their origin and do not guarantee results. Nobody is going to doubt that effectiveness and performance of civil servants and success of public organizations as a whole rely on the skills and qualification of there civil servants. But received qualification does not guarantee that the employee will use this qualification during fulfillment of his duties. However, these important quantitative measures say nothing about the quality of the service and work.

The general trend on performance measurement system in private sector changes its orientation on more extensive measurements. Measurements include more levels, more fields of coverage and more management functions. At the same time the Russian approach to appraising civil servants remains unchanged since soviet times.

## **3. Different measurement cycles.**

Private: Once a year.

Public: Approximately once in four years.

Both systems also vary on different adopted measurement cycles. In private sector performance appraisal is done not less than once a year. Results of performance appraisal are closely tightened with the financial management cycles: budgeting, reviewing and evaluating.

According to the “The Law of attestation of public servants”, attestation procedure for the civil servants is held not often than once in two years, and not rarely than once in four years. This frequency is related to the main outcome of the attestation, namely grade adjustment. In reality attestation is done once in four years with one exception. An administration can use the procedure as a tool to ground a dismissing.

#### **4. Different impact on finance management results.**

Private: Performance measurement takes into consideration financial efficiency.  
Public: “Attestation” results have no direct correlation with financial efficiency.

Both systems also have different impact on finance management results. As discussed above, according to traditional Russian approach, attestation is done usually once in four years. Results of attestation are not connected with annual financial results of an organization, although financial efficiency should remain as the main concern of each organization. As a result financial aspect of public sector outputs is lost during the attempts to reach high results in managing civil servants performance. We can assert that financial and technical efficiency is likely to be enhanced only if real competition and competitive pressure exists. Public organizations need to be subjected to real and ongoing competitive pressure.

In reality we do not have any competitive pressure from the internal market in the case of public sector management. Ministers and other public bodies do not fight with each other through financial efficiency. Questions of financing are usually solved through bargaining, lobbying and other political instruments.

#### **5. Different outcomes of the performance management process.**

Private: Best results – best pay.  
Public: Best qualification – best pay.

We also could see those performance management and measurement systems in private and public organizations have different outcomes. Commercial organizations tend to build such performance management system that will allow to pick out the best performers and to create direct correlation between results of each financial year and individual pay. We could say that direct dependence between individual efficiency and individual pay is the core feature of performance management system in private sector. Performance appraisal is always done at the end of each financial year and considers both joint and individual results of a company and its employees. Three main steps of performance management system, namely setting of individual performance plans, intermediate assessment and summing up are directly tightened with main activities of Finance Management: budgeting, reviewing and evaluating.

In public organizations the main outcome of attestation process is to set up a correlation between the level of identified qualification and the level of pay. The level of pay is directly tied to the grade level of civil servant and is determined by the qualification grade (identified through attestation) and seniority. This system classifies positions according to differences in required qualification and responsibilities and ranks these positions into occupational groups. Each group has unified salary schedule and is called grade. There are from 14 to 17 grades in Russian so called “budget organizations”. They are the same in all the economic sectors and regions of Russia. It means that there are no adjustments based on cost-of living analysis and differences in industry branches. Each grade contains a flat salary amount and does not contain incremental steps inside. To change the amount of salary civil servant has to receive the grade change. As discussed above, employees typically receive grade change after attestation once in four years. In practice the progress through increments is usually done automatically due to their length of service.

It could easily be seen that this approach result in very rigid and standardized system of performance related pay. Ideally those grade changes should depend on annual results and individual achievements and not on qualification and level of technical expertise. It means that now monetary incentives stimulate Russian civil servants to compete internally for higher qualification grade and not for the best results and quality of their job.

#### **6. Different status of information on performance.**

Private: Information on performance is the basis for actions.

Public: Information on performance is the basis for recommendations.

The last but not least difference identified during our research shows us that there is a limit of reporting mechanisms and different status of performance information in public organizations compared to commercial ones. First of all, according to the Law results of Attestation could be used only as a basis for recommendations from Attestation Committee to managers. In case of positive attestation results qualification grade of civil servant is either confirmed or raised. If results were negative, Attestation Committee should prepare the set of recommendations on how to enhance the level of professionalism and expertise of this employee. But his grade could not be degraded.

We also should mention that information on performance of public servants is usually difficult to collect. It is difficult to obtain any feedback from the customers in the case of public service. There was very complicated system of stimulating this feedback through “books of complaints” during the Soviet era. According to this system each organization should have had “book of complaints” easily available to everyone where people could put their positive or negative comments on quality of civil servants service. All the comments were accurately accumulated and considered during attestation process. After the Perestrojka this system was destroyed and not replaced by alternative forms of communication with the public like for instance user surveys.

There is also no instrument to keep customers informed. Traditional annual reports that are widely spread in commercial organizations do not exist in public sector in Russia. And those that exist, for instance government reports, are closed to the public. The outcome of this problem is the lack of easily recognized body of measures of public sector efficiency. That builds serious obstacles to involve everyone in the process and to provide clear, concise guidance to make the system work.

The other side of this problem is how to keep civil servants informed on their results. The more limited set of indicators, the higher the chance of having dysfunctional effect. It is difficult in this situation to guarantee that performance data will mean something to those that use them and to assign accountability for results.

A lot of countries use “user surveys” to measure public service performance. Surveys are conducted on ad hoc basis. More recently, more systematic customer feedback systems including annual questionnaires are established. These systems allow monitoring and measuring service quality and reaching continuous improvement, promoting communication between parties.

There is a significant limitation in using performance information in public organizations compared to commercial ones. Private companies establish the system with budget and performance related pay. They use very complicate system of measures and indicators that allow to reward employees for personal success. Crucial role is played by monetary rewards in comparison to non-monetary means. Employees can feel this direct dependence between individual effectiveness and pay while receiving annual bonuses and changes in pay.

The lonely instrument which allows building some correlation between success and paying in public sector in Russia is a grade change. As discussed above, Attestation is being used to measure individual level of qualification of civil servants. Results of attestation influence the grade changes of an employee.

### **Conclusion.**

This paper has reviewed established differences between performance measurement systems in Russian public and private companies in order to glean lessons for future change during Public Administration Reform. The position assumed here is that changes should orient on building more flexible and sensitive instruments of performance management and measurement. Achievements of private sector performance measurement system clearly supply us with possible instruments and inform about activities to be taken.

Weak points of the prevailing approach to performance measurement in Russian public organizations, identified in our research, illustrate the pressing necessity to reform existing system. Such efforts should be based on the suggestion of new performance indicators based on results versus qualification, which are used as a basis to measure actual performance achieved by public service employees against objectives specified. Major improvements in efficiency and effectiveness are claimed for such approach.

## **The Experience of Local Governments in Slovakia with Communicating with the Public on Public Services Quality Issues**

*Magdaléna Bernátová, PhD.\**

### **Abstract**

Local governments in Slovakia have not been widely involved in using quality assessment instruments (ISO 9000, Citizens Charters, CAF) up to now. However, several issues/criteria of these assessment methods have been improved by several local governments, although the single word “quality” does not act as a frame for the activities of most of these bodies. Nevertheless, such aspects of quality as understanding public needs, technical improvements in delivery of public services, transparency, and drawing up development plans are becoming more and more important for “enlightened”, innovative local government. Also, citizens are becoming more active in that they are organizing themselves into citizen associations helping local governments to fulfill their roles of building or improving services that are most lacking in their villages or towns.

In this paper, one aspect of improving quality for the public and communication with the public will be discussed. Several types of communication with the public - providing information, education, consulting, and participation - will be discussed, while innovative cases from Slovakia for each type of communication will be presented. The focus will be put on communication with the public during pursuing and implementing the quality of public services and drawing up and implementing public policy.

### **Providing information for the public**

Providing information is a key precondition to any type of effective communication, for achieving quality in public administration focusing on customer satisfaction, and for a good relationship and trust between local government and the public.

Several categories of information should be presented to the public in order to raise quality issues (quality standards, quality culture) in local governments, at the very least:

- what services are provided by local governments, when, where, and to whom;
- what are the standards of the services provided.

Forms of information concerning quality issues could be:

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## BUILDING BETTER QUALITY ADMINISTRATION FOR THE PUBLIC

- local government newspapers – these are becoming the most important and often the only printed communication channel of many towns and villages in Slovakia;
- leaflets with information about particular services – charts, prices, accessibility, quality standards;
- brochures – with comprehensive information about local government services, their accessibility, opening hours, etc.;

The first comprehensive information brochure about local government administration services was issued in Banská Bystrica in 2001. The Information Brochure presents all administration services (not including public services that are contracted out) with a brief description, contact persons responsible for the agenda, and the telephone number. The brochure includes an index of the basic services for a better search. Information about accessibility of the office, opening hours, and web site address is included. The application forms for different benefits, permits, etc., are published here as well. The Information Brochure was distributed to each home in the town.<sup>1</sup>

- annual reports – these give local governments an opportunity to be more transparent about their services; not only in resources spent, but also about quality and customer satisfaction. In Slovakia, these are used by several local governments mainly in towns (e.g., Lučenec, Zvolen, Pezinok – besides information about the budget, the annual reports also include more or less information about local government. In Trenčín, the local government annually publishes a brochure “Trenčín in Statistics, Tables, and Numbers”, where basic information on local government services are also included);
- citizen charters – although they are a good opportunity for local governments to present quality standards, values, and plans, they are not used yet in Slovakia. One reason could be a lack of resources in the Slovak local governments, so they prioritise service delivery itself before the printed materials.

In the following text, the satisfaction of citizens in 7 towns with information provided by their local governments is presented. The results are from the surveys carried out within the Communication Town project led by IROMAR and financed by OSF Bratislava between 1998-2000. A survey in each town was made using randomly chosen respondents in the population aged 18 and up.

Regarding satisfaction with information received from their town councils (Table 1), approximately 50% of the citizens (49% on average) were satisfied with the current information. In the larger towns, this percentage was lower. This can be seen in Bratislava, Prešov, Trenčín, and even in Pezinok, which,

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<sup>1</sup> Informačná boržúra Mestského úradu Banská Bystrica, Mestský úrad v Basnekej Bystrici, 2001.

although it is not a big town, is influenced by its close proximity to Bratislava (to which many Pezinok inhabitants commute).<sup>2</sup>

However, 30% of the citizens of these towns are not satisfied with the information provided by their town councils (Table 1). A further 21% do not know, which means half of these citizens (30% + 21%) should be better informed.

**Table 1**

Citizen satisfaction regarding information about Town Council Activities in 7 Towns in Slovakia from 1998-99

Town responses	Positive – Average or more than average (%)	Negative - below average (%)	Did not know (%)
Bratislava	37	36	27
Nová Baňa	58	28	14
Prešov	46	30	24
Košice - Ľahánovce	63	22	15
Kremnica	51	31	18
Trenčín	44	30	26
Pezinok	42	33	25
Average	49	30	21

The need to distribute information concerning local government services is also stressed by the result contained in Table 2, that 43 – 66% of citizens in respective towns (54% on average did not go to the town council for anything. Many local government services are offered in the area as a whole but not individually. This does not mean that citizens could not comment on the service quality, but how could they, if they did not know the provider? That is why any improvement of service quality begins with good information.<sup>3</sup>

Within the Communicating Town Project, citizens in three local governments were asked what they would suggest to their Town Council to improve the provision of information to the public. Surveys were conducted in Bratislava, Lučenec and Zvolen in 2000. Results show that, although this differs from town to town, citizens mainly prefer media and leaflets as a source of information from their town councils (Table 3).

<sup>2</sup> Bernátová, M. "Communicating with the Public – The First Step Towards Meeting the Needs of Inhabitants by Local Governments: The Slovakian Experience." In: Jabes, Jak (ed.). Ten Years of Transition: Prospects and Challenges for the Future of Public Administration. NISPAcee, Bratislava, 2001.

<sup>3</sup> Bernátová, M. "Communicating with Public – The First Step Towards Meeting the Needs of Inhabitants by Local Governments: The Slovakian Experience." In: Jabes, Jak (ed.). Ten Years of Transition: Prospects and Challenges for the Future of Public Administration. NISPAcee, Bratislava, 2001.

**Table 2**

Citizen satisfaction in 7 Slovak Towns with their Town Councils approach, 1998 - 1999

Town Responses	Positive – very satisfied or more satisfied (%)	Negative – very unsatisfied or more unsatisfied (%)	Have not any dealings with (%)
Bratislava	15	19	66
Nová Baňa	47	10	43
Prešov	29	11	60
Košice - ahanovce	33	4	63
Kremnica	46	11	43
Trenčín	31	17	54
Pezinok	39	14	47
Average	34	12	54

**Table 3**

Citizen Suggestions for Improvement of Information Provision by their Town Councils Results from Surveys in Three Towns – Bratislava, Lučenec, Zvolen, 2000<sup>4</sup>

Town Number of respondents	Activity	Percentage of respondents
<b>Bratislava</b> (230)	- more use of the media	(19,9%)
	- leaflets, posters	(11,7%)
<b>Lučenec</b> (158)	- leaflets, posters	(22,1%)
	- meetings with councillors and mayor	(13,9%)
	- local loudspeaker	(13,2%)
<b>Zvolen</b> (199)	- leaflets	(19%)
	- local loudspeaker	(14,5%)
	- use of the media	(14,5%)

### Education of citizens

As democratic local governments are a new phenomenon in Slovakia (they were established in 1990 after the “Velvet Revolution”), it is still necessary to educate citizens about local government issues. Among this information should be the following:

- what local government is – its responsibilities, ways of functioning, and organisational structure;
- the rights of the public to vote, complain, comment, appeal;
- the rights and possibilities of the public to participate in public matters – in committees;

<sup>4</sup> Source: Vaňová, Anna, Kološtová, Alica: Výsledky projektu Komunikujúce mesto v Slovenskej republike. In: Bernátová, Magdaléna (ed.): Komunikujúce mesto. (Communicating Town.) IROMAR EF UMB and OSF, Banská Bystrica, 2001 (mimeo).



- issues of providing services – problems, trends, future plans, possibilities;
- promoting a culture of quality.

Local governments in Pezinok and Prešov issued leaflets on recycling issues of household waste. The aim of the Pezinok leaflet “The Pezinok leads in recycling of household waste”, is to encourage citizens to recycle household waste, as after eight years, the recycling has stagnated. The local government in the leaflet informs the public about reasons for recycling, about functioning of the service, and about the costs. Useful information – a chart of collecting the waste in particular streets, a special information telephone line, pictures of bins, description of types of recycled waste are included. The leaflet was distributed to all households in the town.

In Prešov, the leaflet “Are You Going to Wait Until You Get Buried by Rubbish?” was aimed at changing the attitudes of citizens to handling waste. It provides information about issues of household waste and possibilities for recycling. It shows the impact of waste on the environment and health of citizens as well as the cost of collection of non-recycled waste. Components of household waste were explained. It was distributed to each household in the town<sup>5</sup>.

Local government can use printed materials for education about these issues– leaflets, brochures, newspapers, media, as well as other activities as open days (organised in towns as Prešov, Pezinok, Trenčín once a year), public meetings, etc.

Several methods for educating the public on the functioning of local government were applied in Zvolen. The aim of the project was to explain to citizens the basic issues of local government and to introduce the local councillors and officers. The leaders of the project understood that different segments of the public could be addressed by different types communication channels. They published a leaflet, which was distributed to local councillors, schools, and political parties. The information about the functioning of local government was published in the local newspaper and on the web site.<sup>6</sup>

### **Consulting with the public**

Local governments can decide on their own, on the professional and political basis, and decisions can also be made with regard to the public needs. Local governments in Slovakia have to consult with the public on two decisions: on territorial plans and environmental impact assessment.

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<sup>5</sup> Both cases in: Bernátová, Magdaléna (ed.): Komunikujúce mesto. (Communicating Town.) IROMAR a OSF, Banská Bystrica, 2001 (mimeo).

<sup>6</sup> Bernátová, Magdaléna, Vaňová, Anna: Marketing pre samosprávy I. – Marketing území. (Marketing for Local Governments I. – Marketing of Areas). IROMAR and British Know How Fund, Banská Bystrica, 2000.

### **Obligatory consultation with the public before territorial plans approval**

Municipalities in Slovakia are responsible for the procurement and approval of territorial plans<sup>7</sup>. In order to meet public need, they are obliged, by Act No. 50/1976 and its amendments, to inform citizens about the draft of the territorial plan, as well as keep the public informed after approval. In the process of developing the plan, local governments must make the plan available to the public for 30 days and during the following 30 days the public can give their comments and suggestions on the draft. All institutions and organisations affected by the plan must express their opinion on the draft. After approval of the territorial plan, local governments should make the information from the plan available to deputies, investors, entrepreneurs, and citizens. The law does not state the method for informing the public.<sup>8</sup> However, techniques for asking and informing citizens depend on a specific local government. The current practice is that municipalities inform citizens about a possibility to comment on the draft of the territorial plan by announcements on the signboards outside the local government offices (Švihlová – Wilson, 1999).

### **Obligatory consultation with the public in the process of an Environmental Impact Assessment**

Citizens can also join in the process of an Environmental Impact Assessment (EIA). Local governments must discuss with the public the larger development projects (for example, motorways, dams, incinerators and landfills). Act No. 127/1994 for the first time stated an obligation to discuss with the public environmental impact assessment reports through public hearings. Municipalities are responsible for organising these hearings in co-operation with a proponent. Municipalities are responsible for keeping the public informed during the whole environmental impact assessment process. The Slovak Ministry of Environment evaluates the comments and includes them in the final decision at the end of the environmental impact assessment process.

Besides obligatory consultation, local governments can invite the public to consult whenever they want to listen to the public needs and opinions, before, during or after a decision. In the quality of services improvement efforts, it is crucial to know customers needs to fulfil their expectations, as one aspect of measuring quality is customer satisfaction.

Local governments can use different methods of consultation with the public, for example:

- market research and surveys – questionnaires, inquiries;
- user panels;

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<sup>7</sup> According to the Act No 369/1990 and its amendments

<sup>8</sup> Act No. 50/1976 and amendments, Švihlová, Dana, Wilson, Elisabeth, *Obce a životné prostredie, IROMAR EF UMB a Britský KHF, Banská Bystrica, 1999*, and [www.changenet.sk/poradna/streetlaw/rozhod.htm](http://www.changenet.sk/poradna/streetlaw/rozhod.htm).

- use of complaints procedures;
- telephone lines, mailboxes, internet;
- public hearings;
- public meetings;
- focus groups;
- satisfaction cards;
- and others.

In the following, the Slovak experience with some methods of consulting with the public are presented, including successes and failures of different uses of particular methods.

### **Encouraging complaints and comments**

Local governments are obliged to handle complaints between 10 to 30 days of receipt (depending on the topic of the complaint)<sup>9</sup>. Local governments usually work with complaints according to the law. They usually publish an obligatory decree about the complaint procedure to the local government performance. From 60 local governments around Slovakia asked in the survey, 55 have a special system to handle complaints and 5 don't.<sup>10</sup>

Complaints can be used as a formal, obligatory matter to be handled, as well as “a management tool to improve performance and also as part of a wider attempt to seek comments.”<sup>11</sup>

Local message-boxes, telephone-lines with answering machines, or E-mail act as possibilities for inhabitants to comment on the council performance.

To get immediate feedback on their performance, certain local governments in Slovakia encourage citizens to make their complaints and comments through a special telephone line with or without an answering machine, local message boxes, or E-mail. These methods give people a freedom to choose the time when they want to comment and whether they want to give their name or not. In this way, the telephone line seems, at first glance, to be the most appropriate way of collecting comments, as a majority of inhabitants have access to a telephone. It also gives people the best choice about the time they want to call without any special activity as a walk to the town hall or post-office.

In the survey conducted in 2000 across Slovakia, local governments were asked the question how they encouraged inhabitants to comment on the

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<sup>9</sup> According to the Notification 150/1958, the Act 100/1960, the Act 85/1990 and [www.changenet.sk/poradna/streetlaw/rozhod.htm](http://www.changenet.sk/poradna/streetlaw/rozhod.htm)

<sup>10</sup> Bernátová, M., Kukliš, P., Malíková, L., Rončák, I., Vaňová, A.: “Public Perception of Local Governments in Slovakia “. In: “Public Perception of Local Governments in Central-East Europe”, Open Society Institute, Budapest, 2001.

<sup>11</sup> A Report: Consulting and Involving the Public. Good Practice in Local Authorities. London, LGIU, 1995.

council performance. Responses referred to the period of the last 10 years. From 66 responses, only 25 answered this question.

Of those:

- 17 local governments use telephone-lines (with or without answering machines);
- 2 local governments use local message-boxes;
- 1 local government uses the local newspaper;
- 6 local governments use personal meetings.<sup>12</sup>

In the following examples, we present the experience of using these methods in some local governments in Slovakia.

### ***The use of message boxes***

The message boxes were used in Nová Baňa as a tool to get comments for the inquiry survey; however, without any special attention to citizens. On the contrary, the message boxes are successfully used in the Pezinok Town Information Centre for collecting inquiry letters with votes for the Town Council competitions (the best shopping-window of the year and the best shop assistant of the year).

The success of any activity, also of the message-boxes, is related to what is expected of them (how many responses, letters per week, etc.).

### ***The use of telephone lines***

The telephone line is used in Trenčín. It is called the Eco-line and it works as an answering machine where local people can call when they discover environment damage in the town. They have about 60 phone calls each month.

A similar activity was organised in Kremnica. The Town Council introduced a telephone line with an answering machine, but almost no calls were received, although it was announced in the local newspaper and a telephone directory. The problem could be in a disbelief in answering machines of people in small towns who normally give priority to personal communication.

### ***The use of E-mail***

E-mail is still not available for the majority of people in Slovakia. However, several local governments present E-mail addresses of their staff on their web sites. This method is probably not used yet as a form of complaint or commenting by local people, and this is mainly true in smaller towns and villages.

The success of the message boxes, telephone lines and E-mails as methods of complaining and commenting on local government performance depends on:

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<sup>12</sup> Bernátová, M., Kukliš, P., Malíková, E., Rončák, I., Vaňová, A.: "Public Perception of Local Governments in Slovakia ". In: "Public Perception of Local Governments in Central-East Europe", Open Society Institute, Budapest, 2001.

- priorities of citizens, local traditions in ways of communication (both in general, and with local government);
- continuous information about these possibilities by local government in appropriate communication channels;
- the presentation of an impact of this activity – how many messages were taken into consideration, or answered.<sup>13</sup>

### **Using public opinion surveys in Slovakia**

In the survey among 66 local governments around Slovakia, they were asked the question whether they had done any public opinion surveys or research. Responses referred to the period of last 10 years. From 66 responses, 65 answered this question and 49 local governments stated that they had conducted some research or survey at that time, which is 75 %, and 17 had not done any research or surveys, which is 25%.

From 49 local governments which have pursued research or survey:

- 60 surveys and researches were aimed at the public needs assessment for some service (30 for gas supply, for separation of waste, water, or other type of infrastructure, 30 for culture, social and health problems, sport, cable TV, services)
- 26 surveys and researches focused on public opinion on activities of local government (reconstruction, investment, development activities, land use plans, sociological surveys, etc.).<sup>14</sup>

In the following example, the use of questionnaires and inquiries in Slovakian local governments are presented with their successes and failures. The advantages and disadvantages of these techniques are discussed.

### ***The use of questionnaires***

The local government in Kremnica applied the methodology gained in the “Communicating Town” Project<sup>15</sup> and has continued in pursuing public opinion surveys. As was done in the Project, they distributed questionnaires with the help of local students. This approach produces an appropriate return of distributed questionnaires (in the Project, it was from 64 to 97%; the exception to this was 46 % in Bratislava – the capital city).

In 1999-2000, the Kremnica Town Council organised five surveys with specific topics (collection and separation of waste, the town police services,

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<sup>13</sup> Bernátová, M., Kukliš, P., Malíková, L., Rončák, I., Vaňová, A.: “Public Perception of Local Governments in Slovakia “. In: “Public Perception of Local Governments in Central-East Europe”, Open Society Institute, Budapest, 2001.

<sup>14</sup> Bernátová, M., Kukliš, P., Malíková, L., Rončák, I., Vaňová, A.: “Public Perception of Local Governments in Slovakia “. In: “Public Perception of Local Governments in Central-East Europe”, Open Society Institute, Budapest, 2001.

<sup>15</sup> Organised by IROMAR EF UMB in Kremnica in 1998

quality of food served in the Senior Citizens Club, free time of youth, and informing citizens by local government).

Besides the surveys, the Kremnica Town Council has also been organising public hearings on the same topics, so they gain two types of information on the same topic – quantitative (from the survey) and qualitative (comments from the public hearing).

The Mayor and public relations officials in the Kremnica Town Council understand that besides organising and processing the survey, it is necessary to present the results to the public. It shows that the local government cares what public opinion is and it is an important input in the Town Council decisions.<sup>16</sup>

The success of Kremnica in conducting public opinion surveys<sup>17</sup> has several reasons:

- the motivated Mayor and staff of the Town Council responsible for communication with the public;
- the establishment of a special department responsible for communication with the public;
- a co-operation with local students in distributing and collecting the questionnaires, or in leading standardised interviews (which is even better);
- taking the results of the survey into consideration in decisions of the Town Council;
- presenting the results of the surveys in local newspapers, public meetings, etc.

### ***Inquiries***

In the autumn of 1999, the Nová Baňa Town Council conducted a public opinion survey regarding satisfaction with information from the Town Council. The survey was carried out through the local newspaper. The Town Council made mailboxes available in grocery stores in the town to return responses, but there was little reaction from the citizens (from 1100 copies of the newspaper, only 21 citizens responded).

This example shows that an inquiry method through the local newspaper does not guarantee an appropriate return of inquiry letters. The majority of the general public is not motivated enough to take inquiry letters and walk to find a message box. Also, it is not possible to gain an appropriate sample from this type of research in bigger settlements (towns). There, inquiries could be better used for collecting comments, ideas, or remarks, but they cannot be valid

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<sup>16</sup> Bernátová, M., Kukliš, P., Malíková, L., Rončák, I., Vaňová, A.: “Public Perception of Local Governments in Slovakia “. In: “Public Perception of Local Governments in Central-East Europe”, Open Society Institute, Budapest, 2001.

<sup>17</sup> At present, we consider it a success when local government applies public opinion learning techniques in the proper way, continuously, or regularly, and takes the results into consideration in policy design.

enough for learning public opinion as they do not use any proper sampling method. Another situation is in villages where the return of responses can be higher, while a number of respondents account for a considerable share of the overall population.

### ***The use of inquiries in the small settlement (village)***

The local government in the Pažit village intended to publish a newsletter to improve information provision to the public about the local government performance. Also, they wanted to publish a brochure on the 650th Anniversary of the first written reference about the village (an opportunity to promote the village and make it visible). Before the Council decided, it conducted a public opinion survey among citizens in the village. The inquiry method was applied. Forms with questions were distributed to each household in the village (120). The return of responses was high - 70%. From those, 55% of respondents were positive about publishing the newsletter and 65% about the brochure. Also, 50% of respondents expressed interest in cooperating in publishing these materials. The local government gained not only a mandate to decide, but also a promise from citizens to participate in these activities. Last, but not least, they gained the important experience of using the survey. "We are not afraid of asking people any more", said the Mayor, Mrs. Sulovska after the survey was carried out.

### **Public meetings**

From the survey among 66 local governments around Slovakia, 50 local governments stated that they had organised public meetings during the last 10 years, which is 76%, and 16 local governments had not, which is 24%.<sup>18</sup>

Usually local governments use this type of meetings as a method of consulting with citizens about development problems, plans and aims, preparing budgets, community problems, or as a general meeting of councillors with the public.

### **Public hearings**

The public hearing is a special type of public meeting with specific rules and concrete topics. The aim of the public hearing is to inform citizens about a project of the local government and find out citizens comments on it before an official council decision.<sup>19</sup>

There is a difference between a public meeting and a public hearing. While in a public hearing, a special moderated discussion is applied to learn the public opinion, in a public meeting, the discussion is more "free." A public meeting is more about informing the public and discussion, while a public

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<sup>18</sup> Bernátová, M., Kukliš, P., Malíková, L., Rončák, I., Vaňová, A.: "Public Perception of Local Governments in Slovakia ". In: "Public Perception of Local Governments in Central-East Europe", Open Society Institute, Budapest, 2001.

<sup>19</sup> Bernátová, M.- Vaňová, A.: Marketing pre samosprávy II. – Komunikácia s verejnosťou. (Marketing for Local Governments II. – - Communication with Public). Banská Bystrica, IROMAR and British Know How Fund, 2000.

hearing is more about informing and consulting with the public. A public hearing is tied with the council's decision to be taken in the near future, while a public meeting might not be, or is organised after the official decision.

Besides the Environmental Impact Assessment process, when public hearings are an obligatory method of learning the public opinion (as mentioned in the previous part), public hearings can be used also as a method of consulting with citizens for other purposes. Some local governments in Slovakia use this method regularly as an input to the local council decision.

From the survey among 66 local governments around Slovakia conducted in 2000, 13 local governments stated that they had done public hearings during the last 10 years, which is 20%, and 53 local governments had not done, which is 80%.

From 13 local governments which have pursued public hearings:

- 8 public hearings were aimed at territorial plans;
- 7 public hearings were aimed at other problems.<sup>20</sup>

### ***The use of public hearings in Slovakia***

#### *Pezinok – successes and failures of public hearings*

The first public hearings in Slovakia were organised in the Pezinok Town Council in 1997. They are regulated by an internal document in which the procedural standards and the agenda are set out<sup>21</sup>. Initially, the Pezinok Town Council used to organise public hearings before each Council Meeting. At the public hearing meetings, about 25-30 citizens participated, which is a good number in comparison with a usual public meeting. After some time, they decreased the number of public hearings to four times a year. Although information had been distributed to the public prior to the public hearings, citizens did not attend regularly.

At the last public hearing concerning the Town Council's budget for 2000, a very small number of citizens attended. It resulted in the cancellation of organising public hearings in this town. As the Public Relations Manager of the Pezinok Town Council explained, this situation may be due to the number of communication channels which the Pezinok Town Council uses, i.e., the town television, the local newspaper "Pezinčan," the Town Information Centre and also by an unsuccessful petition recently initiated by Pezinok citizens.<sup>22</sup>

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<sup>20</sup> Bernátová, M., Kukliš, P., Malíková, L., Rončák, I., Vaňová, A.: "Public Perception of Local Governments in Slovakia ". In: "Public Perception of Local Governments in Central-East Europe", Open Society Institute, Budapest, 2001.

<sup>21</sup> Verejné vypočutia – zovšeobecnený a aktualizovaný pracovný postup. Mesto Pezinok – Mestský úrad. 1997. Published also in: Bernátová, M. - Vaňová, A.: Marketing pre samosprávy II. – Komunikácia s verejnosťou. (Marketing for Local Governments II. – Communication with Public). Banská Bystrica, IROMAR and British Know How Fund, 2000.

<sup>22</sup> According to an interview with Mrs. Eva Lupová, Public Relations Manager of the Pezinok Town Council.



Also, a change of the Chief Executive at the Town Office could be a reason that citizen interest in public hearings decreased. The former Chief Executive initiated this method in Pezinok. Nowadays, he is a promoter of this method in a number of local governments in Slovakia, and further cases are good results of his activity.

### *Kremnica – motivated Mayor leads public hearings*

In 1999, the Town Council in Kremnica started to organise public hearings. They learned from the Pezinok model, and brought some of their own ideas. In 1999-2000, they organised four public hearings with specific topics: collection and separation of waste, reconstruction of the main square and improving the green parts of the town, free time for youth and informing citizens by local government. Also here, about 30 local people participate at each public hearing. As in Pezinok, they distribute an invitation to public hearings to each household in the town. Besides the invitation, the leaflet offers brief information about the topic of public hearing. Before public hearings, the Kremnica Town Council organise also a public opinion survey about the specific topics in similar way.

### *From listening to the public to the decision*

An example of a comprehensive campaign for increasing the separation of household waste can be found in Kremnica. Initially, they introduced the survey. Then, they organised a public hearing on the same topic. With the help of these methods, the Town Council learned about people's major problems and comments in this field. As a result, the Council improved communication with the public by publishing a chart of waste collection in the information bulletin. Moreover, it is announced in the city loudspeaker system before each collection. The results of the campaign are positive – an amount of waste being separated has increased. The results have been presented in the local newspaper.

### *Public hearings in Svit – organised in wards*

In Svit, the Town Council organised 12 public hearings in 1999-2000. The Pezinok model inspired them, but they organise the public hearings in smaller parts of the town (wards, streets). They used this method for consulting with the public on such topics as: problems and needs of youth, green parts of the town, public heating, etc.

The cases show that in order to be successful in organising public hearings, it is necessary:

- to organise a good information campaign before each public hearing in order to inform and attract citizens to join the process;
- to have an appropriate organisation of the public hearing (choosing the right time, a professional moderator, suitable room);
- to take the results of public hearings as a real input to the council decision and informing inhabitants about it;

- to be effective in combining several methods of consulting with the public to be able to see the problem from different angles and to gain qualitative and quantitative results.

### **Participation of the Public**

The highest level of cooperation with the public is involving citizens in decision-making. “The question is no longer whether people should have a voice in local life and services, but how this is to be achieved.”<sup>23</sup>

The participation of the public can be seen as personal, direct involvement in public matters, as community planning, community development, in creating quality standards, their implementation, evaluation, etc.

Among techniques, by which local governments can involve the public in the local decision-making process, are:

- Customer Service Marks – local governments promote a culture of quality by initiating competitions, combined with evaluation of the best activity or project in the community. In Slovakia, such competitions are organised by local governments quite often, for example the best shop, the best reconstruction of the house and the best new building, etc.
- Students or Children’s Parliaments – to involve children and young people in local government matters in several local governments in Slovakia in an important activity.

In the Turňa nad Bodvou village, children started to persuade their parents to recycle waste from their homes. About twenty children from the village meet regularly with the Mayor to discuss common activities for the good of a village. In another activity, they started a project to improve the village library services.<sup>24</sup>

- Participation of the public on committees (advisory bodies to the Mayor and Council, constituted mainly by councillors, also by members of public)

The innovative constitution of a committee can be found in the Lubietová village. At the Village Council in Lubietová there is a special Committee of Seniors, constituted by senior citizens of the village. They have important knowledge about the history of the village, which was useful, for example in the inventory of the quality of drinking water wells or survey of non-clear property ownership (after the socialist period it is very hard to discover the right owner of some properties, mainly in villages). Seniors also have the authority in the village among other citizens, so they can influence some activities of the public better than the Mayor, or local councillors. Their

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<sup>23</sup> A Report: Consulting and Involving the Public. Good Practice in Local Authorities. London, LGIU, 1995, p. 3.

<sup>24</sup> Briestenský, Ladislav. Inšpirácie v praxi. Jaspis, Pezinok, 1999.

participation in public policy is, in Lubietová, regarded as very useful. They themselves are glad to have this important task.<sup>25</sup>

- a “guided” tour around the community – citizens can express their opinions at specific places during the tour.
- public conferences, seminars on local community matters – these activities are important for discussing specific matters and involving the public in local policy planning, if they are well prepared and facilitated. Conclusions and results of the final decision-making process should be publicised so that citizens feel they active participation was useful.
- give a part of a local government budget, or a grant to the group of citizens to decide and implement specific activities according to their own needs – some local governments in Slovakia have this kind of experience. The activities were initiated by citizens and non-governmental organisations.

### ***Participation in drawing up local development policy in Liptovský Hrádok***

The non-profit organisation A-project and local government in Liptovský Hrádok co-operated in drawing up a vision and action plan involving local citizens. Firstly, they organised an inquiry “What matters” to search for citizens opinions on the community life and possibilities of its improvement. The inquiry was organised in a non-traditional way. They addressed several groups of the public, each by a different method. For example, children were asked to draw up what they like and dislike in the town, students wrote their opinions about the way of life in the town, students of the English Conversation Club responded in English, adults in different wards described key problems in the town.

This inquiry not only gave opinions and ideas about community life, but also raised people’s interest in this topic. The responses, including childrens pictures, were published in the brochure available to the citizens.<sup>26</sup>

After some time, the conference of the citizens “What matters” was organised to identify strengths, weaknesses, opportunities and threats for the further development of the town. At the conference, 70 citizens attended. The conclusions were also published in the brochure available to the citizens and were used as an input the action plan for a community development.<sup>27</sup>

Councillors, council officers and mayors often express the opinion that citizens are not interested in public matters; they do not want to cooperate. The above examples can prove the opposite. If citizens are motivated, and feel that their efforts are useful and taken into account in decision-making, they are eager to co-operate with local governments. An example of that is a case of

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<sup>25</sup> Briestenský, Ladislav. Inšpirácie v praxi. Jaspis, Pezinok, 1999.

<sup>26</sup> Zdroj: Kilvádyová, Lea. 1998. Na čom nám záleží. Názory obyvateľov Liptovského Hrádku na kvalitu života v meste. A-projekt, Liptovský Hrádok, 1998.

<sup>27</sup> Zdroj: Kilvádyová, Lea. 1998. Na čom nám záleží. Konferencia občanov mesta Liptovský Hrádok. A-projekt, Liptovský Hrádok, 1998.

Pažiť, presented in this text, with 50% of respondents interested in co-operation on publishing the newsletter and brochure, or results of the public survey in Pezinok, where 39.8% of respondents expressed their interest in participating on solving citizens problems, and from those, 60.3% are willing to do it as volunteers, 22.7% as committee members (advisory committees to the Mayor and Council), and 15.2% as local councillors.<sup>28</sup>

In the Communicating Town project, we asked citizens in three towns what they would suggest their local governments to do in order to motivate citizens to raise their interest in the Town Councils performance. The results showed that citizens mainly prefer meetings with mayor or councillors, and providing better information via own newspaper, local press, loudspeaker, or local television.<sup>29</sup>

### **Using Common Assessment Framework (CAF)**

CAF – Common Assessment Framework is a considerable method for self-assessment of local governments. Up to now, the author does not know of a case when it would be used in Slovak local government. The author, in her own assessment of particular criteria for an overall Slovak situation, ranked the majority of the criteria as 0 or 1. However, it could be definitely very well used in Slovak local governments if a culture of quality measurement and improvement is a wide, accepted value. A starting point suggested by the author would be a pilot project of assessment of several innovative local governments. Results and benefits of such a method should be formulated by local governments involved, and then promoted and publicised.

### **Conclusions**

In the process of communicating with the public in order to create a culture of quality and to cooperate in quality of public service improvement, these recommendations are suggested:

- to commission public opinion surveys when launching new policies or pursuing old ones, during implementation and monitoring; use the surveys for learning purposes and for decision-making;
- to improve education of local government staff (executives, public relations managers) about the importance and techniques of market research;
- to extend knowledge of local governments about ways of making citizens interested in joining the public in the decision-making processes;
- to publish good experiences in communication with the public on quality aspects;

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<sup>28</sup> Vyhodnotenie prieskumu verejnej mienky zameraného na zisťovanie názorov občanov na prácu samosprávy v meste Pezinok. (Results of the public opinion survey aimed at citizens opinion of local government performance in Pezinok). Pezinok Town Council, 2001.

<sup>29</sup> Vaňová, Anna, Kološtová, Alica: Výsledky projektu Komunikujúce mesto v Slovenskej republike. In: Bernátová, Magdaléna (ed.): Komunikujúce mesto. (Communicating Town.) IROMAR EF UMB and OSF, Banská Bystrica, 2001 (mimeo).

- to find new ways of developing and financing comprehensive brochures about local government services, contacts and ways of arranging main matters at local governments as long-term informational material which could be stored in homes;
- develop citizen charters which would improve citizen control over the quality of services and improve the quality of their provision;
- quality culture should be initiated also from outside, both by professionals and citizens.

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## **Influences of Information Technology on The Quality of Public Services**

*Mateja Kunstelj, Anamarija Leben and Mirko Vintar\**

### **1. Introduction**

In practically every European country there are projects aimed at developing and introducing electronic services into the public sector, i.e., electronic government (e-government), and Slovenia is no exception. The main objective of these projects is to improve efficiency, effectiveness and transparency of work in the public sector and to increase the quality of governmental services through the introduction of information technology (IT). With the realization of these objectives, the focus of governmental activities is shifting from execution of control and regulation to providing services. Furthermore, the quality of services is becoming one of the most important indicators of 'successful government'.

We are only beginning to introduce e-government concepts in Slovenia. The Slovenian state has already developed the basic information infrastructure for the introduction of electronic government. The suitable legal framework was established by passing a law on Electronic Commerce and Electronic Signatures. Unfortunately, concrete projects on an operational level are making slower progress. Therefore, it is more important to present the opportunities of modern information technology for the introduction of e-government services and the influences of information technology on service quality.

It is generally acknowledged that information technology is, along with organisational changes, one of the key enablers of quality improvement. The introduction of electronic government concepts should help inform citizens and organisations; improve accessibility and availability of electronic government services; improve communication; create better responsiveness; introduce faster administrative case handling, etc. However, there has been very little thorough empirical research done concerning the influences of information technology on 'quality' in the public sector. Most of the research found in our survey was based on serious reflection and practical experience. Difficulties interpreting and defining a common understanding of "quality" raise issues beyond the scope of this paper. Thus, our findings are the result of deliberation and experience from local and international projects as well as comparisons of available literature.

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The main objectives of this paper are:

- To define the influences of IT on quality in the public sector based on criteria defined in the Common Assessment Framework (CAF);
- To present examples of IT introduction in the Slovenian public administration and review its effect on quality;
- To formulate policy recommendations.

### **2. Quality in the Public Sector**

A survey of the literature in the field of quality in the public sector (see for example Löffler, 1996; Lewis, 1998; Pollitt et al., 1995) clearly demonstrates that there is no common definition of quality. Quality is a dynamic concept in which the understanding of quality changes over time. It differs with regard to a particular country, organisation or even person. How an individual understands quality depends on the consciousness, expectations and needs at a particular time and in a particular environment.

Despite the difficulties defining quality, three levels of quality can be distinguished (Löffler, 1996):

- Quality in the sense of respecting norms and procedures;
- Quality in the sense of effectiveness;
- Quality in the sense of customer satisfaction (or customer expectations, as defined by TQM).

These concepts of quality also show stages of development through time. Primarily, all efforts were focused on observing rules and procedures irrespective of the wishes, expectations and needs of customers. Later, the centre of attention moved to effectiveness and efficiency of work with regard to the purpose of the final product or service. In the early eighties, with the emergence of the Total Quality Management (TQM) concept, customer satisfaction came to the forefront. In this sense, customer orientation does not refer only to external customers (citizens and businesses), but also to internal customers (employees). Accordingly, the overall work process in the organisation can be treated as relationships between customers. An appropriate balance between these two sides should be found with a view to quality assurance.

The many different views of quality are probably the reason for numerous different concepts and systems of quality assurance, assessment and measurement, which have appeared lately (for example, TQM, ISO 9000 series, BEM, EQA, British Charter Mark Award, and the Speyer Quality Award). Taking into account that these systems define only guiding principles of quality management, users have considerable difficulties with implementing those principles in practice. Additional difficulties arise due the incompatibility of the systems.

In an attempt to solve these problems, the Directors General of the Public Administration of the European Union established a Steering Group under which the Common Assessment Framework (CAF) was developed (Lisbon

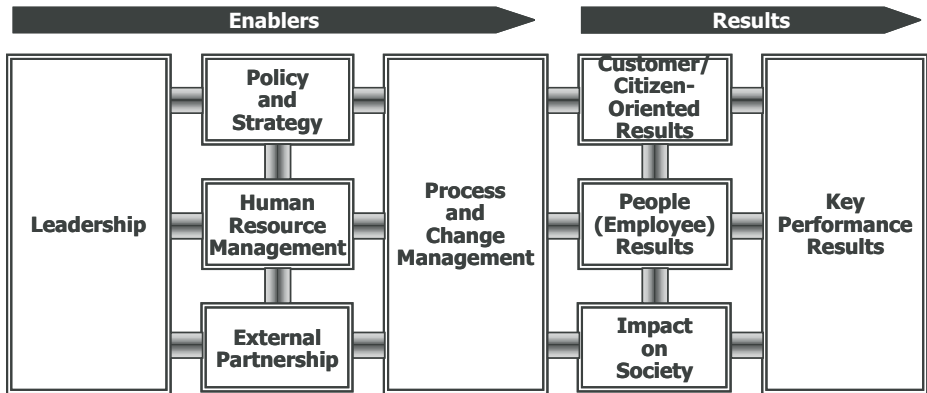


Commitment, 2001). The CAF is offered as an aid to public administrations in the EU to understand and use quality management techniques in public administration (CAF, 2000b). The main purpose of CAF is to provide a simple, easy-to-use framework, which is suitable for a self-assessment of public sector organisations across Europe. It acts as a “bridge” between the various models and methodologies of quality management in public administration in use in the various EU countries. It enables the introduction of benchmarking studies between public sector organisations. Our opinion is that because this framework covers all fields considered in organisational analysis it is very general, so it leaves a lot of freedom for interpretation.

**2.1 Common Assessment Framework**

The CAF focuses on nine main aspects of an organisation (Figure 1) for consideration in any organisational analysis. For each of these aspects a list of criteria is provided.

**Figure 1**  
Common Assessments Framework - main criteria



Definitions of the criteria are as follows (CAF, 2000a):

- **Leadership:** How leaders and managers develop and facilitate the achievement of the mission and vision of a public sector organisation; how they develop values required for long-term success and implement these via appropriate actions and behaviours; how leaders and managers are personally involved in ensuring that the organisation’s management system is developed and implemented.
- **Policy and Strategy:** How the organisation implements its mission and vision via a clear stakeholder-focused strategy, supported by relevant policies, plans, objectives, targets and processes.

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- Human Resource Management: How the organisation manages, develops and releases the knowledge and full potential of its people at an individual, team-based and organisation-wide level, and plans these activities in order to support its policy and strategy and the effective operation of its people.
- External Partnerships and Resources: How the organisation plans and manages its external partnerships and internal resources in order to support its policies and strategies and the effective operation of its processes.
- Process and Change Management: How the organisation designs, manages and improves its processes in order to support its policies and strategies and fully satisfies, and generates increasing value for its customers and other stakeholders.
- Customer/Citizen-oriented Results: What results the organisation achieves in relation to the satisfaction of its external customers.
- People (Employees) Results: These are results that the organisation achieves in relation to the satisfaction of its people.
- Impact on society: What the organisation achieves in satisfying the needs and the expectations of the local, national and international community at large (as appropriate). This includes the perception of the organisation's approach to quality of life, the environment and the preservation of global resources, and the organisation's own internal measures of effectiveness. It will include its relationships with authorities and bodies which affect and regulate its business.
- Key performance results: What the organisation achieves in relation to its mandate and specified objectives and in satisfying the needs and expectations of everyone with a financial interest or other stake in the organisation.

The first five criteria are enablers - the features of an organisation which determine how it performs. The last four are results or output which the organisation achieves.

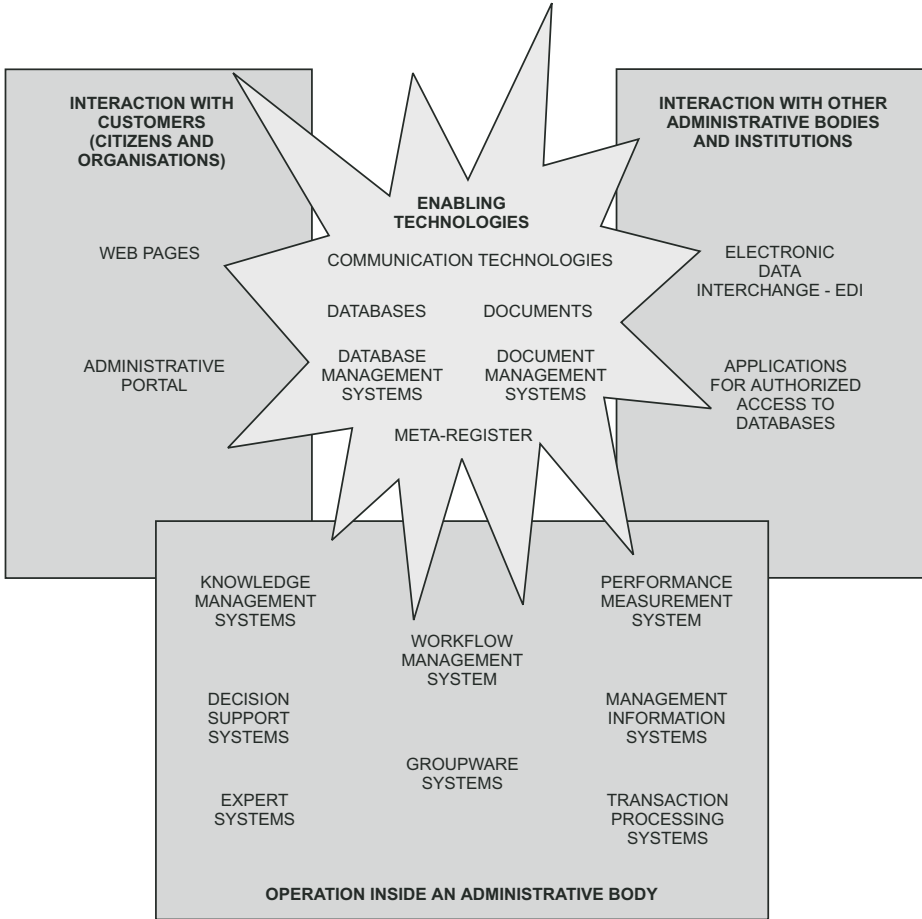
### **3. Influences of it on Quality in the Public Sector**

Information technology offers a wide variety of possibilities for quality improvements in all fields of public sector operation, from routine individual office work processes to organisation-wide strategic planning. Quality refers not only to the quality of services offered to external and internal users by public sector organisations, but also to operational quality. In the following paragraphs, we present how IT can contribute to quality within particular fields of government operation (Figure 2) with regard to key elements of an integrated e-government system. These elements are further described in this chapter and are linked to the nine criteria of the CAF.

#### **3.1 Enabling technologies**

Enabling technologies are infrastructure technologies that enable the operation and integration of different information systems and applications within an integrated system of electronic government. Since they are enablers, they

**Figure 2**  
Key Elements of Integrated System of e-Government



contribute to all nine CAF criteria to a certain degree. Here we want to expose three types of technologies that lead to improvements in the field of communication, information sharing and management:

- Communication technologies help people work together by improving communication and exchange of information in many different forms. Organisations change the way they operate as new technologies enable them to do many things at a distance that previously required being present in a specific location. Time arrangements are also much more efficient. Examples of communication technologies are the Internet, intranets, teleconferencing systems, e-mail, voice-mail (Alter, 1999), and the wireless application protocol (WAP). They are different access media to electronic government services which are end-points or user-interfaces to information

systems we will describe later. There are several ways that information systems based on communication technologies can improve communication (Alter, 1999):

- o Enable paperless operation;
  - o Communicate more information to more people;
  - o Make sure different people receive the same communication;
  - o Achieve more communication with less effort;
  - o Eliminate undesirable delays in communication;
  - o Permit communication in many different forms;
  - o Ensure communications go only to intended recipients;
  - o Eliminate unnecessary person-to-person communication (substituting online data access).
- Databases, together with database management systems which are used to define databases, perform transactions that update databases, retrieve data from databases, and establish database efficiency (Alter, 1999). They enable data accessibility (by providing effective ways to organise data), accuracy (by checking for identifiable errors during data collection and by discouraging data redundancy) and security (by helping control access and change of data and by supporting recovery procedures when problems arise). Furthermore, they enable data to be accessed by many people simultaneously. Since documents, as opposed to databases, are nothing but another way of structuring data, documents, together with document management systems, also fall into this category (see DLM-Forum, 1997; CITU, 2000).
  - A meta-register links together several different databases. It enables easier on-line transfer between databases when such combined data is needed in different administrative procedures. Through linking databases of different government departments and organisations, efficiency goals can be achieved by users in terms of broad access to information at one single point, prevention of duplication in data, and reduction of costs in the collection and creation of data (Lips, 1998). Users in this case might be citizens, business organisations or non-profit organisations on the one hand, and civil servants on the other.

### **3.2 Interactions with customers**

Many government organisations are making use of IT to improve the access and availability of government information to customers (citizens, business companies and different non-profit institutions). The Internet, along with telephone call centres and information kiosks, brings together information streams of different government departments at one virtual service counter (Lips, 1998). In the last few years, employment of IT has gone a step closer towards electronic transactions between government and customers. These transactions mainly consist of sending and receiving electronic forms, though this also could have been done on paper. Efforts are being made in different countries (Britain, Austria, Australia, Germany) to develop electronic transactions that cover one whole process from

triggering to tracking and closing. Such a system will lead to great gains in efficiency, but even simply using electronic forms to enter data leads to reduced error rates and can lead to processes being carried out more quickly and efficiently.

Three different levels can be distinguished in the field of public service delivery: (Lips, 1998):

- A macro level: the relationships between administrative organisations and legislative bodies (parliament, regional and local councils).
- A mezzo level: the relationships between the administrative organisations and organised groups of the general public (political parties, interest groups, business).
- A micro level: the relationships between the administrative organisation and the citizen(s).

IT applications in public service delivery are generally able to bring about increased effectiveness and efficiency, improved customer-orientation, and cost reduction. IT can also lead to improved comprehensiveness of information in the process of public service delivery on the micro level (OECD, 1992).

Davenport suggests some service performance criteria that customers care about and that should be a key focus of service companies and companies that supply services along with products (Davenport, 1993). Since the organisations and institutions within public administration are primarily service-delivery organisations, they should be very aware of these criteria, which are as follows:

- Tangibles (the appearance of personnel, facilities, and so forth);
- Reliability (performing the service in a dependable manner);
- Responsiveness (providing timely and helpful service);
- Competence (having the necessary skills and expertise);
- Courtesy (the manner in which customers are treated).

The adequate use of IT can help to achieve the middle three criteria (reliability, responsiveness and competence) greatly. The other two are much harder to achieve since they mostly depend on people to deliver the service.

We have mostly discussed interactions between customers and government from the service point of view. It is also important to remember the fundamental right and need to be informed. The Public want to know what their public officials are doing. They want to know what policies public officers are pursuing, what laws and regulations they are preparing, what programmes they are running, how they are raising and spending money and what international agreements they are negotiating. Such information helps to curtail the arbitrary use of government power, increases accountability of public officials, assists the private sector in the economic decision making process and aids citizens in formulating opinions on public policy issues (Édes, 2000).

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Of the different ways of offering information and electronic services to customers, we observed the following two:

- Web pages and web sites;
- Administrative portals.

Web pages and web sites are primarily designed to provide the electronic services of one administrative body. These sites may include paths to other web pages. These pages can help the user find information about organisational structure, employees, administrative procedures and relevant documents, etc. This information is generally related to one particular administrative body and is very important to the user when he/she wants to communicate with the government or to start and complete a required administrative procedure or task. This kind of information and service offer has a major deficiency. The users usually do not know what the required procedure is and which administrative body they must address (von Lucke, 2000).

As a result, in the last two years, a new way of public service delivery has emerged. These are known as life-event administrative portals. An administrative portal generally presents one entry point on the Internet to information and services of different administrative bodies and other public institutions. With the help of search engines and indexes, users can find the information they need or a path to a particular administrative body. However, much more important is the life-event dimension of such portal. This means that access to information and services of different organisations is based on life situations of the user, such as: “getting married”, “moving”, “building a house”, etc. Through interactive dialog with the user, the system leads the way to the appropriate information and procedures, and so helps to solve the problem.

The expected benefits of using such life-event portals for citizens and organisations are:

- Unified access to all public data and information, administrative procedures, tasks and related documents regardless of where these data and information are stored, where these procedures are carried out and who is responsible for them.
- Non-stop access to public services – users can access such a portal 24 hours a day, 7 days a week.
- Time saving – users do not have to go to the public service office, since the transactions can be made by using the computer at home or at the office.
- Through the life-event approach to users problems, and friendly intelligent guidance through different procedures, this can lead to higher user friendliness, if carefully planned and implemented.

Both methods of public service delivery contribute to the CAF criteria that are customer oriented. They contribute a great deal to the criterion of Customer/Citizen-Oriented Results and to Process and Change Management, (especially in the field of management of customer/citizen orientation and involvement - sub

criterion 5c). They also contribute to the first two criteria: Leadership and Policy and Strategy, in the manner of greater involvement of citizens and partners in activities in these areas, and to the criterion Impact on Society, in the sub criteria concerning the perception of society.

### **3.3 Operation inside an administrative body**

There are different types of information systems that support different process types within administrative bodies. In this chapter, each type of information system is briefly described along with the way it affects quality.

Systems designed for summarising, aggregating and analysing data about the past, and are able to predict what will happen in the future, are generally referred to as management information systems, executive information systems and most times decision support systems. These systems play an essential role in management and can significantly improve the quality of decisions in that they:

- Provide accurate, clear and appropriate data on time;
- Summarize data from different parts of an organisation as well as external data;
- Provide models and tools for analysing data and simulating scenarios;
- Enable detection and evaluation of problem areas.

In addition, such systems influence the quality of the decision-making process itself by enabling:

- Better decisions with less effort and, therefore, less time and costs;
- Repetitive decisions to be made in the same way;
- Access to all relevant information by all authorised employees;
- Control over the decision-making process.

Decision support systems have to integrate the following components (Ajlec, 1999):

- Capture, transformation and transfer of data from different information systems inside the organisation (for example, data about organisational performance or data about stakeholders' opinions) and different external sources (for example, data from other organisations to provide comparisons).
- Summarizing, storing and managing data in a central data warehouse separated from other systems.
- Tools for data analysis (OLAP – On Line Analytical Processing) and data mining.

These types of systems greatly contribute to those CAF criteria that include decision-making processes on a higher level. These are all enabling criteria (Leadership, Policy and Strategy, Human Resource Management, External Partnership and Resources, Process and Change Management).

In public administration, many work situations require a great deal of cooperation. There are two marginal cases of cooperative work: 1) highly

coordinated activities and highly formalised communication and 2) collaboration – cooperation among persons working together as a group, understanding the subtasks of other members and sharing documents and data. Workflow Management Systems support the first type of situation, and Groupware systems support the second (Lenk, 1998).

Workflow Management Systems (WfMS) support the electronic execution of business processes. They allocate work to participants, coordinate the tasks carried out by the participant, determine the next participant, supply necessary data and software, and control workflow. These are tracking systems that make it possible for every participant to see the status of all activities and the dependencies of a business process. The basic issues for workflow management systems are the definition of activities and required resources, the capture of processing times and deadlines, the coordination of work results and the structure of the organisation (Schmidt, 1996). They are directly involved in processes and, as such, they contribute to the CAF criterion for Process and Change Management by helping to process improvement and innovation. They also contribute to the criterion of People (Employees) Results in respect to people's satisfaction with the organisation's work conditions.

Workflow management systems can determine direct measurable values, such as time information, quantities, resource utilisation, or data use. All other indirect measurable values, i.e., derived values such as the cost of information, must be calculated from collected data. All these data present adequate values for performance measurement systems (Krallman and Derszteller, 1996). They greatly contribute to Key Performance Results by collecting different performance measurements in order to provide feedback to achieve better results.

Groupware systems start with messaging but go further by facilitating access to documents and controlling team-related workflow (Alter, 1999). Groupware systems support a variety of activities intended to facilitate group work, including (Davenport, 1993):

- Group brainstorming, decision-making, and structured discussion (group decision support system);
- Group communication via teleconferencing, electronic mail and electronic bulletin boards;
- Group preparation of documents;
- Group scheduling of meetings and facilities;
- Retrieving data from shared databases.

These types of groupware functions have many potential benefits, including reducing meeting time and face-to-face meeting frequency, curtailing missed communications, reducing project delays and enabling increased flow of information and faster decision making. In this way, they contribute to those CAF criteria where communicating and decision-making are crucial, especially



Leadership, Policy and Strategy, Process and Change Management, and People (Employees) Results in relation to active involvement in the organisation.

The term performance measurement covers the systematic monitoring of performance over time using both quantitative and qualitative data (Boyle, 2000). However, a distinction should be made between performance measures, which are precise quantitative data, and performance indicators, which act as signals to alert managers to issues which may need to be examined further. Given the nature of public service work, performance indicators tend to be much more common than performance measures.

What managers increasingly need is a performance measurement capability that supports a long term, forward-thinking strategic view across the entire organisation. They need a performance measurement framework that provides a view across a range of measures that encompasses all of the key issues for continued financial success. Such a framework should not focus only on financial indicators, but should ensure that different perspectives on performance - service user, employee, process and financial - are assessed, and that performance is measured at appropriate levels: strategic, programme and team/individual. Combining all these perspectives may lead to better understanding of the many interrelationships that exist. This understanding can help to overcome traditional functional barriers and ultimately lead to improved quality of decision-making and problem solving.

A performance measurement system, which supports such a framework, should incorporate the following features (INPHASE Software, 2001):

- At-a-glance exception alerting;
- Rapid access to summarised data;
- Drill down to successive levels of detail;
- Easy to follow dependency paths to identify the causes of performance other than drill-down;
- Reporting of initiative, objective and process information including responsible owner, team members, and definitions as well as current status;
- Reporting of the impact of underlying objectives on scorecard measures;
- Reporting of the impact of objectives on each other;
- Graphical creation and modification of objectives, measures and relationships;
- Support for dynamic re-planning for change;
- Integration with office tools;
- Inclusion of rich text information;
- Graphical trending and tabular representation of data;
- End user configuration and analysis options;
- Integration with existing corporate data sources - with support for additional direct entry of values and annotations.

Such a system covers all aspects of an effective performance management system and thereby contributes to all CAF criteria to a certain degree, especially to those referring to results, and to Process and Change Management.

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For public administration, knowledge management is a basic requirement for maintaining a high level of service quality with the same or fewer means, or even extending it, and doing away with the deficits in carrying out complex tasks (Hill, 1998). It is important to make existing knowledge transparent and to get an overview of how and where new knowledge can be procured and set up. Distributing this knowledge within the organization, guaranteeing its use, storing past knowledge, recycling former ideas and updating, i.e., deprogramming outdated knowledge, are further steps toward effective knowledge management.

One way of summarising the knowledge movement is to say that it is to get the right knowledge at the right place, at the right time. If this is done expeditiously, customer service can be improved through solving problems better, new products being brought to market quicker, business processes being continually improved, and innovative new ideas being brought to commercialisation. The flow of knowledge is important. This is where the networked computer and communications technology plays an important role (Skyrme, 1997).

One of the most widespread ways that technology supports knowledge processes is not through simple point solutions, such as expert systems or group decision support systems, but through enterprise-wide information and knowledge sharing infrastructures.

Knowledge management systems thereby facilitate sharing of knowledge rather than just information (Alter, 1999). Functions supported by these systems include codifying knowledge (such as best practices), organising it in repositories for later access, finding knowledge (using search engines and other schemes) and providing organised ways to find people who have the needed knowledge. Nevertheless, the human element is paramount in knowledge management.

Expert systems support the intellectual work of professionals engaged in design, diagnosis, or evaluation of complex situations requiring expert knowledge in a well-defined area (Alter, 1999). They are used to support problem-solving processes which can also have repetitive elements, but many situations have unique characteristics that must be considered based on expert knowledge. They capture some of the special knowledge of experts and make it available to others who have less knowledge or experience. The main benefits of these systems are to:

- Preserve an expert's knowledge;
- Improve the performance of less experienced people doing similar tasks;
- Enforce some consistency in the way people do particular types of work.

Knowledge management systems and expert systems both contribute to those CAF criteria that are oriented towards people (both customers and employees), mainly to Human Resource Management and People (Employees) Results, but also to Policy and Strategy (in that sub-criteria where the flow of knowledge is

important), and Process and Change Management (in the sense of process improvement and innovation).

Transaction processing systems (TPS) collect and store information about transactions and sometimes control decisions made as part of a transaction (a transaction is a business event that generates or modifies data stored in an information system). They are designed based on detailed specifications of how the transaction should be performed and how to control the collection of specific data in specific data formats and in accordance with rules, policies, and goals of the organisation (Alter, 1999). They create databases that can be accessed directly, thereby making some person-to-person communication unnecessary. They give immediate feedback on decisions while processing transactions and provide information for planning and management decisions. Almost all previously mentioned types of information systems use data that was collected with transaction processing systems. They directly or indirectly contribute to most of the CAF criteria.

### **3.4 Interactions between administrative bodies and institutions**

Many of the previously described information systems can also be used in interactions between administrative bodies and institutions. In addition there are two types of IT applications which are particularly important for this field:

Electronic data interchange (EDI) involves the computer-to-computer exchange of standardised information items and of transactions. In many respects, it can be seen as a mere extension of workflow systems to span organisational boundaries (Lenk, 1998). So far, it is not very widely used, but in the future, electronic cooperation and exchange between administrative agencies and with the private sector will become the rule with inter-organisational linkage becoming a dominant concern of information management. It is expected that EDI will reduce error rates and the duplication of data entering and thereby reduce costs and time. This contributes to the Key Performance Results criterion, and by its nature, also contributes to External Partnerships and Resources criterion.

Special applications for authorised access to databases, managed by another administrative body or institution, are especially designed to allow a public servant to access data needed to carry out a particular administrative procedure. These applications can have the same benefits as EDI. They can also lead to better service delivery, since the customer does not have to go to different administrative bodies to get various papers required for one administrative procedure. This is a great contribution to two more CAF criteria: Process and Change Management and Customer/Citizen-Oriented Results.

### **3.5 The influences of information systems on main CAF criteria**

Table 1 summarises our findings as described in previous chapters in more detail. Almost all information systems can contribute to all CAF criteria to a certain degree. In this table, we present only those contributions we believe are

**Table 1**  
Contribution of Information System Types to CAF Criteria

	Leader-ship	Policy and Strategy	Human Resource Management	External Partnership and Resources	Process and Change Management	Customer / Citizen - Oriented Results	People (Employee) Results	Impact on Society	Key Performance Results
Web-pages	X	X			X	X		X	X
Portal	X	X			X	X		X	X
Workflow management systems					X		X		X
Groupware systems	X	X			X		X		
Decision support systems	X	X	X	X	X				
Management information systems	X	X	X	X	X				
Expert systems		X	X		X		X		
Knowledge management systems		X	X		X		X		
Performance measurement systems				X	X	X	X		X
Transaction processing systems					X	X	X		X
Electronic data interchange				X					X
Applications for authorized access to databases				X	X	X			X

significant. It is difficult to quantify the effects for those criteria composed of mostly “soft” elements (Human Resource Management, Impact on Society). However, in general, we can conclude that IT plays an essential role in quality management as a whole. It is both an enabler and an implementer of quality management.

#### **4. Examples of it Introduction in Slovenian Public Administration and its Effect on Quality**

In the following paragraphs we present some examples of introduction of IT in Slovenian public administration and review its effects on quality.

##### **4.1 Central and local government bodies on the Internet**

Currently in Slovenia, approximately three quarters of central and local government bodies have their own web sites (surveys we have done from the last two years are accessible in Vintar et al., 2000; Vintar et al., 1999). Primarily, they publish basic information such as addresses, phone numbers and official hours as well as present the directors, organisational structure and descriptions of tasks and competences. Some local government bodies also publish information about tourism and information about the municipal council’s work, from different documentation about meetings to municipal regulations and newsletters.

Some organisations offer information about administrative procedures and public competitions. This includes guidelines for filling in and sending applications, lists of all necessary additions to applications, legal groundings for procedural execution and forms for applications. These are mainly prepared for downloading or printing and later sent via regular post.

The majority of government bodies also publish e-mail addresses. In this way, citizens can forward their questions, remarks or claims to the directors or other employees, but in some cases there is a central e-mail address. A few pages offer interactive forums and discussion groups where citizens can participate in discussions about different topics or send comments and suggestions about activities, policies and strategies and other matters. The advantage of this is that all messages from citizens, as well as answers, are published, and thus contribute not only to forming public opinion but also to active participation in government activities.

Despite the advantages, citizens have considerable difficulties searching for the appropriate service through all these web pages. The information is not standardized and not linked, but dispersed over different web pages of different government bodies. In response, the Slovenian government decided to develop an administrative portal, not only to combine all these services, but also to integrate them into one single window or entry point to the government (see chapter 3.2). The first version of such a portal has been introduced recently (see: <http://e-gov.gov.si/e-uprava/index.html>).

All these developments are still in the early stages. What is available today are various information and basic communication services, which enable, with the exception of e-mail, mainly one-way communication. Transaction services are very rare, but in the future they will enable on-line transactions such as ticket reservations, electronic submissions of administrative cases, forms and other documents, tracking of administrative procedures, receiving documents, on-line access to different databases, electronic payments of administrative fees or taxes, electronic voting and so on. Only then will citizens be able to conduct all their business with government anywhere and at anytime.

There is very little data about the opinion of the public on quality improvements as a consequence of Internet usage; however, we can conclude that the use of the Internet contributes to better-informed citizens and therefore there are fewer problems in interactions with government. In the future, with the development of transaction services, the Internet will overcome many time and space barriers inherent in paper-based operation.

### **4.2 IT Support of the Legislative Procedure**

The legislative process is one of the most important procedures of decision-making in modern society, considering the participation of a number of players and the importance of decisions taken for the well being of the citizens (Jermol, 1999). Gradually, IT support has been introduced with great success. At first, IT enabled involvement of the relevant government bodies to take part in proceedings (ministries, the government cabinet and the National Assembly); later, the electronic interchange of documents among all parties involved was introduced.

Information systems have completely abolished the slow and rigid paper operation of the parliament, made it possible to enter data only once, and at the same time made data accessible to all who need it, i.e., members of The National Assembly, assembly working bodies, governmental bodies and citizens. For example, one can follow what is happening with a particular bill throughout the various procedures and phases, determine the positions of different parties, and all documentation that is attached to the proposal are hierarchically organised and gathered in a data folder.

The introduction of the system brought a clearer and more transparent legislative procedure, better and more efficient cooperation between government bodies and more efficient document interchange.

Access to some databases is also possible for the general public through the National Assembly's web pages (see: <http://www.dz-rs.si>). Citizens can access all laws passed since the Slovene constitution in 1991, follow the phases and changes of each bill through proceedings in the National Assembly, and follow sessions of the National Assembly and working bodies from the calls and minutes of the sessions, to verbatim reports. Following sessions live on the Internet is also possible.

Regrettably, citizens can only access data from the National Assembly information system. Therefore, Internet access to drafts that are in the process of being formed and debated on within the ministries is not yet possible. The publication of each draft depends on the decisions of individuals within particular ministries (at the moment, there are only two drafts published on ministry web pages). Access to other regulations passed by the Slovenian government is also problematic, as they are accessible only through a commercial provider of legal information (IUS-Info).

### **4.3 Health insurance card**

The Health Insurance Institute of Slovenia has devised a plan to substitute the current health care booklet for a health insurance card to carry out health care services. The aims are rationalization of operations in the field of health care and health insurance, and improvement of service quality. The health insurance card is conceived as a modern electronic document based on smart card technology designed for communication between the insured person, the physician, the health centre, the hospital, the health insurance provider, the pharmacy and other stakeholders in the health system (Health Insurance Card, 2001).

The cards have been issued to everyone with valid compulsory health insurance in Slovenia and to health professionals. In the first phase, a card with administrative functions has been introduced to more easily enable those entitled to insurance to complete procedures and to support the procedures of selecting personal physicians.

With the introduction of the card system, the work of health professional cardholders is simplified and expedited. They no longer have to manually enter the insured person's data for the purposes of invoicing their services to health insurance providers. Applying the health insurance card as the medium, the data from the Institute's central database is transferred to the local service provider's database. The health professional inserts his card into a special device – a card reader, and logs in with a personal password. When receiving a patient, the health professional inserts the health insurance card into the second slot of the same card reader. The card reader reads and modifies data for the healthcare professional according to access rights. The data are displayed on the screen and, as necessary, uploaded to the local databases. With this, the security of personal data within the information processing systems has been essentially improved.

Furthermore, updating the validity of health insurance once a month by employers is no longer required. Instead, the insured persons themselves are responsible for updating the validity of their card data by means of self-service terminals that are located in health centres, hospitals, the Health Institute regional unit headquarters and branch offices. The card can be updated immediately before visiting a doctor or every three months. The procedure is

simple. One inserts the card into the terminal slot, waits for the message on the screen and withdraws the card. A spoken explanation of the procedure is also possible.

In addition, insured persons can order paper certificates at self-service terminals for implementing health insurance rights in foreign countries with a mutual agreement with Slovenia.

The Health Insurance Institute of Slovenia plans future developments. On each health insurance card chip there are several data sections provided for specific data (for example, voluntary declarations of commitment to donor organs and tissues for transplants after death). Introduction of electronic prescriptions and an electronic medical technical aid order form is also planned.

### **5. Conclusions**

Discussion about the influence of IT on the quality of governance and, in particular, on the quality of public services, is somewhat improvised. All governments in the world are implementing IT based services as rapidly as possible and they expect improved performance, efficiency, improved quality, etc. It is generally acknowledged that the introduction of IT is always a positive approach to improve the performance of an organisation, although investment costs for new technologies are skyrocketing. It is obvious that managers are making decisions in this field more on an intuitive basis than on the basis of formal criteria. We are still lacking thorough studies that would enable us to develop more deterministic quantitative price/performance models referring to implementation and use of new technologies.

It is the same when we come to the issue of 'quality' in relation to IT. We have attempted to make an overview and selection of available technologies and solutions used in different working fields and areas of public bodies, which, according to our firm belief, can contribute to better quality in administration. Furthermore, we were also attempting to bring these technologies and solutions in line with the CAF scheme. We have supported our observations with examples from the Slovenian public sector. Our observations and conclusions are primarily qualitative in nature and significantly based on intuition, deduction and anecdotal experiences. Focused empirical research remains to be done in the future.

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## **Awarding Innovation in Government: US - Ukraine Comparative Case Study**

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### **Introduction**

Exploring the spectrum of ways and tools to overcome inefficiency, a chronic problem of the public sector, is a continuing challenge within all levels of government. Reinforced by fiscal constraints, the problem for local government meeting the increasing citizen demands for improved and diversified public services leads to finding ways and means to reform and innovate.

In contrast to private sector institutions, the public sector traditionally has progressed more slowly in developing favourable conditions for the support of innovation. Innovation developed by public servants is generally owned by the state. There is no shared ownership and public servants are paid fixed salaries with small bonuses. There is no support from venture capitalists to cover risks within the process of innovation.

The rapid development of information technology required both practitioners and scientists worldwide to become more interested in innovation. Interest in public sector innovation has also grown substantially in the last 15 years. Following increasing trends towards effective public administration, competitive circumstances combined to generate and disseminate best practices in public administration, especially at the local level. Launching a number of public management innovation awards programmes has become one of the appropriate approaches to achieving better quality in governance as well as one of the means of its public recognition.

Awards for better public administration play three key roles:

- encouraging the development and dissemination of innovation among the levels of government by providing sufficient resources
- reinforcing a healthy spirit of competition in the bodies of government to excellence in public management
- providing wide public recognition for best practices in public administration

One of the best-known awards for innovative governmental efforts in the United States is the Innovations in American Government programme, supported by the Ford Foundation and administered by Harvard University's Kennedy School of Government (Ford -KSG award). Since its inception in 1986, the Programme has recognized 280 innovative programmes, and these programmes have received \$17.2 million in Ford-Foundation grants.

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There are also a number of awards programmes for innovative practices among the various levels of the U.S. government that have been launched by different governmental, non-governmental and academic organisations with the support of the private sector. These include: the Exemplary State and Local Awards Programme (EXSL), established by the National Centre for Public Productivity in 1989; the Innovation Award of the National League of the Cities; the National Award for Sustainability, presented by Renew America and the President's Council on Sustainable Development; the Best Practices Award, established by International City/County Management Association etc.

Among the winners of the various awards programmes, there were a few that undertook the bulk of activities to implement innovative ideas; however, the majority of cases were those that achieved innovations through relatively small but creative and smart changes.

This study examines the process of innovation in local government and the factors underlying its success and obstacles on the road to innovativeness. Components of the research scheme such as policy areas, types of innovations and partnerships, financial schemes, levels of government support and implementation, profiles of beneficiaries, and the particular components of the process of innovation are examined using the methodologies of several authors.

### **Awarding Best Practices: Country profile**

According to the Law of Ukraine "On State Awards of Ukraine," there are seven main types of state awards in Ukraine, listed in table 1.

There are also several nationwide awards programmes such as "Golden Fortune" or "Person of the Year" that were established with the support of non-governmental organisations and business structures primarily for rewarding outstanding individuals, politicians, public officials, and business persons, but also a few communities, teams, or working groups.

It is also a fact that there are no specialized awards programmes in Ukraine tailored to focus on innovative efforts within the levels of government. The only award programme launched by the Cabinet of Ministry of Ukraine last year for excellence in municipal welfare could be considered as a random attempt to officially recognize best practices in public management. The situation described below shows that there are very few opportunities in Ukraine for an innovative governmental team to be recognized for best innovative practices and a few more for individual innovators in the context of existing state and non-state awards programmes in Ukraine.

There are a number of problem areas that prevent the implementation of an awards programme for achieving better quality in public administration in Ukraine. These include the financial system and the budgeting process, citizen trust in government, property rights, professional and social competencies, levels of technology and communication, and the ability to change.

**Table 1**  
Main types of state awards in Ukraine

#	<i>Title of state award</i>	<i>Comments</i>
1.	Rank "Hero of Ukraine"	awarded to the citizens of Ukraine for heroic actions or outstanding work performance
2.	Orders of Ukraine:	
	Yaroslav Mydryi King's Order (I, II, III, IV level)	for outstanding merit for Ukraine in the field of state consolidation, strengthening international authority of Ukraine, economics, science, education, health care, as well as for distinguished charitable, humanistic and civil activities
	Order "For Merits" (I, II, III level)	for rewarding meritorious action by citizens in the fields of economics, science, public, socio-cultural and military affairs
	Bohdan Khmelnytsky Order (I, II, III level)	for specific merits in defending Ukrainian state and territorial sovereignty, in strengthening the defence ability and security of Ukraine
	Princess Olga Order (I, II, III level)	for rewarding women for outstanding merit in the public, industrial, scientific, educational, cultural charitable and other spheres of civil life as well as for the upbringing of children in a family.
3.	Medals of Ukraine	
	For military duty in Ukraine	for military employees for bravery and outstanding actions in defending the state interests of Ukraine
	For irreproachable performance of duty (I, II, III level)	for rewarding the representatives of the military forces and justice and security bodies of Ukraine for outstanding achievements in performing their duties
	Defenders of the Country	for rewarding veterans for bravery and outstanding actions in strengthening the defence and security of Ukraine
4.	Award "Personal Firearms"	for the officers of the military forces, representatives of the justice and security bodies, as well as public officials of Ukraine.
5.	Honoured Ranks of Ukraine (All these ranks are awarded for excellence in working no fewer than 10 years in the selected areas. The Folk Rank is rewarded after no fewer than 10 years from obtaining the corresponding meritorious rank.)	
	Rank "Folk"	is rewarded annually to the best artist, architect and painter in Ukraine
	Rank "Meritorious"	is rewarded annually to the best artist, builder, inventor, teacher, scientist and technician, blood donor, doctor, economist, journalist, miner, lawyer and forest ranger; as well as to the best professionals in the fields of art, energy, architecture, folk arts, culture, education, health
6.	State Awards of Ukraine	
	Taras Shevchenko National Award of Ukraine	for the most distinguished artistic, journalistic and literary works
	National Award in the field of science and technology	for outstanding scientific findings; for developing and implementing new materials and technologies, new methods and ways of medical treatment; for achievements contributing to the defence of the environment; for designing textbooks for high schools that contribute to improving education for future specialists
	State Awards in the Field of Architecture	for designing distinguished structures and landscape units and complexes for communities as well as for achievements in restoration of state heritage
7.	Presidential awards	established by the President of Ukraine according to the Constitution of Ukraine

The financial system of Ukraine has not been changed since it declared its independence in 1991. The budgeting process is top-down-oriented, with lots of restrictions and instructions delivered from the regional (oblast) level for raising municipal revenues and expenditures including the percentage of regulated taxes. The Law of Ukraine “On Local Self-Administration in Ukraine” established principles for improving the budgeting process in municipalities through the creation of two main parts of the budget that correspond with administrative issues and urban development. However, the revenue sources are very limited for urban development as an important basis for performing innovative activities in municipalities, and those revenues are never more than 5-8% of the total municipal budget on average. Conflicts regularly occur between the Constitution of Ukraine and the Laws of Ukraine “On the Budget System of Ukraine” and “On the Budget for Current Year” in administering the budget. In real life, preference is given to the provisions of both laws rather than the Constitution. In addition, the concept of municipal property is in conflict with recently created regional (oblast) property because of the rule of government hierarchy. Initiatives related to municipal bonds are mostly unsuccessful because of the lack of guarantees that should be provided by the Cabinet Ministry. Therefore, the financial tools for strengthening urban development and encouraging innovations are noticeably limited.

The old command-administrative system and past geo-political division of Ukraine caused a noticeable dispersion of political views and a lack of clearly defined national values. The large gap between authority and community has been revealed via civil skepticism and nihilism about citizens' ability to effectively participate in decision-making and public recognition of the best achievements of public management. There are more than 100 political parties in Ukraine; however, they do not have a substantial influence on public opinion. Citizens unite around political leaders due to the instruments of mass culture. In addition, the close to 110 nationalities and ethnic groups form an ethnic diversity.

As a country in transition, Ukraine has faced a lack of highly qualified managers within all levels of public administration, where the old standards of command-administrative management have created a “gap” in professional and social competencies. The situation is in the process of being improved through a system of in-service training and academic education for public officials.

### **Assessing Innovativeness of Government: Case study**

#### Case study profile

The collection of the innovative Ukrainian practices from 27 cities and towns throughout Ukraine, documented and published by the Association of the Ukrainian Cities as part of the USAID Project “Best Practices in Local Self-Government” with the technical support of the International City/County

Management Association, were examined using Borins' methodology to assess the key building blocks for successful innovation and the change factors influencing innovation management.

The 37 Ukrainian cases contributed within 1999 – 2000 to strengthening local economic development, increasing the municipal budget, improving housing services and other municipal services, implementing advanced information technology, refining social programmes, and leading community development.

The comparative analysis of the variables of innovativeness, as well as the particular components of the innovation process, was conducted for the set of the 37 U.S. best practices of the finalists of the Innovation in American Government Award with predominantly urban character from 1990 to 1996. This covered a wide range of policy areas corresponding to the Ukrainian practices mentioned above.

### Analytical framework.

The original research findings of several authors were used as the background to explore a range of the best Ukrainian practices and conduct a comparative analysis with similar ones in the U.S.

Sandford Borin's report "The Challenges of Innovating in Government" is based on a survey of over 300 innovative efforts that were recognized either by the Innovations in American Government programme, sponsored by the Ford Foundation and the Kennedy School of Government (Ford-KSG Award), or the Commonwealth Association for Public Administration and Management international innovations award programme (CAPAM – award).

Five innovation building blocks (detailed description in Table 2.) for successful innovation in government were revealed through a quantitative analysis of best US and Commonwealth practices and were used to examine the Ukrainian case study.

The common obstacles to innovation (Borins) arise within the bureaucracy (attitudes, turf fights and other resistance), the political environment (inadequate resources, laws, regulations, and political opposition), and outside of the public sector such as internal obstacles (coordination problems, logistic, burnout, union or middle-management opposition, etc.) and external obstacles (external doubts, affected interests, public opposition, etc.).

According to the survey, conducted in framework of this study by the participation of the representatives of the middle and top levels of local and regional government from eight oblast's of the western part of Ukraine, the factors of the political environment are the most essential in negatively influencing the innovation process in the bodies of government. By contrast, public managers from the U.S. and Canada identified internal factors as the biggest obstacles on the road to innovate.

Examining Ukrainian cases, the main change factors were used according to Borins' findings, which affect organisations and force them to transform to meet citizen expectations. These include the following: advances in information technologies; changes in the nature and preferences of the workforce; more demanding customers, and increased global competition.

Hunmin Kim, in "The Process of Innovation in Local Government," examines the organisational characteristics of innovative local governments and the process of innovation using samples of the winners of the Innovation in American Government Awards. The Kim framework for analysis of innovativeness of the Ukrainian cases was used including a set of variables of innovativeness (both internal and external characteristics of local government organisations), and a range of components of the process of innovation (i.e., agenda-setting, matching, redefining/ restructuring, clarifying, and making routines). These findings were used for a comparative analysis with the set of U.S. samples.

### Investigations and Results.

The analysis of the best Ukrainian practices mentioned above was started up using Borins' description of the five major characteristics for successful innovations or types of innovation building blocks (see Table 2.). The results show that the most preferred building blocks for Ukrainian best practices are process improvements, use of a systems approach and empowerment of communities, citizens, or staff (more or about 50% of cases).

This set of Ukrainian cases was also examined using the above-mentioned system of change factors, where the most important factors of change, such as more demanding customers, was determined (see Table 3.)

As the target group for comparative analysis, the selected Ukrainian and U.S. innovative practices concerning the variables of innovativeness based on Kim's methodology were also chosen to be examined. The profile of the wide spectrum of policy areas covered by these cases is presented in Table. 4. While the US cases, which were selected from a pool of over 200 cases, are evenly distributed among the assorted policy areas, the Ukrainian set consisted of only 37 cases total. This did not permit a balanced selection.

More than 80% of the Ukrainian cases have been forming the different kinds of partnerships within implementing and adopting innovation. Similarly, 90% of the U.S. winners used the same practices in the innovation process. The results of the investigation of the structure of partnership are shown in Table. 5. According to the Ukrainian experience, partnerships with the business sector within selected cases is of major importance in reinforcing the innovation process; these partnerships, however, are weak due to the budget deficits of the local authorities in Ukraine. At the same time, the level of cross-governmental cooperation is lower than in the U.S. samples.



**Table 2**

Key building blocks of successful innovation in local government.

#	Title of block	Ukrainian cases	Comments
1.	Use of a systems approach	48.6	using a systematic analysis of a problem or coordinating interactions of organisations / programmes or providing multiple service to clients
2.	Use of information technology	13.5	evolved from ingenious allocations of IT innovations generated by middle managers with technical backgrounds beginning in the 90s through to their widespread use throughout the organisation and recognized by the top level of management by the end of the 90s.
3.	Process improvement	56.8	contains the innovations that force governmental processes to be faster, friendlier, or more accessible and includes applying the Pareto rule, using pay mechanisms, and facing voluntary compliance
4.	Involvement of the private or voluntary sector	46.08	using the private or voluntary sector to achieve public purposes including opening up some public sector activities to private sector competition; using voluntary or non-governmental organisations for programme delivery; and, occasionally, involving individual volunteers in public sector programmes.
5.	Empowerment of communities, citizens, or staff	35.1	include citizen participation in policy making, policy implementation as well as front-line workers' initiatives for changes and risk-taking.

**Table 3**

Change factors affecting Ukrainian local governments (selected cases) within the process of innovation (%)

<i>Description of factors</i>	<i>Ukrainian cases</i>
Advances in information technologies	13.5
Changes in the nature and preferences of the workforce	5.4
More demanding customers	84.6
Increased global competition	16.2

Regarding the characteristics of innovative local governments, the scheme of financing the selected projects was analysed. Combined support from different sources was used to develop and implement innovations in Ukrainian local government in about 83.5% of all samples. Assistance provided by local self-

**Table 4**

Policy areas for innovations in local government in the USA and Ukraine (selected cases)

<b>Policy areas</b>	<b>USA</b>	<b>Ukraine</b>
Education	5	-
Job training and labour	5	-
Health	6	1
Welfare	4	11
Community development	6	11
Protective services	3	4
Environment and resources	6	5
Administration and management	2	5

**Table 5**

Types of Partnerships in Service Delivery (%)

<b>Types</b>	<b>USA</b>	<b>Ukraine</b>
With business sector	21.6	48.6
With non-profit organisation / social interestgroups	13.5	39.7
With other government units	21.6	12.8
With citizens	8.1	27
Combination of above	24.3	59.4
Not applicable	10.8	10.8 (communal enterprises)

government is reported in 61.4% of the cases. The input of the business sector is the most significant external source of support — accounting for about 42% of the total. In almost 22% of the cases, the bodies of local government did not have any external financial support.

Looking at just the U.S. situation, one finds that 43.2% didn't have any financial support from the upper levels of government for innovative work. Only 18.9% had slack resources, while 43.2% obtained financial contributions from different sources, including grants, from the business sector or private foundations. Support provided by state or federal government include less than 25% of the budget for 18.9% of cases; between 25-50% for 16.2%; between 50-75 for 8.1%; and over 75% for 13.5 % of the samples of the winners of the Innovation in American Government Award.

According to Kim’s methodology, the particular components of the process of innovation in local government were analysed. While the U.S. cases included the data that enabled an investigation of all of the process stages, the information about the best practices in Ukraine did not present all of the data necessary for a complete analysis. As a result, two stages of the innovation process – matching and redefining/restructuring - were chosen where all of the data for analysis were available both for the U.S. and for the Ukrainian practices. The results of this comparative analysis are presented in Table 6.

**Table 6**  
Activities Undertaken for the Matching Stage (%)

<b>Content of activities undertaken</b>	<b>USA</b>	<b>Ukraine</b>
Comprehensive / strategic plan or programme development	56.7	27.1
Legislation	29.7	8.1
Citizen/ client consultation	5.4	35.8
Replicate public sector practice	13.5	37.8
Replicate non-profit org. practice	2.7	8.1
Replicate business sector practice	10.8	32.4
Consultant	8.1	n/a
Pilot programme	29.7	27.0

The results shown in Table 6 show that, particularly during the second stage – “matching,” there is a strong trend among U.S. local governments within the innovation process toward strategic planning, legislation, and pilot programmes. By contrast, the Ukrainian cases are over-represented in the fields of consultation, and replication of public and business sectors practices.

Several parameters of the third stage of the process of innovation were compared as shown in Table 7.

Among the U.S. winners, some organisational restructuring took place to accommodate the innovations. Particularly, in 54% of the U.S. cases, this stage of the innovation process was supported by setting up a new unit (department, division, office, etc.) in comparison to 29.7% for Ukrainian best practices. Various committees were created in 29.7% of all the American cases but in only 13.5% of the Ukrainian cases. In 18.95% of the U.S. practices and 31.6 % of the Ukrainian samples, task forces, coalitions and collaborative teams were created.

**Table 7**  
Types of agencies in charge of innovations (%)

Agencies	USA	Ukraine
Line agencies of local government	62.2	67.5
Central government agencies	16.2	2.7
Non-profit organisations	13.5	27.0
Interdepartmental or interagency networks	8.1	37.0

Non-profit organisations were created in 8.1% of the U.S. cases and 34.3% of the Ukrainian cases.

**Conclusions and Policy Recommendations**

Public management innovation awards programmes have become one of the appropriate approaches to achieving better quality in governance as well as one of the means of public recognition. The role here is to encourage the progress of innovations in government through fair competition and public recognition for the best quality in public administration.

There are a number of problem areas that prevent the implementation of an awards programme for best practices in public administration in Ukraine. These include the financial system and budgeting process, lack of citizen trust in government, property rights, professional and social competencies, levels of technology and communication, and the inability to change.

Having a strong need to improve the quality of public administration and strengthen local self-government, the governmental bodies of Ukraine are on the road to developing and implementing positive practices based on innovations. However, there are not officially accepted and well-organized support systems for innovative government in Ukraine that would create favourable conditions for collecting, examining, and disseminating information about best practices in public management.

This study examined a number of innovative practices by local government that were documented and published with the support of the USAID project. The basis for analysis was chosen based on the variables of innovativeness and the parameters of the innovation process in organisation. The results of the examination are the following:

- The growth in consumer demand is the most important change factor influencing the Ukrainian local government within the process of innovation. Among the key building blocks of success in innovating, the systems approach, process improvement, and wide institutional and individual

involvement to achieving public purposes are the most preferred in the set of the Ukrainian best practices.

- In the process of forming different kinds of partnerships to support innovation in local government in Ukraine, there is a very emphatic focus on the business sector as the most substantial resource of support. However, cross-governmental cooperation is not as highly developed as that in the U.S.
- Local governments in the U.S. are much more independent in their innovative activities in the sense of the availability of financial resources while most of Ukrainian cases (about 80%) were looking for external financial support.
- Considering the habits of the innovation process in local government in Ukraine, particularly matching, the trend to solicit consulting, and to replicate public and business sector practices, was discovered to be the most preferred forms, while the U.S. practices are focused on strategic planning, legislation and pilot programmes.
- Organisational restructuring to accommodate innovations is very common for the U.S. best practices; accordingly, while innovating, a new unit was set up by more than 50% of U.S. cases in comparison to about 30% of Ukrainian cases.

To strengthen innovativeness in the governmental organisations, the innovative culture should be supported from the top level of management, diversity of thinking and performance as well as efforts for inventions and experiments in spite of the risk of failure or error should be widely supported.

Because of weak mutual interaction among the levels of government in realizing joint innovative projects, advanced governmental marketing, project management skills and intergovernmental (interagency) communication and cooperation is one of the strongest needs of the bodies of local government of Ukraine in their transition to a western-style economy.

As was discovered in this study, there are very few opportunities in Ukraine for an innovative government to be recognized for best practices in public administration in the context of existing state and non-state awards programmes in Ukraine. The crucial question is to launch a range of awards programmes or projects in Ukraine with a focus on best quality of public management in Ukraine.

Establishing a wide coalition of governmental and non-governmental organisations, including the private sector, is of major importance in sustaining an awards approach to better quality in public administration and local government in Ukraine. Taking into account the lack of state recourses and the state budget deficit in Ukraine, the sponsorship efforts of the private sector in Ukraine and abroad should promote the initiation of rewarding innovation in Ukrainian government.

In evaluating best practices in government, the representatives of Ukrainian communities and groups should be involved with associations and groups of

cities/towns communities, networks of academic/research institutions and NGO's, leagues of professionals, and independent civil experts. The criteria for assessing innovation in government should be developed using an analysis of variables of innovativeness and key parameters of the innovation process in organisations based on a number of foreign practices. The selection mechanisms of award programmes have to be formatted in multiple stages and transparent to provide fair competition for the governmental bodies and a respected assessment process.

The award process should be completed on an annual basis with broad promotion efforts to bring the main outcomes and achievements to the public's attention. INTERNET resources have to encourage experience exchange and dissemination of the outcomes of best projects for the public in service delivery using different e-communication tools such as newsletters, web sites, and databases on the issues of innovation in government.

The types of awards given to groups or individuals could include departmental and/or government-wide awards for best practices; awards for innovation in public management given by non-governmental organisations, coalitions or individual sponsors; gain-sharing awards for implementing cost-saving ideas or royalties for inventions made while working for the government.

An innovation awards approach to achieving better quality in public management could be a very efficient tool for reducing the bureaucracy's fear of public failure while experimenting and learning best practices in governance in the countries of transition.

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## **SECTION 4**

# **Policy Guidelines for Central and Eastern Europe**





## Policy Guidelines for Achieving Quality in Practice

*Joanne Caddy\* and Mirko Vintar\*\**

This section is designed for busy policy-makers and practitioners in government in Central and Eastern Europe. It proposes a set of guidelines and key issues for consideration based on the empirical findings set out in the case studies and extensive discussion amongst members of the NISPAcee Working Group on Better Quality Administration for the Public.<sup>1</sup> The guidelines are meant to indicate the options available and leave significant scope for tailoring actions to the specific needs of, and conditions prevailing in, each country's public administration.

Throughout its discussions, the Working Group recognised that the pursuit of quality in public administration contributes to, and is underpinned by, the broader goals of achieving good governance, enhancing the rule of law and ensuring open, transparent and accountable government.

### **I. Why focus on quality?**

Why should quality be considered as an objective for public administration reform in Central and Eastern Europe? There are many reasons for taking the first steps along this path, whatever the point of departure. The pursuit of quality allows you, as a reformer and manager in government, to:

- lead your organisation rather than be led by external pressures (management by objective vs. crisis management);
- manage scarce resources more effectively and efficiently;
- encourage dialogue between management and staff on improving performance;
- meet rising expectations of key stakeholders, users, businesses and citizens;
- identify your strengths and weaknesses – and the areas on which to focus efforts for improvement;
- position your organisation within a common context (national and international), compare experience and learn from the experience of others;
- introduce a greater degree of transparency in your operations, which in turn contributes to fighting corruption and building public trust;

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\* Public Management Service (PUMA), OECD, Paris. The opinions expressed and arguments employed in this publication are the sole responsibility of the author and do not reflect those of the OECD or of the governments of its Member countries.

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<sup>1</sup> The authors would like to thank all members of the Working Group for their contribution in developing these guidelines, and in particular Dag Strømsnes and Peter Humphreys for their invaluable drafting suggestions and advice.

- change organisational cultures within the administration and the basis of the relationship between public officials and the citizens they are supposed to serve;
- build capacity within your organisation for forward-looking and strategic planning and to meet today's demands as well as those of tomorrow.

## II. Delivering quality in your organisation

Of course, quality in public administration is not itself new – it is a natural goal for public administrations and much has already been achieved. The challenge is now to build on these achievements, and move towards a more coherent and strategic approach to quality in the public sector.

Indeed, you are already 'doing' quality. There are many initiatives in your own organisation which are elements of a quality management framework. But reaping the benefits of quality management requires a step-by-step approach in which realistic goals are set and tangible results are achieved:

1. Start with self-assessment – devote some time and energy in getting a true picture of where you are and involve your staff and stakeholders in this process;
2. Develop an action plan based on the results of the assessment and consultation. This will require you to set priorities, allocate resources and assign responsibilities. Ensure political support for the action plan;
3. Implement and monitor your action plan – check progress against the objectives set and take remedial action for areas where progress is slow. Compare your progress and achievements against other units within your organisation, with other public sector organisations, private sector organisations and at the international level. Make sure you include benchmarking of both process and results;
4. Aim for a culture of continuous improvement – now that you have completed your action plan, take stock of your achievements and start the learning cycle once again. Recognise that achieving quality is a dynamic process, it does not happen overnight and requires a culture of continuous improvement and change at all levels of your organisation.

### **Choose your framework!**

There are several frameworks on which you can draw, for example:

- the European Foundation for Quality Management (EFQM) "Excellence Model" - which was originally developed for the private sector;
- the Speyer Quality Award - which was developed for the public sector in the German-speaking part of Europe;
- ISO 9000 - which is particularly appropriate for organisations where the primary concern is quality assurance of standardised processes;
- the Common Assessment Framework (CAF) - which is a self-assessment tool and has been developed as an entry point specifically for public service organisations.

### **III. Building a national framework for quality in public administration**

Quality initiatives can be from the bottom-up and largely spontaneous with good effect. However, such efforts can benefit from actions at the national level aimed at providing a supportive environment. Policy-makers could consider taking steps to:

- Establish a central support unit charged with promoting quality, providing guidance, arranging training, and disseminating best practices. Such a unit may be placed within the government department responsible for public administration and modernisation;
- Identify and support pilot organisations that have begun to introduce quality management and can demonstrate to others its benefits;
- Promote learning networks of public officials and organisations and encourage benchmarking (including the development of a common database);
- Create incentives for action through recognition of effort. This may be as informal as publicising individual or team achievements internally (e.g. through a newsletter) to a national, high profile award scheme or accreditation.

Policy-makers in Central and Eastern Europe will have a better chance of raising standards and making significant improvements if they recognise that:

- Quality management is an integral part of public administration modernisation. Achieving better quality administration for the public requires action on a wide range of issues – including acceptance of the rule of law, providing access to information, establishment of a professional civil service and the introduction of a clear ethics infrastructure.
- Quality in public administration can no longer be considered as a luxury nor as an objective for the distant future. All governments must take steps to improve the quality of the public administration if they are to remain competitive in a rapidly changing, global environment and to meet the expectations of their citizens.

The policy guidelines offered below are broad. They are meant to provide a stimulus for action and to encourage the development of appropriate, tailor-made responses to the needs and priorities of specific organisations within a wide variety of country contexts. While much remains to be achieved in improving the quality of public administration in Central and Eastern Europe, as in any human endeavour, it is often the first step which requires the greatest courage. Should this volume succeed in encouraging governments to take action today, not tomorrow, it will have achieved its main goal.

**NISPAcee Working Group on Better Quality Administration  
for the Public**

**Policy Guidelines**

**1. Why go for quality?**

A focus on quality can contribute to building a more responsive and strategic public administration that serves its citizens better.

Quality means different things in different contexts. A first stage in introducing quality is to ensure reliability, standardisation of processes, impartiality of decision-making and of service delivery in public administration.

**2. Getting started with quality in public administration**

Quality improvement must be voluntary. Quality cannot be legislated. At the same time, some form of national framework is needed, for example:

- a policy initiative;
- an institutional framework for co-ordination, promotion and training.

This framework has to be supported by commitment at all levels and leadership within the public administration, including opportunities for stakeholder involvement.

**3. Making quality work in practice**

Quality can be achieved from the bottom-up. Quality management needs a step-by-step approach, in which realistic goals are set and tangible results are achieved in a short-term. Some practical approaches are:

- to do pilot testing (e.g. in a local authority or even single service unit);
- to collect information on 'good practice' (e.g. via conferences, workshops, databases) and publicise them widely;
- to create incentives for action (e.g. by providing public recognition when a public sector body reaches a certain quality level or by establishing a quality award).

**4. Quality in context**

Achieving quality in public administration depends on progress made within the wider context of ensuring:

- the rule of law;
- citizen access to information and rights of appeal;
- a stable and professional civil service;
- an ethics infrastructure which prevents corruption.