

Obstacles To Quality in Public Administration: How To Overcome Them.

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Summary

1. Introduction.
2. What obstacles to quality in public administration and how to overcome them.
3. The case of the European Union.

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Introduction

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External pressures: the impact of globalization on Public Administrations

- PA had for long time a domestic, national connotation.
- Globalization is changing all that, for two reasons:
 - Awareness that PA effectiveness and efficiency strongly impact on national competitiveness is spreading. PAs too, not just companies, are bound to become more competitive.
 - The number and importance of *supra national* organizations aiming at regulating international relations is increasing. Those too have to be made better fit for their purpose.

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Internal pressures: citizens and enterprises want better Public Administrations.

- ❑ More and more citizens and enterprises claim for better schools, better healthcare, cleaner and safer environment, less bureaucracy. And, very important, they expect **sound ethical behaviors** from both politicians and administrators.
- ❑ To respond to external and internal pressing needs, administrations must redefine their missions and strive to become ***fit for purpose***.
- ❑ Happily for the citizens, globalization is putting additional pressure on PAs and politicians, using arguments the latter are more sensitive to.

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Central and local administrations.

- ❑ Moving from local to central administrations the distance between citizens and administrators increases and pressure for improvement decreases.
- ❑ That is why progress at central administrations' level is slower.
- ❑ In the long run, lack of involvement of central political and administrative levels makes also peripheral initiatives fail.

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If not properly managed, improvement initiatives may increase disparities.

- ❑ Awareness of the need to modernize own PA is normally lower in less developed countries. That risks to increase the already big disparities between countries. And disparities, in the long run, create conflicts.
- ❑ International cooperation is a way to reduce disparities. The EU may be taken as an example – albeit far from perfect – of the forms that international cooperation may take.
- ❑ Beware of the priorities: developing countries often address only the technology gap. They should be advised to give also high priority to PA effectiveness, efficiency, ethics.

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What obstacles to quality in public administration and how to overcome them.

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Lack of competition: a big obstacle to improvement and modernization in PA.

- ❑ Competition is the main driving force behind a dynamic quality strategy.
- ❑ **Companies** operating in competitive markets have no choice: either they accept to pursue continuous improvement and innovation or they die.
- ❑ **Public administrations** do not have such alternative. They are “condemned to survive” even if ineffective and inefficient.
- ❑ They are then bound to find alternative driving forces for continuous improvement.

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Privatization of public services in Europe

- ❑ In 1991 UK Prime Minister J. Major outsourced many PA services to private companies in competition, leaving the central and local governments the control responsibility (mainly through the Citizen's Charters). The example was followed by other European countries, with mixed results.
- ❑ That may solve the problem of specific services but the general problem of the PA structure's fitness for purpose remains.

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One century of efforts to make the US Public Administration more effective and efficient.

- ❑ In the USA initiatives for improving PA started in 1910 with the "President's Commission on Economy and Efficiency."
- ❑ In 1936 the "President's Commission on Administrative Management" was put in place, followed in 1953 by the "Study Commission on Executive Reorganization".
- ❑ In 1993 the National Performance Review was launched, with the motto: "Reinventing Government"

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The major challenges for Public Administrations

- ❑ Change a deep rooted management **culture**.
- ❑ Rethink and define the organization's **purpose** and involve people in it.
- ❑ Improve ability to **measure** and **control**.
- ❑ Promote **accountability** and activate **recognition**, linked to performance.
- ❑ Create **organizational environments** favorable to **improvement/innovation**.

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Cultural change: the precondition for any other change.

- Most politicians and many PA managers have obsolete organizational and management models in their mind. If they do not change the model **they will never be able to make the changes that are needed for real modernization.**

“Without changing our patterns of thought, we will not be able to solve the problems we have created with our current patterns of thought” (A. Einstein)

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Focus on examples.

- A discussion on the above mentioned obstacles can be found in the text. In this presentation we will focus on **examples**, preceded by brief introductions and followed by brief conclusions.
- The examples are based on personal experience.

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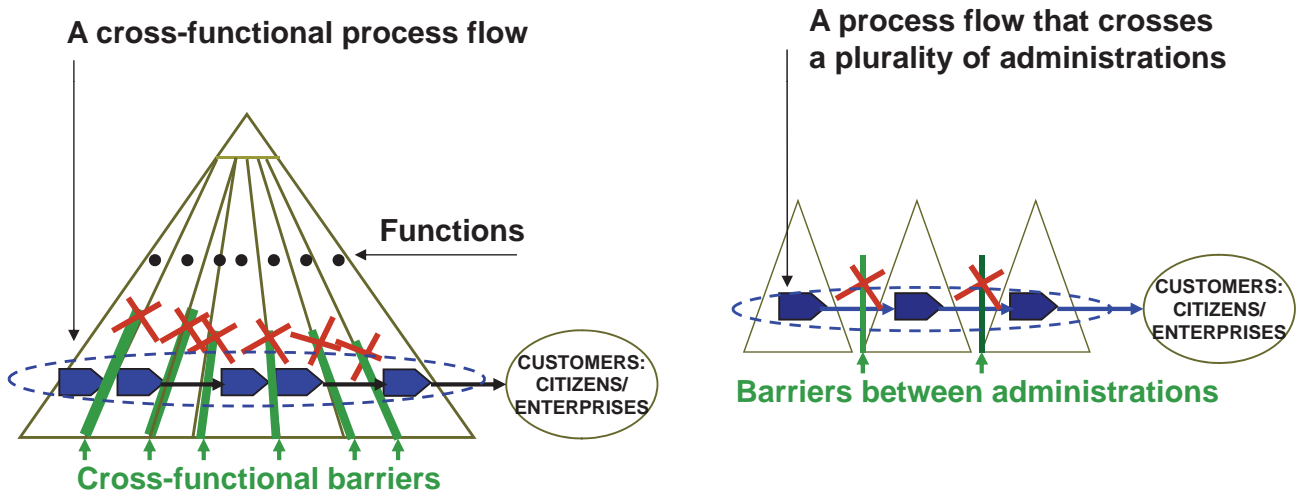
Issue 1: Traditional organizational architectures are no longer fit to satisfy customer/stakeholder needs and reduce costs and execution times.

Example: how inter-functional (or cross-functional) and inter-administrational processes should be managed to reach maximum effectiveness and efficiency.

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It rarely happens to see PAs (even those who win PA national awards!!) managing cross-functional processes **as a whole** (that is, the entire "value chain"). Customer satisfaction and cost/time optimization **will never be reached** if the barriers between functions and administrations are not broken down and the process flow is not managed as a whole, under one responsibility.



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Remember:

- ❑ The process vs. function issue **is the main stumble block** on the way of PA modernization. Historically, this is the area where most TQM initiatives failed.
- ❑ Resistance to change is high, because function bosses want to keep their power.
- ❑ Change from a vertical/bureaucratic to a horizontal lean organization will happen only if **the systems view** of the organization is embraced (organic integration vs power sub-division).

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Issue 2: “PAs are plagued by the remains of the old style bureaucracy, where the boss orders what to do and the others execute”.

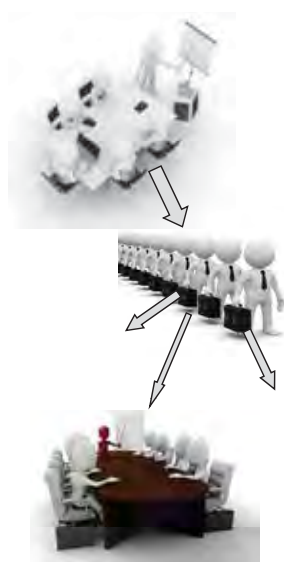
Example: How the planning and decision processes should change, if effectiveness and efficiency is pursued. And how a deep rooted old culture will resists change.

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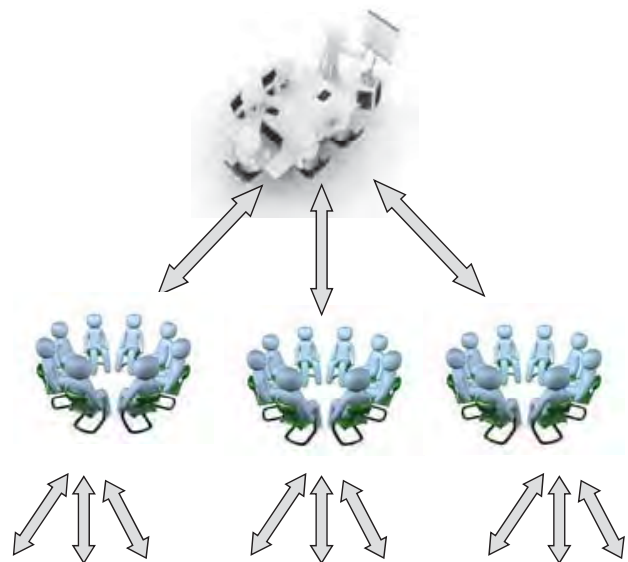
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Comparison between the old (bureaucratic) and the new style of planning and decision taking

**Old style:
One way
Top down**



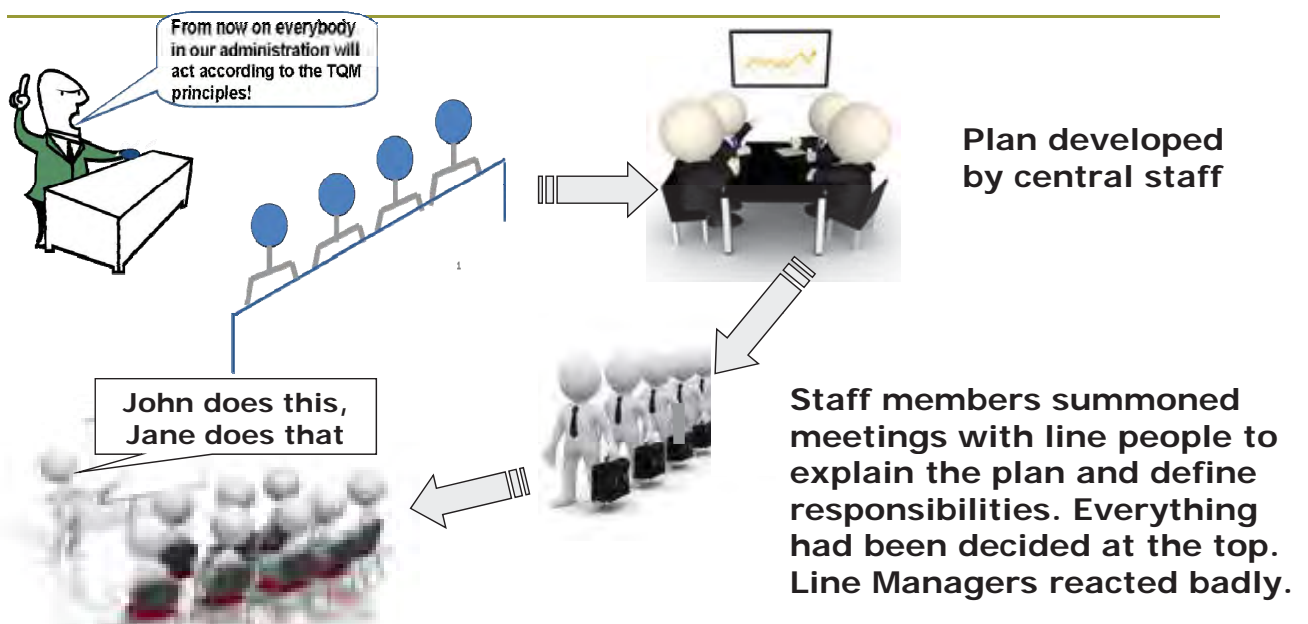
**New style:
Bi-directional (catch-ball)
Delegation/Involvement**



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The figure below represents what really happened in a very large administration.



The first step of the new TQM era contradicted a basic TQM Assumption. Deep rooted old ways of thinking were applied to start the newly inaugurated strategy!

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Remember.

- ❑ If process management aims at “**doing things right**”, decision making and strategic planning aim at “**doing the right things**”.
- ❑ Doing the right things is the main issue. There is in fact nothing worse than “doing the wrong things well”!
- ❑ The main reason for money waste in PA is normally doing the wrong things. Even if warned by careful consultants many PA managers insist in doing things useful for short term image but useless in the long run.

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Issue 3: PAs are not used to think in terms of return on investment (ROI).

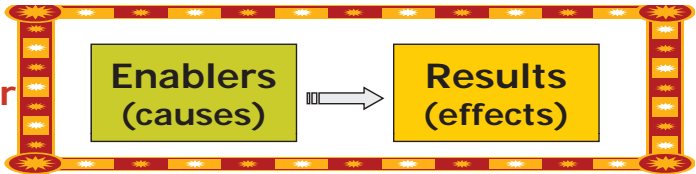
Example: When assessing administrations you hear long lists of “things done” (**enabler** side of excellence models). But, if you ask about customer/stakeholder perceived outcomes (**result** side of excellence models), data are often very poor.

Even managers’ personal evaluation is too often based on “things done”, ignoring returns.

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A conversation between assessor and assessed.

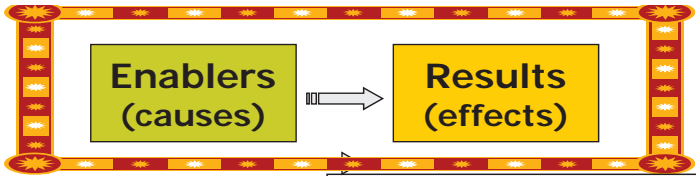


We have done this... we have done that...	OK, you speak about enablers; but, what about results?
What do you mean with results? We did the right things, we expect good results.	I am referring to excellence models and now to the right-hand part of the model. I am not seeking for your opinion but the perception of the receivers.
OK, we are doing periodical c.s. surveys...	I mean specific surveys focused on the improvements you were pursuing. I mean checking the cause effect relations, that you see in the poster above.



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The conversation continues..



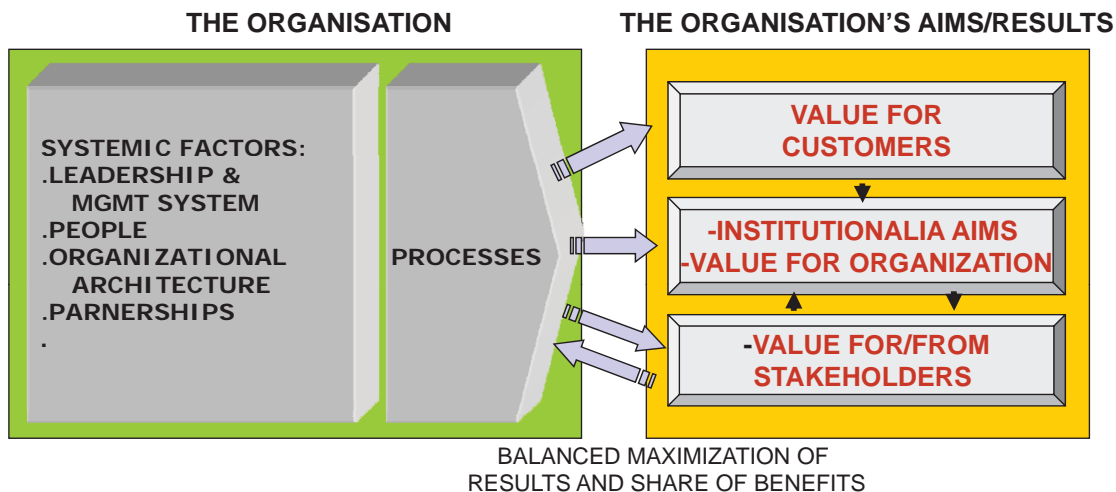
..hem..hem..	Let me put it another way: you make investments on the enabler side; do you plan for a return on investment? Do you check if you got it?
We are a PA, we are not a manufacturing company that calculates the ROI. We have no revenues!	Sure, but return on investment is not necessarily monetary. It can be estimated in every area, also in education, for example.
But what you represent is a revolution, we need to change our way of doing business.	It is, in fact, a kind of revolution. But enterprises accepted it, to survive.



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Remember.

Always check that everything you do adds value for those who are on the aims/results side of the model. For that you probably need to rethink the purpose of the organization.



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Issue 4: Urgent need to rethink and redefine the purpose.

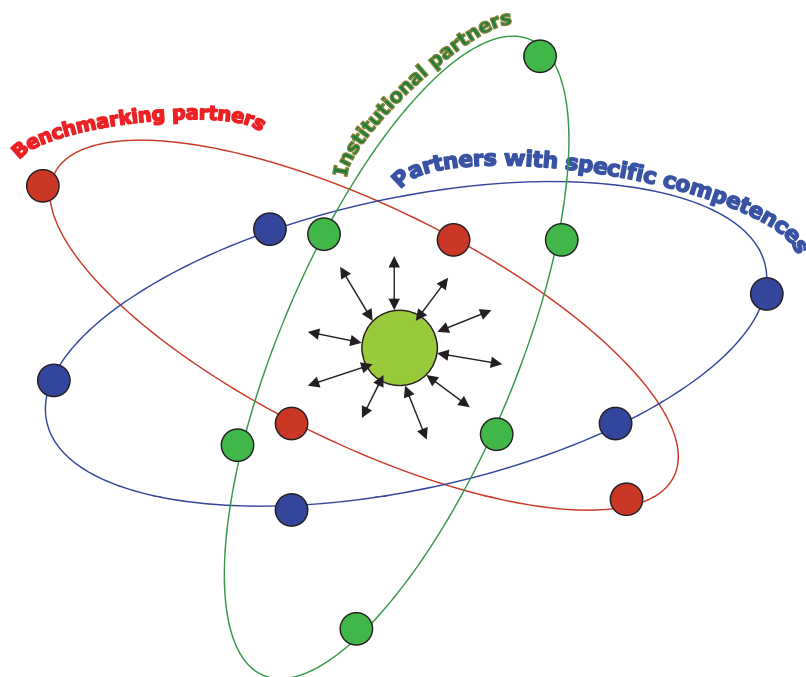
Excellence (or TQM) models should be customized. Their right-hand part in particular should clearly show the specific administration's purpose.

Example: besides evidencing the citizens' and enterprises' related goals (based on their expectations but agreed upon, for examples in the "Citizens charters") all the stakeholders should be identified and goals agreed upon with them.

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Draw the map of all possible partners.



Enriching the partner constellation is important!
Beside institutional partners other kinds of public and private organizations can be identified: cultural, bearers of complementary competences, possible benchmarking partners etc....

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Remember:

- ❑ The purpose of PA is to respond to citizen and enterprises needs and expectations.
- ❑ Citizens and enterprises may hold both roles, of customers and stakeholders.
- ❑ All of them are *stakeholders* by definition, having the right to benefit from PA activities
- ❑ They become *customers* when they effectively use the PA services.
- ❑ Stakeholders and customers can also become *partners*.
- ❑ Stakeholders can have a multiplying effect on performance.

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Issue 5: Measure the right things and use measurement to control and improve.

"You cannot manage, let alone improve, what you don't measure".

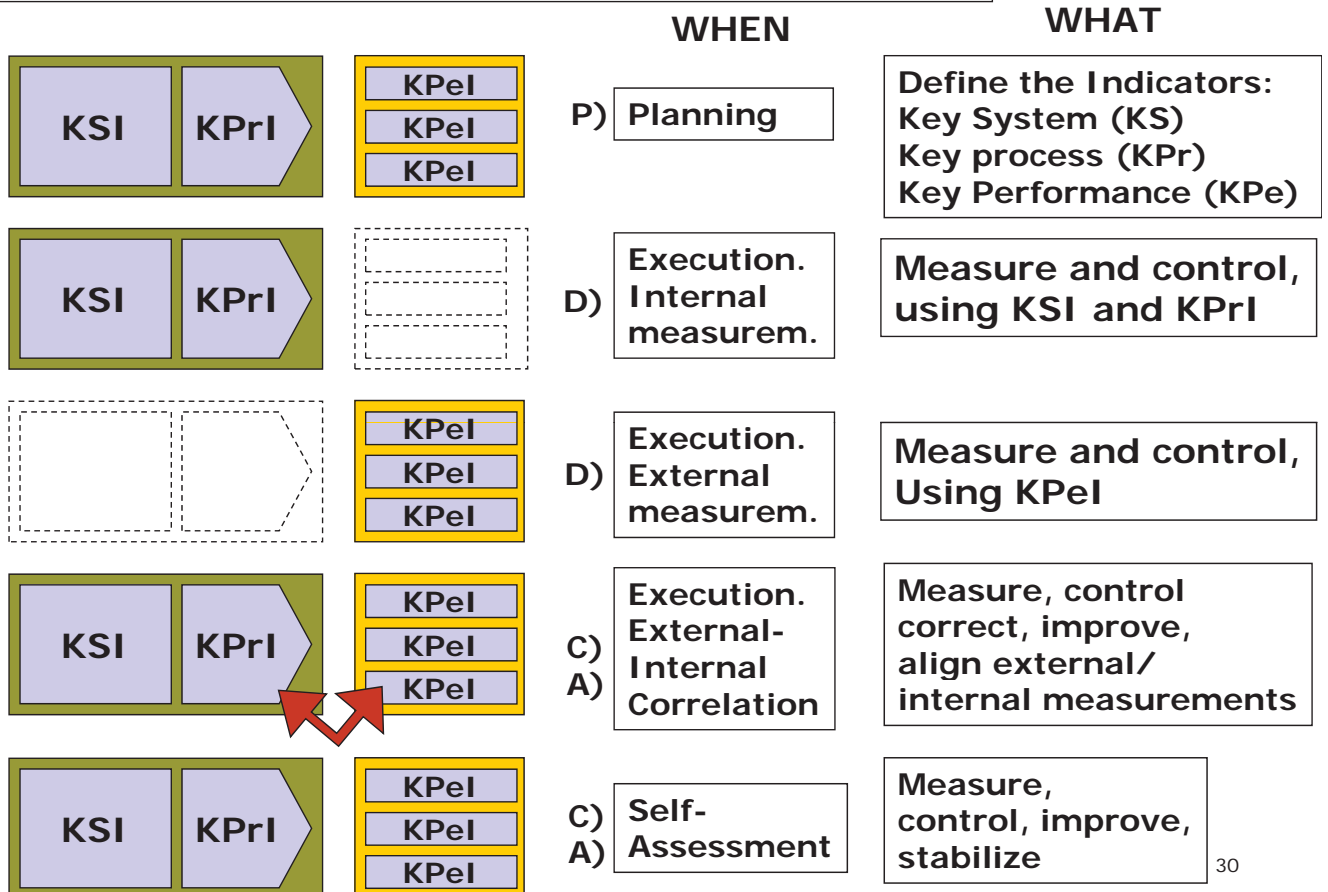
PAs collect many data, but from them scarce information about really meeting the purpose can be drawn.

Examples: the right things to measures; defined in the planning phase and executed in the implementation phase and in self-assessment.

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Measurements: what and when.



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Remember.

- ❑ Management by gut-feeling is unfortunately diffused: results show where it leads.
- ❑ Everything can be measured, even the less tangible people and management related factors.
- ❑ Important to identify the real key variables and indicators and manage through them. Not too many, because measuring costs, but those which are essential.

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Issue 6: Rationalize the interface between politicians and public administrators.

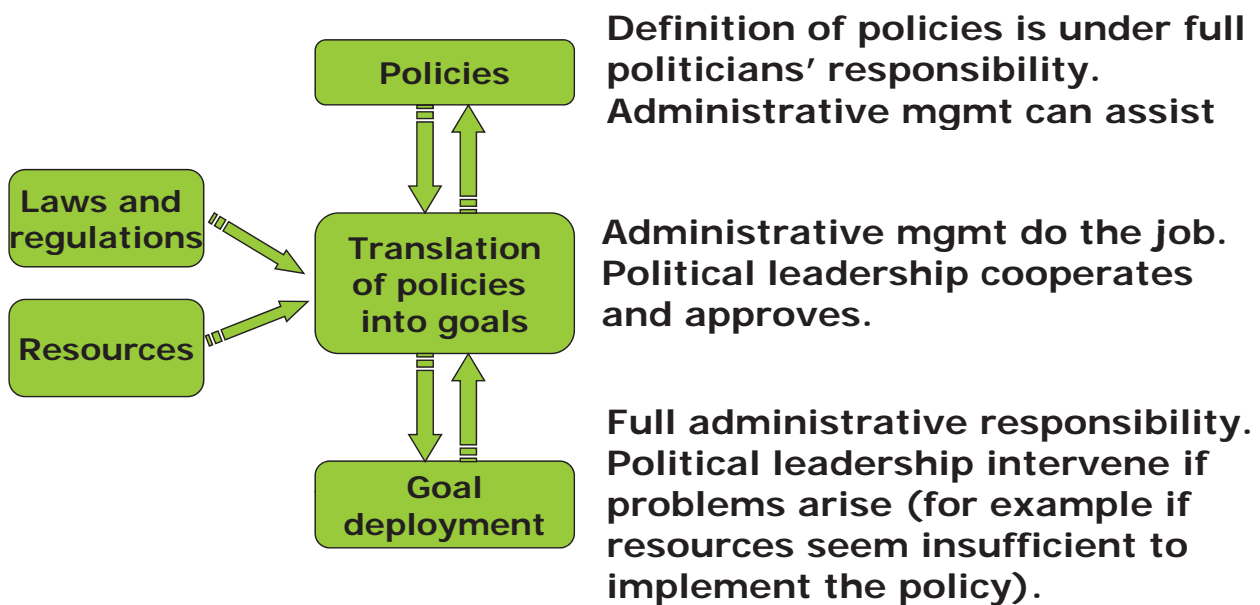
Borders are always the place where weeds grow. Borders between politicians and administrators is often a place where abuse of power can take place, generating unethical behaviors, inefficiencies and even corruption.

Administrators' responsibilities: 1) assist politicians in policy definition 2) translation of policies into goals; **3) goal deployment and implementation.**

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The “policy deployment” process should be used, with translation of policy into goals.



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Remember:

Rationalization of the politicians/ administration interface is a strategic issue that requires top political and administrative leaders' commitment.

Little can be done by the good will of some administrative managers. But they can – and should – take clear position when asked to adhere to plans to reform PA, by saying that if a clear cut border is not defined, problems will emerge and a real reform cannot take place.

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The case of the European Union

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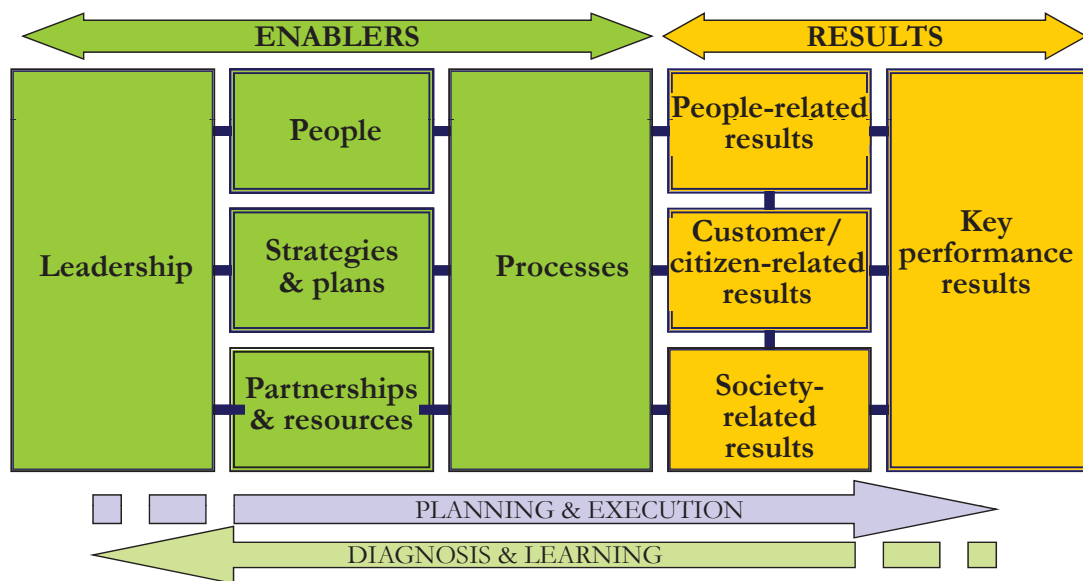
Harmonization of PA management among European Member States.

- ❑ 27 Member States, 3 Candidate States.
- ❑ In year 2000, in Lisbon, the Prime Ministers of the Member states agreed on pursuing an harmonized approach to PA improvement.
- ❑ The European Institute for Public Administration (EIPA) was assigned the responsibility to develop a "Common Assessment Framework" (CAF), as a common guide to Total Quality Management.
- ❑ The CAF Model derives from the EFQM Excellence Model, but is customized for PA.

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The Common Assessment Framework (CAF)



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Advantages of the CAF.

- ❑ Focused on the peculiarities of PAs; **it speaks the language of PAs**. PA managers more easily accept a model that better fits their own peculiarities.
- ❑ Having the same model should make **benchmarking** between EU administrations easier (good for PA that lag behind in modernization).
- ❑ The model can be further customized for PA typology (already done for schools; in process for justice).

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CAF utilization from 2002 to 2010.

- ❑ First issue of the CAF Model and Guide in 2002; 2nd in 2006; 3rd expected in 2012.
- ❑ Now about 2200 administrations use the model.
- ❑ Mainly used for self-assessment.
Benchmarking use below expectations, due to the “closed system” mentality of many administrations.
- ❑ In some countries used for PA awards. A European PA Award is planned.

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Taking stock of nine years of CAF use (personal evaluations)

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Limited diffusion, scarce top management commitment.

- ❑ Punctually confirmed in the EU what said above in general. Top management commitment is scarce, except when the administration image is at stake (case of awards). CAF champions normally among middle managers.
- ❑ Diffusion of the model restrained by the voluntary approach, not supported by appropriate EU and national incentives.

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What kind of incentives?

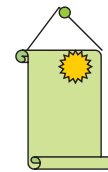
- ❑ Not just linked to CAF utilization. That would lead – and we saw that led - to dissipation of EU and national money.
- ❑ That may happen because of the habit of not exacting demonstration of ROI.
- ❑ Incentives should be linked to results; that is, **to improvements certified by the recipients of the results. Not based on award type scoring** (which mix and dilute the results) but on specific surveys.

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A scoring based self-assessment

- ❑ Despite declarations, the award-type assessment is normally followed: focus on scoring, less on organizational diagnosis.
- ❑ That weakens self-assessment - as well as benchmarking – potential.
- ❑ Even external validation - or external feedback (PEF) – of the assessment process (originally conceived as a means to make benchmarking more effective), is often becoming a certificate to hang on the wall.



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The “award syndrome” makes judgments on improvement unreliable.

- ❑ The award process is too often used as a *Jack of all trades*. Since CAF is there for improvement, and improvement is always the result of specific activities, outcomes should not be measured through general scoring, but through specific customer/stakeholder surveys, before and after the cure.
- ❑ Only the receivers – customers and stakeholders, can evaluate the changes induced by an improvement activity.

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Conclusions.

- ❑ People enjoy tinkering with TQM models and arguing about scores. They like competing for awards. But after a while, if continuous organizational improvement, accountability and recognition of results do not become the way of doing business, the toy will be thrown away.
- ❑ The coming decades will be decisive in relation to the ability of political and administrative leaders to renew the whole PA spectrum, from nations to the global community. Unfortunately the risk is to widen the existing gaps between countries and world regions.

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THE END

Thanks for your attention!

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