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"Navigating Global Quality in a New Era"



June 20, 2011 (Monday)

Pre-Congress Seminars

KEMPINSKI HOTEL CORVINUS
REGINA BALLROOM II.

Erzsébet tér 7-8, Budapest V.
Monday 10:00 – 16:00

3.1. QUALITY IN PUBLIC ADMINISTRATION

Session Chair: *Viktor Horváth, Ministry of Public Administration and Justice, Hungary*

10.00 Obstacles to Quality in Public Administration: How to Overcome Them?

Tito Conti, Former President and Chairman of the International Academy for Quality, Italy

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Consultant in organizational fitness aimed at sustainable excellence. Special focus in the past eight years on Public Administration. Intense activity in research and application of systems thinking to managing for quality. Strongly dedicated to the promotion of quality: in Europe as President of EOQ (1992-94), and internationally as President and then Chairman of the International Academy for Quality (2006-2010).

In the 1980s Tito was CEO of a microelectronic company, then Director of Corporate Quality of the Olivetti Group. In that role he was among the founders of EFQM. In 1990 he made the proposal for the new conceptual model of the European Quality Award (now EFQM Excellence Model), the history of which he has told in a paper on the TQM Journal in 2007. Considering both articles and conference presentations, Tito has published more than four hundred papers, most of them at the international level. He is the author or co-author of many books. His book "Organizational Self-Assessment" was published in 10 languages.

OBSTACLES TO QUALITY IN PUBLIC ADMINISTRATION:HOW TO OVERCOME THEM.

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ABSTRACT.

The paper starts with a brief analysis of the effects of globalization on Public Administration (PA) and the increasing influence of the latter's effectiveness and efficiency on national competitiveness. Then the discussion focuses on the obstacles to quality in PAs and how to overcome them. Arguments, judgments and suggestions are corroborated by the long experience of the author as advisor to both business companies and PAs. Finally the specific case of the European Union is examined, with a special eye on the outcome of the ten year plan launched in Lisbon in the year 2000 by the EU's PA Ministers.

INTRODUCTION

Our world is going through an epochal change, that goes under the name of "globalization". As it always happens with change, we have people in favour and people against it. But in the case of globalization discussing if making it or not is useless, since it will happen anyhow. The real issue is *what kind* of globalization. With such term in fact, even unconsciously, we refer to the process of opening up state, regional, ethnic, cultural, religious systems that have been closed for centuries or millennia. A process that in the long term seems unavoidable, but proceeded in the past by fits and start, mainly through conflicts. The process seemed to slow down with the creation of modern states but took an increasing acceleration pace after the second world war and the cold war. Trade was the first area where the need of opening up national systems was felt, after the collapse of the political boundary walls. But globalization is more than an economic issue: it means open relations between different cultures, traditions, religions. All that may take place in a peaceful or a conflictual way – and the two world wars showed us how the negative consequences of conflicts increase exponentially with their extension and the progress of technology. So, for the good of humanity, peaceful and cooperative globalization appears to be the only reasonable choice. That does not mean absence of competition. It only means that, as within a state the law is there to avoid the degeneration of civil relations into conflicts, so it should be at the international level.

But the road is long - and the second issue is *how* to manage the transition properly. A huge problem, given its unprecedented complexity and dimensions, that, among other things, exact different from usual mental paradigms. As in the last four centuries analytical thinking dominated the western culture, today's complex problems require new *systems thinking paradigms*. Becoming a worldwide system made up of open systems implies an exponential increase in all kinds of relations. Relations are the place where value can be created or destroyed; that is, where cooperation and fair competition - or, vice versa, conflicts and destruction - can take place.

Wishing that globalization evolves in the right directions, that is, toward better cooperation and fair competition, we will focus here on national PAs, where the problem of effectiveness and efficiency has been there since the formation of modern states (Weber, 1978). Globalization sharpens the problem because it fosters competition on a worldwide scale. Research on the factors that make nations successful proves that PAs have a prominent weight in national competitiveness¹.

¹ The World Economic Forum (WEF) and the Institute of Management Development (IMD) contribute to such awareness through the publication of their annual competitiveness rankings, aimed at monitoring world competitiveness trends (WEF Global Competitiveness Report, 2010/2011; IMD World Competitiveness Yearbook, 2011). What emerges from those rankings is the increasing impact that PA has on countries' overall performance.

The mission of national PAs is to contribute to the well being and development of their citizens and the organizations that the latter legitimately create. Given the disparities between countries the issue of improving and modernizing PAs, albeit concerning all countries, is more severe and urgent for the less developed with scarce resources. Unfortunately such countries are in general the less equipped and it happens that improvement rates are lower where they are more needed. In the globalization framework, it is in the interest of all countries to promote a more even development. The European Union is an example of political entity whose development is strongly conditioned by the ability to reduce disparities among its members.

Disparities among countries depend on cultural and historical factors, more than on natural resources (the main factor in the past). The resulting political governance systems have a strong impact on citizen and enterprise well being and satisfaction. Systems where politicians are elected should in theory enjoy a better control by the citizens, who can express their satisfaction with their vote. However it seems that public systems' performance, albeit depending on the political system, is strongly dependent on the level of public ethics too. Conflicts of interest and corruption are the plagues that hinder economic and social development in many countries. Problems are both within the administrative systems and at the interface between policymakers and administrators, where the former often abuse their power. Balance of power, clear definition of roles and responsibilities and rigorous controls are absolute preconditions for quality in PA. Ethics is always critical to quality, particularly so in PA, where control is generally weaker than in private business.

In relation to administrative levels, it is important to notice that moving from the local to the central levels the distance between citizens and their administrators increases, and then pressure for improvement decreases. That is why most improvement initiatives, historically, took place at local levels. However, without the involvement of central administrations, the big changes cannot take place and even local improvement efforts are restrained if not nullified.

It is out of the scope of this paper the discussion on quality in political areas (a very important topic, however); we focus here on quality in the administrative area, where policies are bound to be implemented. PA managers' responsibility is: first, assist politicians in formulating policy (by giving them advice in terms of analysis, feasibility etc); second, implement the defined policy and goals (CAF, 2006). Administrators have normally longer time perspectives than elected politicians. Since significant changes require long time to generate results, conflicts between politicians and administrators about the priority to give to structural transformations are likely.

CITIZENS AND ENTERPRISES WANT QUALITY IN PUBLIC ADMINISTRATION.

Happily for the citizens, globalization is going to put more pressure on PAs for improvement and modernization. Awareness is in fact rapidly increasing that PA effectiveness and efficiency plays a fundamental role in fostering country competitiveness (world investment capitals, for example, move to countries where life is easier, better and safer for both people and companies). The power of economy is then doing what in many cases the power of citizens was not able to do: mobilizing governments on the issue of making PAs more effective and efficient. By hook or by crook, PAs seem to be bound to improve their quality. But only some will grasp the benefits of being among the first.

Some politicians and economists have still reservations about the WEF and IMD rankings (specially from countries that are in the lower parts of the lists), but, even if not perfect, those reports have the merit of bringing politicians' attention on the strong impact of PA effectiveness and efficiency on country competitiveness.

What do citizens and enterprise request? They want lower crime rate, prevention of accidents due to traffic and not compliance with safety rules, a cleaner environment, better schools, better healthcare, less bureaucracy. They want efficiency, because PA non-quality costs turns to additional burdens for them. They want to be listened to, when initiatives that impact them are planned and when problems arise. They appreciate to be asked, periodically, their opinions and judgements, with appropriate, well prepared surveys. In other words they want to shorten the distance between themselves and the administrations. They like decentralization, because it helps getting all the above and put the administration under direct citizen control. The organizational forms to accomplish citizen/enterprise-administration proximity should be well conceived to create real dialogue without confusion of roles or sterile discussions.

People demand their administrators ethical behaviours. Recommendations in staffing, favours in purchases and works allotment, conflicts of interests, corruption, are perceived as thefts to citizens' detriment. People expect also courtesy from the employees; they want simple and clear, non bureaucratic language in the documents that they receive from PA offices or they are asked to fill; they want easy to browse PA sites. People want that public money is not spent on useless or propagandistic initiatives.

WHAT OBSTACLES FOR QUALITY IN PA AND HOW TO OVERCOME THEM.

In principle, PA managers are expected to make changes similar to those that many enterprises were obliged to make in the last decades of the 20th century. However, to be realistic, we must take into account a fundamental difference between private business and PA. Companies operating in open markets exposed to the international competition, are spurred by the awareness that either they change or die. A severe selection then takes place in business, where only the fittest survive in the long run. On the contrary, PAs normally operate as monopolists in domestic and captive markets. Paradoxically, they are "condemned to survive", whatever their level of inefficiency and ineffectiveness.

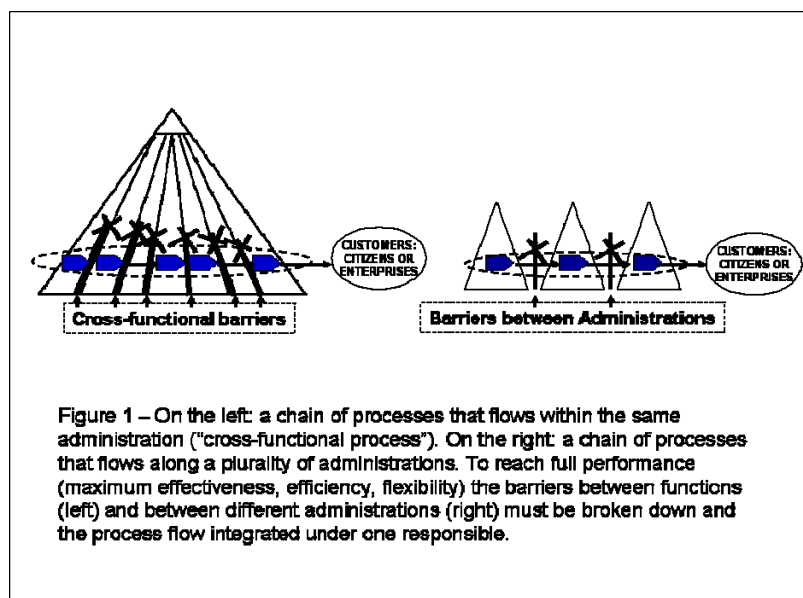
Since competition is the major drive for improvement, can we think of having competition in PA? In 1991 UK prime minister John Major started a real PA revolution, outsourcing many non-strategic services to private companies, leaving the government the control responsibility (through the *Citizen's Charters* and surveys on results) (Pollitt et al, 2000), (Grimshaw, 2002). The example was followed by many European countries, with mixed results. We must recognize that, after twenty years, in Northern and Central Europe we find many of the most advanced public administrations in the world (Gray A, 2006), (PASC, 2010).

In the USA impressive plans were conceived under the leadership of Vice President Al Gore in the 90s. Taking the hint from David Osborne's and Ted Gaebler's book "*Reinventing government, how the entrepreneurial spirit is transforming the public sector*" (Osborne et al, 1992), The National Partnership for Reinventing Government (NPR, 1998), formerly The National Performance Review, was created (Di Iulio, 1993), (Ross, 1994). In the book "*Banishing Bureaucracy: The Five Strategies for Reinventing Government*" (Osborne et al, 1997) David Osborne and Peter Plastrik suggest a "Five C's" road map for reinventing PA: core strategy (redefining the purpose of government); consequence strategy (creating incentives, based on evaluations of job performance); customer strategy (obtaining feedback of performance from service recipients); control strategy (granting people the power to do what is needed); and culture strategy (replacing old habits with entrepreneurial concepts).

In this section, based on both the author's experience as a long time consultant to PA and reports from the literature, the main critical factors that hinder PA modernization are discussed and remedies suggested.

Management culture. The need to change is high; awareness and motivation are low.

“PAs are plagued by the remains of the old style bureaucracy, where the boss orders what to do and the others execute” (Posner et al, 1994). The main critical factor for PAs is changing their organizational and management culture, that in most cases is still anchored to the hierarchical bureaucratic model of the organization that Max Weber described at the beginning of the 20th century (that was good for the social culture of the time, specially in Prussia) (Weber, 1978). In such model hierarchical vertical relations were absolutely prominent. The social culture of today, mainly in the West, is profoundly different from that of a century ago. If the organizational culture does not match the social culture, conflicts inevitably arise. Modern organizations, to be effective in a competitive environment, are bound to be lean and take the *systems model* as a reference, where the horizontal work relations are key in value creation. That means breaking down the functional barriers that impede processes to maximize quality and minimize costs and execution times (Figure 1). That does not mean that vertical functions should disappear, but their role should be re-examined taking the leading role of cross-functional processes into account (Conti, 2009).



The process vs. function issue is indeed the main stumble block on the way of PA modernizations. Resistance to change in this area is normally very high, because it deals with functional managers’ power. Historically, this is the area where most Total Quality Management (TQM) initiatives failed. It is better to put aside the illusion that such transformations can happen in absence of top political and administrative authorities’ commitment.

Everything the organization does is shaped by its culture. So all the obstacles that we are going to discuss in the next sub-sections are influenced by management culture. We will however mention in this section some of the most significant top management related problems, starting with *the decision-making process*. In hierarchical organizations decisions are elaborated and taken at the top without involving lower levels, then pushed down for execution. In modern lean structures the decision process should involve those who are responsible for execution, front-line managers and employees in particular. The author was sometimes shocked by seeing how staff managers delegated for the transformation process often elaborated the implementation plan without involving those who were supposed to take care of the implementation. When the plan was presented to the latter, discontent spread clearly among the audience, that perceived a discrepancy between words and fact. Such schizophrenic behaviour is not limited to PAs but is particularly diffused in it. If not eradicated, it will nullify any modernization effort. Particularly important is, in this respect, the annual (as well as the longer term) planning process. To reach maximum

effectiveness, such process should follow the “goal-deployment” procedure, with “catch ball” interactions between the different levels. Involvement of people who are in contact with citizens and enterprises always results in better plans and more effective execution. In fact, people who have been involved in planning will be more motivated and prepared to achieve the agreed upon results. Most PAs are still far away from such ideal situation.

One of the most negative attitudes of PA managers is to evaluate their own performance on the basis of what they have done, without asking themselves what is the return, what are the benefits for the citizens or the organization itself (for those who are familiar with the EFQM or CAF Models, such behaviour means assessing only the “enabler” side, not the “result” side). PA managers now regularly measure customer satisfaction but, as we will see below, quite often they do not manage it in the proper way and they neglect to explore the cause-effect relations between actions taken on the enablers and results. In business enterprises managers are normally requested to estimate the expected ROI of the initiatives they propose, and to measure it after an initiative is implemented. Not so in many PAs, where, for example, managers sometimes are invited – or even obliged – to invest in education and training without being asked to estimate the expected (even if non-monetary) benefits; and subsequently to assess the results. The mentality of doing things because the boss decided so, or because those things are in the list of the objectives to which annual bonuses are linked, is unfortunately very common. But the mentality of evaluating the (hard or soft) return is quite often absent. When assessing PAs using excellence models, you hear long lists of things done: “we have done this, we have done that”; but if you ask what permanent changes those things have produced (from the receiver’s perspective), the lists are shorter. Or better, you hear lists of *supposed* benefits claimed from the supplier perspective, not of real outcomes asseverated by the customers.

PA managers often show cultural interests for all new management theories or approaches and often they want to try them. For example, the interest in excellence models is high, but often limited to assess performance, not extended to all the phases of the PDCA cycle. They are attracted by excellence awards, often because they suffer from scarcity of internal recognitions. But, as noticed above, the self-referential mentality makes them put emphasis more on what they have done - the “enablers” - than on the outcomes. Very seldom the links between the two parts is neglected, as it is the search for possible, unexpected *impacts* of own activities on other stakeholders. Understanding the links between organizational actions and outcomes should be the managers’ main aim.

Cultural changes are hard to achieve, they take many years, while managers (and even more politicians) want quick results. It is not a matter of patience, as it is often an unconscious resistance to changes that are perceived as painful; sometimes the incapacity to change deep rooted mental paradigms. But, as Einstein said: “*Without changing our patterns of thought, we will not be able to solve the problems we have created with our current patterns of thought*”. Experience with excellence models shows that people often interpret them using the old mental paradigms (see example above on the decision processes), and the result is zero, if not negative.

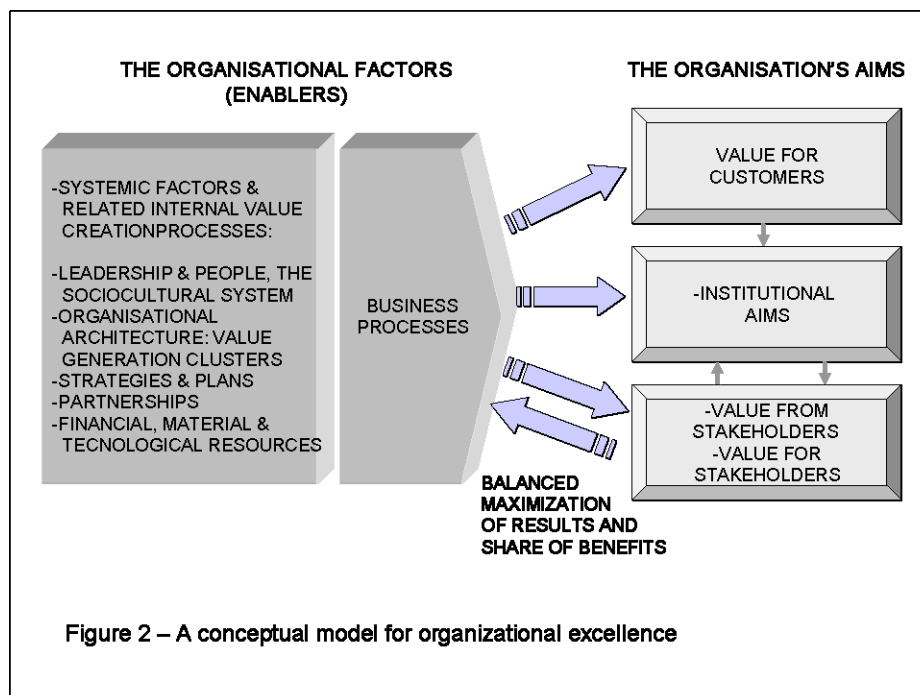
To take another example, it is hardly believable that people can make a self-assessment and answer questions about processes, without caring to learn and practice what they preach, process management in the first place. But it happens. Once understood that process means activity, a self-referenced manager believes that, obviously, she/he manages her/his activities, and is ready to tell how they are managed. Ignorance in process management make people go on *talking* of their processes without *listening* to them; that is: without knowing that they could structure processes so that they speak by themselves, through appropriate “*key process indicators*”. Even excellence models, then, may be looked at through lenses that are dimmed by the existing, deeply rooted organizational culture. Only a full comprehension – and acceptance - of organizational

improvement models can lead top managers to a mental conversion and then to the commitment to use them as maps that, day after day, support their efforts to improve.

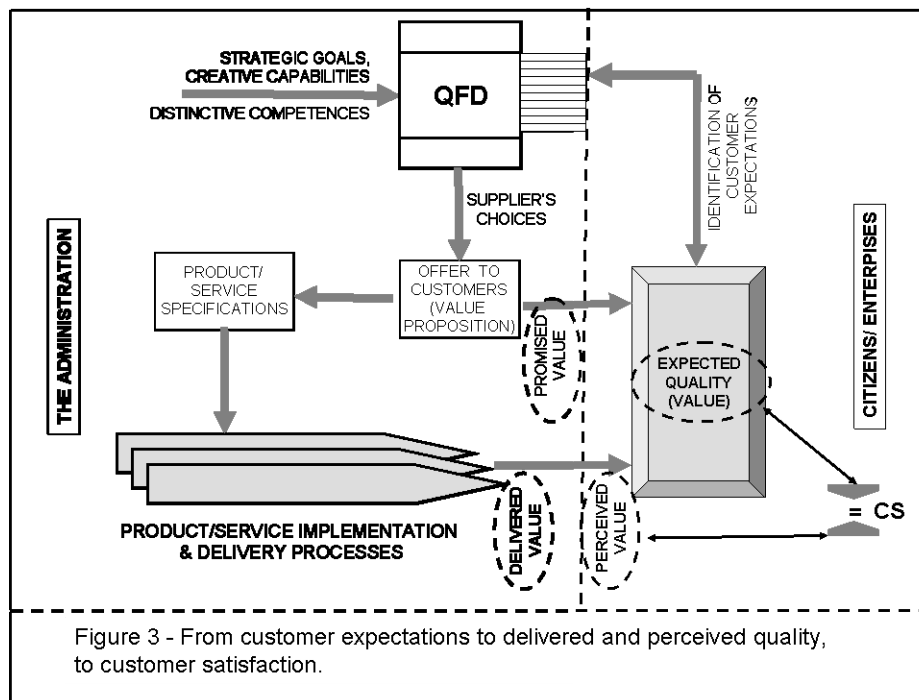
Rethink and define the purpose.

PAs need to rethink and define their purpose. They recognize, today, that their first mission is to serve citizens; that they have to look at them as real customers. It seems however difficult for them to pass from statements to real organizational behaviours, particularly in the case of central administrations. A preliminary suggestion that we offer is to conceptually separate the stakeholder from the customer role, using the following definition: *customers* are those who are effectively receiving value from the administration (using its services); *stakeholders* are those who give and receive value, then they have both rights and obligations. Clearly citizens and enterprises are first PA’s stakeholders: they pay taxes and have the right to use the PA services. They become *also customers* when they access the services. That is not just a theoretical distinction; it has important practical implications. In fact, when making customer satisfaction surveys, only those who accessed the assessed service in the recent past should be involved. When making opinion survey instead, all the stakeholders should be involved. Stakeholders and customers can also become *partners*, when they voluntarily accept to collaborate with a PA to improve a service. The three roles of stakeholder, customer and partners are then not mutually exclusive. To make an example: in first grade schools, parents often accept to be partners, to support the local school’s efforts. In universities, students can become partners of the teachers, to support their work and improve teachings’ effectiveness. In both cases we have citizens who are at the same time stakeholders, customers and partners.

It is then advisable that PA managers re-define their organization’s mission - and then the purposes – by highlighting stakeholder, customer, partner relationships and accurately describing the values exchanged with them. They should then revamp those relationships to both improve customer/stakeholder satisfaction and to gain benefits from cooperation. Relations can be revamped only if the employees on the front line are involved, properly trained and empowered.



From the mission, the plans can be derived. Excellence model are useful in setting up a sound planning process, since they display, on the right-hand part, customer and stakeholder expectations, as well as the organization’s expectations and institutional aims (Figure 2).



Identifying such expectations (for example, using the Quality Function Deployment approach) is the starting point of the administration's business cycle (Figure 3); the next step is combining expectations with the PA policy and capabilities to derive the "value proposition" (value offered to customers); the last step is to implement and deliver the offered value. The loop closes with the measure of the value perceived by the customers, that is, customer/stakeholder satisfaction. Absolutely important is to distinguish between *delivered quality* (or *delivered value*) that can be measured by the supplier, and *perceived quality* (or *perceived value*) that can be estimated only by asking the receiver (Figure 3). Aligning the two qualities is essential for customer satisfaction.

Control and measure.

According to the principle that "you cannot manage – let alone improve – what you don't measure", a more advanced measuring culture should be injected into PAs. A common objection is that many PA's enablers (the *soft* factors, like leadership) are not measurable. That is not true, any organizational factor can be measured: teams of people with appropriate experience and training can do it; obviously the concept of measure is bound to be enlarged (Conti, 1997).

When assessing PAs, a frequent impression is to be submersed by data but to lack usable for improvement information. Let us first consider *performance measurement*, related to the right-hand side of the model (Figure 2), the side dedicated to "the voice of the customers and stakeholders". For traditionally self-referenced organizations, getting used to measure the *value perceived* by the recipients of the administration's activities (in relation to expectations) is of paramount importance. The voice of the customer cannot be replaced by internal measurement or, even worse, by the opinions of the supplier, who will always praise what he does. Information on perceived quality should be collected by attentive front line employees and through customer satisfaction surveys. Unfortunately the first way is rarely pursued. Surveys are widely practiced but too often in a wrong way, because they mimic what is done in the business area. In market relations, the customer satisfaction concept is related to the customer's perception of the ratio "value received" to "money paid" ($V/M = \text{value for money}$). On the contrary, in PA-citizens relations no compensation is normally requested for the service received (sometimes there is a partial compensation, depending on the citizen's income). In such situation, customers can even ask for the moon, unless a substitute for money in the ratio is found. The *Citizen's Charters*, intended as pacts between specific PAs and their customers (citizens or enterprises) can be a valid substitute. In such case customer satisfaction

is measured by the *ratio between the received value and the promised value*. Questionnaires should be made accordingly. Unfortunately, in too many cases the Citizen's Charters are made only to hang them on the walls. When reliable customer/ stakeholder satisfaction data are got, they should be compared with output process data. *That is the dynamics of organizational improvement models*: no systematic comparison, no improvement.

The second issue is then: measurements on the “*enabler side*” of the model (see Figure 2). Process related measures are the more traditional, even if not frequently practiced. Systemic factors, like leadership and partnerships, as already noticed, pose more problems, but can and should be regularly measured. *Measurement should be define in the planning phase*. *Key Performance Indicators* (KPI) and *Key Process indicators* (KPrI) should be identified in close cooperation between the planning, implementation and customer care functions. Process control, based on the defined indicators, should then be regularly performed in the execution phase. As said above, process outputs should be periodically compared with customer perceived outcomes to guarantee customer satisfaction. The Juran trilogy – Process planning, Process control, Process improvement - is still almost unknown in PA. It should become a normal practice, if aiming at citizen and enterprise satisfaction. If that becomes a normal procedure, self-assessment will become a sufficiently easy process, that can be carried out periodically (ideally once a year, before the annual planning) to check the administration overall performance (Conti, 2005).

Improve and innovate.

Making a periodic diagnostic self assessment – and benchmarking with other well positioned organizations - is a precondition for identifying areas that need improvement. When the self-assessment mentality takes root, it becomes natural to use the *diagnostic approach* to analyze local problems too. Improvement should be addressed in systematic way (as Juran said: “project by project” and “following a defined journey”). This again becomes a critical area, because in any organization the tendency is to perpetuate the usual ways of doing things. The improvement process should comprise the following steps: 1) define the expected results, both in terms of outcome (perceived quality) and output (delivered quality) and how to measure them; 2) define the improvement procedure, timing, check points, responsibilities; 3) control the execution and make the necessary adjustments; 4) measure and evaluate results; 5) stabilize results (“holding the gains”, according to the Juran's definition).

The process described above is an application of the Shewart/Deming PDCA (Plan-Do-Check-Act) cycle concept. A concept that can – and should - be applied to any activity, from the specific initiatives to the whole annual business cycle; from managing to meet the objectives to improving the performance. Adoption of TQM/Excellence models should always be accompanied by the use of the PDCA cycle.

To make organizations really effective in relation to improvement (let alone innovation), “diffused creativity” environments are needed (that is, environments where people are stimulated – and willing - to contribute with their ideas). That can be difficult in PAs, because of their conservative culture. But is an essential part of the cultural changes mentioned above; difficult indeed, because it requires leadership and high people motivation (a rare situation in PA the latter, not because of people deficiencies but for lack of recognitions). Innovation requires appropriate processes and tools, but brings little fruits if the environment does not foster motivation (Amabile, 1998).

Promote accountability and link recognitions to performance.

Increased familiarity with excellence models and use of KPI and KPrI should make it easier to introduce performance accountability. The traditional “management by objectives” system is still widely used in PA, but, apart from its intrinsic limitations, it is rare the case where challenging objectives are assumed. Managers seeking for tranquillity look for safely achievable objectives,

since everybody – the boss included - consider annual bonuses just as a rounding up of normally scarce wages. Management by objectives stimulates individualism, where meeting own targets may in fact be detrimental to the organization's interest. Any significant achievement is the result of cooperative work. Personal accountability should then be looked at in the wider contexts the person is integrated into, from the working teams to the whole organization, where each one has her/his role but personal contributions are expected to be in tune with the groups' efforts. Personal accountability *is not* in contrast with teamwork, if it means full responsibility for one's own role in the context of a larger whole. Orchestras are a perfect example of the concept. But orchestra-like teamwork is not so common in PAs.

Current budgeting systems all too often relieve management of their responsibilities; even more, they have built-in incentives to waste money. In fact, if managers make savings, most probably they will be punished by having less money next year. The normally present prohibition to move money from one budget line to another is an incentive to spend. A first priority is then to modernize budgeting, reducing the number of line items and allow managers to keep at least a percentage of what they do not spend for the next fiscal year.

New budgeting systems should be pursued, that better link costs to actions, like the Activity Based Costing (ABC) system. ABC should be the budgeting side of an Activity Based Management System – another name for Process Management, a pillar of TQM. In that way harmonization between managing for quality and budgeting would be complete.

PAs use many management tools, but too often separate one from another. The author has tried many times to convince, for example, that the *manager evaluation system* should be connected with the *organization evaluation system* (like self-assessment, based on a valid excellence model). No way, those responsible for the two systems belong to different functions and everybody protects one's own territory. So costs are multiplied and results are poor and contradictory. It is a pity: quality management could be a powerful integrator, in the systems perspective. But too often its integrating capabilities are ignored, because of the functional mentality.

THE CASE OF THE EUROPEAN UNION.

The creation of the European Union (EU) in 2001 was a huge challenge, due to the heterogeneity of its membership and the scarce attitude to cooperation. The initial members were rather homogeneous, but, most important, they had a strong commitment to overcome centuries of conflicts to inaugurate a season of cooperation. The rapid increase in the number of members created a more difficult situation to manage, that will become even more intricate with further enlargement. No doubt, however, that to be significant in a global world, the EU requires a further shift of power from the member states to the EU Government, in relation to political, economic and financial issues. A difficult end to achieve, giving the founding principles of respecting as much as possible members' diversities (but keeping one's own national identity does not mean escaping the need to create also a European identity!). Apart from the economic and political issues, that are out of the scope of this paper, there are many areas where harmonization of approaches, tools and language should - and can - be pursued without damaging national identities and prerogatives. Higher level education is one of such areas, due to the fact that people can freely move within the EU and, as a consequence, educational qualifications are bound to be harmonized. Managing for quality, too, is one of such areas; it can help to reduce the present big differences in PA effectiveness and efficiency among member states.

The above concern - to create a better balanced EU, from the economic and social perspective - was the driving force behind the decisions taken at the 1st European Public Administration Quality Conference held in Lisbon in year 2000, at the eve of the birth of the European Union. The core decision taken by the PA Ministers was to pursue harmonization of quality and improvement

approaches throughout EU public administrations. To that aim, the European Institute for Public Administrations (EIPA, 2011) was charged with the task of developing a “Common Assessment Framework” (CAF); an assessment model specially conceived for introducing European PAs into the realm of Total Quality Management through an harmonized approach (CAF Brochure, 2006).

Why developing a specific TQM model? Other models were already diffused, the EFQM Model in particular. But they were general and did not speak the PA language. In addition, the CAF Model was focused on self-assessment and benchmarking, while the purpose of the EFQM was to compare and recognize the best organizations (the *purpose* is fundamental when considering *not general but special purpose models*). The use of the same model for PAs throughout the EU was supposed to favour membership integration, particularly through benchmarking and benchlearning (comparing and learning from each other). A strategic purpose, because it could accelerate less advanced PA’s development. However, according to EU policies, the use of CAF was not enforced. EU Member States were free to adhere and, if yes, to choose their CAF implementation strategy. Connection to EIPA should however be guaranteed through national CAF agencies.

Figure 4 shows that the CAF Model derives from the EFQM (but with significant contributions from other sources, that are visible when getting down to the sub-criteria and example levels). The first model, complete with the User Guide, was issued in 2002. In the following three years it was widely tested. Results were discussed, and improvements conceived, within the EIPA CAF Committee, which led to the 2006 version. In the meantime the opportunity to have specific “customized” models for the different branches of PA was identified (first area was education). The model was mainly used for self-assessment. Unfortunately, use for international benchmarking was much below expectations, mainly due to reluctance to look beyond one’s own organization’s borders (as a matter of fact, underutilization of the model for benchmarking deprives the CAF of the most important reason of being: support the less developed PAs and foster cooperation among EU’s member states). Italy used the model also for PA Awards, covering the following sectors: central and peripheral state organizations; regions, provinces and big cities; municipalities; enterprise-related administrations; universities; schools; healthcare territorial units. Two types of awards were conceived, one related to global quality levels, the other to improvement. The latter is the most interesting. The most commendable results were reached in schools and municipalities, where TQM methods have long been applied, followed by healthcare organizations, which too were already familiar with the EFQM model.

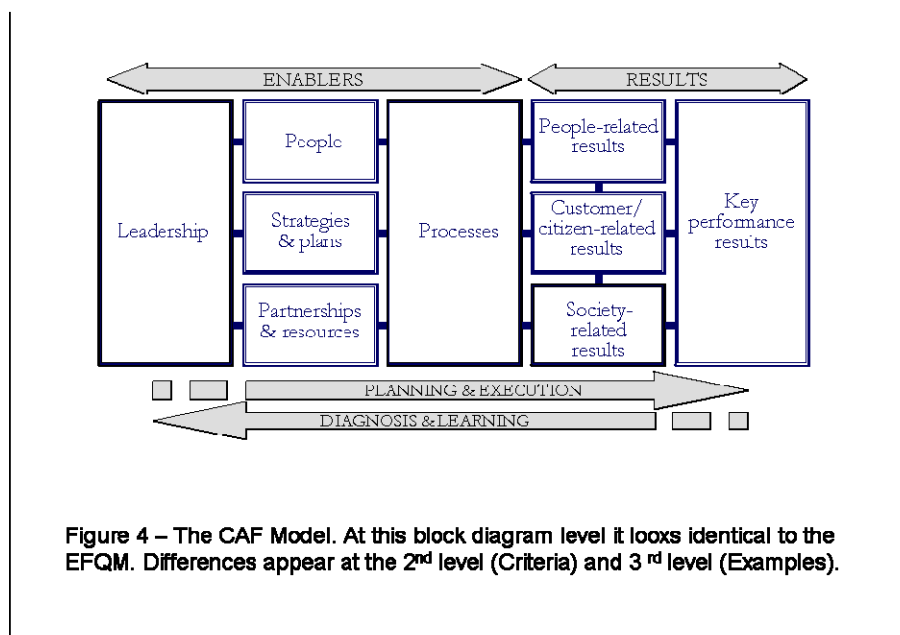


Figure 4 – The CAF Model. At this block diagram level it looks identical to the EFQM. Differences appear at the 2nd level (Criteria) and 3rd level (Examples).

A meeting was held in Bucharest in September 2010 to take stock of results in relation to the ten years plan approved in Lisbon. Numerically, the target of at least 2000 PA users was reached, but with big differences among EU countries. Italy presents the highest number of users, but normalizing results in relation to both state population and GDP, at the first place we find Denmark, followed close by Belgium; at the bottom end we find the UK, followed close by France, Sweden, Germany, Ireland (EIPA, 2011). In some cases, like the UK, this situation may be explained by the already diffused use of the EFQM Model. However, to some extent, the situation may reflect a scarce interest of the governments in EU cooperation programs (a bad signal for Europe).

Among the most recent EIPA initiatives, it is worth mentioning the “*Procedure on External Feedback*” (FEP), aimed at promoting feedback on the implementation of CAF and its effects on the organization (PEF, 2010). PEF is a kind of validation process, that certifies the validity of the approach followed by an administration – and more generally its maturity in relation to TQM. The feedback is given by peers or external experts, qualified for the purpose. The PEF is built upon three pillars: 1) the process of self-assessment; 2) the following process of improvement; 3) the TQM maturity of the organization.

Validation is an important concept in relation to improvement. It gives the applicant confidence about correct use of the model; it also helps in selecting the right benchmarking partners. In relation to this second aspect, a proposal was made by the author to EIPA (through the Italian PA representative) to use validation as a toll to enter the benchmarking database, to guarantee EU administrations that database information are reliable. That is important when administration look for benchmarking partners that fit their specific needs. Seemingly such recommendation was not followed; instead, a certificate is granted to the applicant. Such choice echoes the EFQM’s “Levels of excellence”. One could observe that, when improvement is the sincere purpose, looking for external feedback is important *to the applicant*, as a confirmation to be on the right track. Not so important to hang a certificate on the wall or to have the name in an honour list. Public recognition is an ambiguous purpose that may lead some managers to pursue it for reasons that have little to do with a serious commitment to improvement. Such commitment is usually characterized by hard silent work, not by concern for the external image.

Is it possible to pass judgement on the EU CAF initiative after almost ten years of use? An official and insightful answer can only come from EIPA, that has the broad view (Staes, 2005-1; Staes 2005-2). The author can offer his *personal opinions*, based on seven years of front-line experience as consultant to the Italian PA and member of the EIPA Committee for CAF 2006 – grafted on a longer and wider experience in both private and public organizations at international level. Most of the problems that are encountered when trying to improve PAs’ fitness for purpose have already been discussed in the previous sections. What follows is more specifically related to the CAF approach. To underline the fact that personal opinions are expressed, the first person is used.

From a political perspective, I believe that the diffusion of the model was restrained by the voluntary approach and absence of appropriate incentives. A little more than two thousand administrations are listed as users (but not all of them are *systematic* users); after ten years, that sounds as a low figure compared to the total number of European PAs. Furthermore just meeting the target and just being registered as CAF user cannot be taken as a measure for success. Among those PAs I have been in contact with, few have really become familiar with TQM tools and methods. Most of them did not go beyond the self-assessment stage, followed by some improvement initiatives. But, given the assessors’ predominant profile, self assessments were seldom appropriate from the diagnostic perspective and improvement initiatives were often poorly structured. We cannot bury our heads in the sand: most consultants and assessors around have the award-type assessment in mind, they cannot conceive any other kind of assessment. They are very

well familiar with scoring, not so much with organizational diagnosis. I fought for years to change the dominant mentality, but it was like tilting at windmills (Conti, 2001).

People in administrations too had more fun with the number game than with organizational analysis; a more difficult task, that requires becoming familiar with organization and management disciplines. Such lack of familiarity was evident in planning for improvement, and in implementing it through well defined and controlled processes. Responsibility for that may be probably ascribed to the way CAF is presented: as a simple tool with simple rules. The reason? Because – that was the answer – when PAs wanted to make further steps, they could turn to the excellence models. Such attitude risks to kill own product. When the stake is high, challenging targets should be posed, to make people aware and committed. Organizations are complex systems, making things too simple does not help. Kast and Rosenzweig, in their excellent book “Organization & Management” (Kast & al., 1985), on this subject say: “...people are left with an oversimplified view of the real world, one which is more dysfunctional than functional...”; and conclude: “*a little knowledge is a dangerous thing*”. How easy is passing from simple to simplistic! I was discomfited by seeing how many PA employees became convinced that they could assess their organization - even become external assessors! - without any direct experience of the management approaches they were evaluating.

Organizations are not simple. The more they grow in size the more they become impenetrable. Complexity is particularly nested in the soft, less visible parts of the organization. Complexity derives from managing multi-minded, socio-cultural systems (Gharajedaghi, 1999). But, even if we take the hardest parts of the organization, its processes, passing from a “common sense” to a structured management approach is a big step, often underestimated. Managers of the private sector were obliged by the competition to at least understand what such big step is all about. I did not see many PA managers take care of understanding what process management really is, and get their employees trained accordingly. Not to mention the further step: cross-functional process managers (see above), where soft factors play a big role. Such issues were introduced in the 2006 CAF text, because somebody insisted to have them, but for many they remained a dead letter.

The question if a unified TQM model should be mandatory or voluntary is critical; personally, I do not believe in enforcement, for sure in the European Union, but in general, within any western country. A cultural change cannot be ordered; people say yes but they will resist. I believe that it is much better providing for *education, combined with effective incentives*. Not “image” but substantial incentives, part of a transparent PA merit system. They should be granted administrations on the basis of real, well proved achievements; not just on enablers but on citizen/company perceived results; not measured by award-like scoring but from the very voice of those who should perceive the benefits.

As far as the CAF model itself and the way it is used are concerned, the hope was to see the experience gained by users in the 2006-2010 period poured into an updated 2010 version of the model and guidelines (is such version in the pipeline?). In fact, many suggestions were made by users; it is opportune to know which are accepted, which rejected. Clearly the future of CAF depends (in addition to the political factors already mentioned) on how well it fits the requirements of organizational transformation. What I believe are the critical factors were already mentioned above. Let me add another aspect that I pointed out as critical; it concerns the “Guidelines to improving organizations using CAF” that, based on my experience, are scholastic and cumbersome. They risk to bring bureaucracy also into other procedures, like the PEF.

CONCLUSIONS.

The Old Guard dies, but never surrenders. Public Administration is the place where big pockets of resistance to organizational change remain, normally located in geographic areas were resistance to

social change is strong. Looking from the positive perspective, we can say that many countries already enjoy good or excellent PAs. The best examples can be found in Central and Northern Europe (Switzerland, Sweden, Norway, Denmark, Austria, Germany), North America (Canada and USA) and Far East (Singapore, Hong Kong, Taiwan). Some good examples come also from the Middle East (Qatar and United Arab Emirates).

Changing the culture of a social community (like a nation) is one of the most difficult tasks. It may take very long time because social/ethical maturity is needed in addition to illuminated political leadership. The opening of socio-political systems due to globalization will help the process, if wisdom prevails on particular interest. PAs can – and should – become *active* change factors in their own countries. Even in those countries where political leadership is late in promoting organizational change, they should gain the awareness that modernization does not automatically take place by just introducing the latest IC technologies; it needs changes in organization and management. Pushing ICT in old style organizations is like promoting the use of ever higher speed cars on bumpy roads.

What we mean when we say that PAs should become active change factor is that PA managers should not always please their ministers by doing whatever they want, even when they believe it will be ineffective or even worsen the situation. They should have the sense of responsibility and courage to say that first the road must be paved; in plain terms, that the organization has first to be adapted to the new challenges. It is up to the politicians, in fact, to set the policies, but managers have the responsibility to make the organization fit for the intended purposes. Too often politicians enjoy entering into the management role of defining *how* the goals should be met, by dictating specific initiatives or appointing persons of their choice. Managers, on their turn, may be tempted to choose consultants who are ready to do whatever they are asked for. The “blame the messenger” syndrome spreads: remove those who tell what you do not want to hear, for example that you are going in the wrong direction, that you are risking to repeat errors that others made.

The real contribution that politicians can offer to make PAs fit for today challenges is not meddling with management tasks, but choosing the right top managers for the administrations. Positive change may only happen if the main criterion is not being closely linked to the politician’s party, but being real leaders, capable to bring about those transformations that are badly needed to become competitive according to today’s performance standards.

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