

Darina Korenova¹, Anna Cepelova²

FACTORS INFLUENCING PROCESS MANAGEMENT AND EFFECTIVE OPERATION OF PUBLIC ADMINISTRATION ORGANIZATIONS

The aim of this article is to identify the factors influencing the efficient operation of processes and the efficient process management of public administration organizations. The paper presents the results of a larger research on transformation of public administration organizations from traditional to the knowledge-based organization.

Keywords: business process management; public administration; factors of influence.

Дарина Коренова, Анна Чепелова

ФАКТОРИ ВПЛИВУ НА ПРОЦЕСНИЙ МЕНЕДЖМЕНТ ТА ОПЕРАЦІЙНУ ЕФЕКТИВНІСТЬ ОРГАНІЗАЦІЙ ДЕРЖАВНОГО УПРАВЛІННЯ

У статті визначено фактори впливу на ефективність операцій та якість операційного менеджменту в організаціях державного управління. Представлено частину результатів більшого дослідження з питань трансформації державного управління від традиційного менеджменту до управління, заснованого на знаннях.

Ключові слова: управління бізнес-процесами; державне управління; фактори впливу.

Рис. 3. Табл. 4. Літ. 12.

Дарина Коренова, Анна Чепелова

ФАКТОРЫ ВЛИЯНИЯ НА ПРОЦЕССНЫЙ МЕНЕДЖМЕНТ И ОПЕРАЦИОННУЮ ЭФФЕКТИВНОСТЬ ОРГАНИЗАЦИЙ ГОСУДАРСТВЕННОГО УПРАВЛЕНИЯ

В статье определены факторы влияния на эффективность операций и качество операционного менеджмента в организациях государственного управления. Представлена часть результатов большего исследования по вопросам трансформации государственного управления от традиционного менеджмента к управлению, основанном на знаниях.

Ключевые слова: управление бизнес-процессами; государственное управление; факторы влияния.

Process management in public administration. Today the current trend shaping future existence and competitiveness for all enterprises, including public administration organizations, is transition from functional management to process management.

For proper understanding of the meaning of process management as one of the areas in contemporary management, it is necessary to explain what process alone means in its essence. In general, we can say that the process represents a logical sequence of steps. When we look at the *process* from the perspective of a manager in a private or public organization, the more appropriate interpretation becomes the definition stated in Business Dictionary where process is considered as a sequence of interdependent and linked procedures which, at every stage, consume one or more resources (finance, energy, employee time, machines) to convert inputs (data, material, parts etc.) into outputs (Figure 1). These outputs then serve as inputs for the next

¹ Pavol Jozef Safarik University in Kosice, Slovak Republic.

² Pavol Jozef Safarik University in Kosice, Slovak Republic.

stage until end result is reached bringing added value for customers (www.business-dictionary.com).

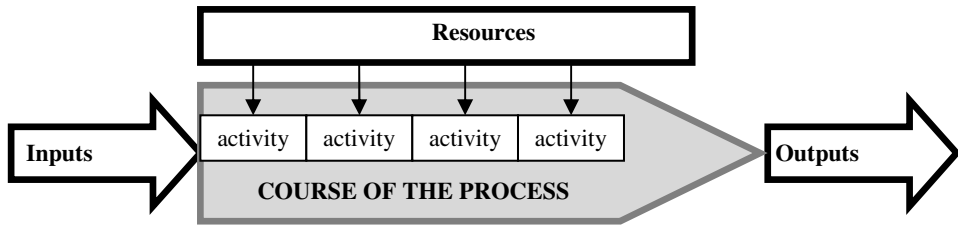


Figure 1. **Course of the process in an organization and its components**
(Grasseova et al., 2008)

The starting points in the implementation of process management in the area of public administration are business processes as a natural chain of interrelated activities. The concept of business, apart from an enterprise, also includes non-profit organizations and public organizations (at all levels in the country) that provide products or services to customers. In public administration there is an internal client, for example, an employee or a manager of organization. External clients are mainly national, private and public organizations. In each commercial or non-commercial organization, there is an extensive range of diverse processes that differ from each other in terms of importance, structure, contents, length of existence, frequency of repetition etc.

Even though there are more or less identical definitions of "process" / "business process", experts in process management offer several views on the issue.

Process management (business process management) alone is a process the task of which is ensuring the steady growth of organization, where the key indicator is customer satisfaction (Smida, 2007). Process management is the constant reassurance that processes are achieving their maximum potential. At the same time there is a search for opportunities for their permanent improvement and subsequent implementation of these opportunities in practice (Tucek and Zamecnik, 2007; Grasseova, 2008; Repa, 2010; Zavadsky, 2004; Fiser, 2014; Madison, 2005).

The main reason for actively examining the level and the quality of process management in public administration are the ever-increasing requirements and pressure on clients to achieve the efficiency and economy. Effective process management is a key tool for continual improvement of organizations functioning.

It eliminates inefficient and unnecessary activities; improve awareness about the existing processes and clarity of responsibility for them. It also has a strong motivating character, because employees are responsible for the outcome of the process as a whole. It eliminates information barriers, and thus organization reacts flexibly to customer requirements. Finally, significant benefit is the reduction of corruption and achieving economy in terms of time, personnel, information and financial costs. Introduction and subsequent improvement of process management in the public sector environment is therefore a very clear benefit.

It can be said in a simplified and shortened form that the priority of process management in public service should be the implementation of the right things, by the

right people at the right time, at the right place, utilizing the basic management functions, namely planning, organizing, leading and controlling.

Specifics of management in public sector organizations. It is not possible to deny the fact that public organizations have undergone significant developments since the establishment of state as such, until its current form. Although they always had, and will continue to have significantly different characteristics from organizations in the private sector, in recent years they become considerably closer. Public organizations gradually implement many techniques and methods typical for companies for example: benchmarking, balanced scorecard, knowledge management etc. One of them is also the gradual use of process management in public administration organizations (at each hierarchical level). This phenomenon has several apparent reasons. This is particularly the increasingly growing influence of international environment, dynamic development of innovations, the growing demand to reduce the administrative burden (namely bureaucracy), and the pressure to reduce government debt. The aim of process management is to motivate organizations improve efficiency in personnel, financial, time, operational and other costs as well as increasing the interest, to strengthen the confidence and satisfy the increasingly diverse needs of citizens.

Despite the gradual interpenetration of specific characteristics of both sectors, process management in public administration is still affecting the environment in which organizations operate. This fact is clearly shown in Figure 2.

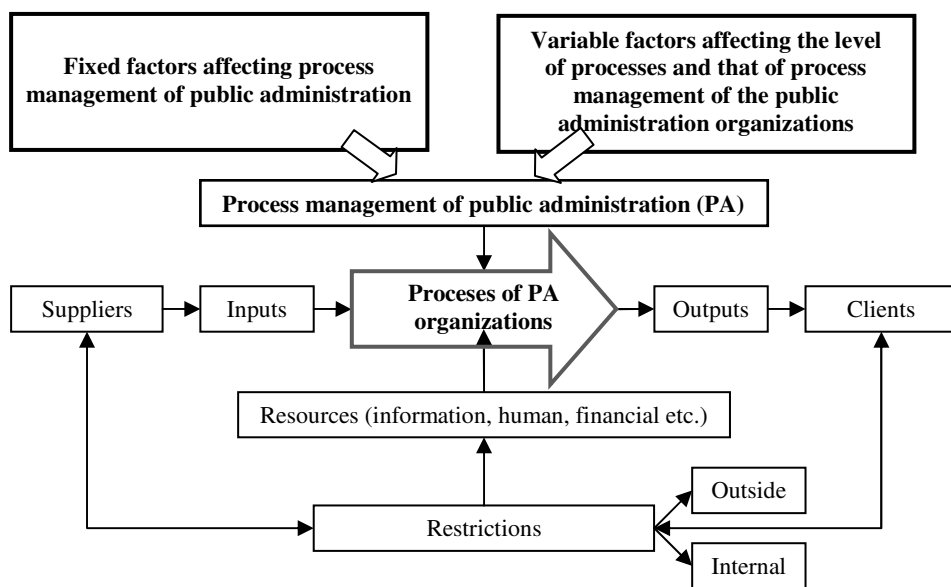


Figure 2. Processes in public administration organizations and factors affecting their process management, authors'

Figure 2 logically leads to the creation of a comprehensive set of determinants influencing the successful implementation of process management as well as efficient setup and optimization of processes in practice of public organizations. The factors identified theoretically (through modelling and summarization of the experiences of managers) were divided into two groups. The first group is formed of "Constant fac-

tors influencing the process management of public administration" and the second – "*Variable factors influencing the efficiency of processes and the level of process management of public administration organizations*".

Fixed factors are resulting from the environment in which public organizations operate and their presence may not be significantly corrected by managers. Variable factors are more sensitive to changes, meaning that by intentional influence on some of them we can achieve a positive effect on the processes within public organizations.

For the current managerial practice we have designed a *model of factors influencing process management in public administration and efficient running of processes inside public administration organizations* (Figure 3).

Figure 3 provides a comprehensive overview of two groups of factors:

a) *8 permanent factors affecting process management in public administration*, where in the first place we put the often associated legislative environment;

b) *7 variable factors affecting the efficient running of processes and the level of process management of public administration organizations*, arranged according to the results on the perception of the impact of each by the managers in municipal offices in Slovakia. The strongest factor became bureaucracy in public administration.

Constant factors influencing process management in public administration. In the environment of public administration process management faces several relatively constant specific problems. One of the most frequently discussed issues is the tendency to inefficiency, leading to excessive wastage of public resources. To this negative fact also contributes insufficient or missing system of efficiency assessment which should be a guiding principle in management of any organization. Another, when comparing to companies, atypical feature is the absence of market elements. Public administration organizations in their activities do not have much of competition and they lack the direct feedback from consumers. As a result of the above they lose motivation for constant improvement, and thus become unhelpful to clients, and this deforms the functioning of public administration as such (Rucinska and Knezova, 2010).

From the information provided in Table 1 it is obvious that process management in public administration is subject to many political pressures. Under this effect the needs are determined applying political methods, with frequent participation of lobby groups, media, corruption and clientelism. The negative effect of public administration financing from established sources is limiting the freedom of choice. On the other hand, there is a constant control and tendency to use public sources in a not the easiest way, as managers take them as extraneous and not own. One more issue in process management of public administration is strict legislative environment (the extended system of legal set up in each country, constitution, legal acts and so on). Process management in the environment of public administration has got, due to legal limitations, significant specific features:

a. Processes of public administration (including all processes conducted by public administration at its vertical and horizontal levels) are only subjects in relation the decision of to legislators.

b. A change in legislation must precede the alternation of a process with the aim to increase the efficiency of activities.

c. Only some of self-administration processes or internal processes in public administration may be changed without substantial changes in legislation.

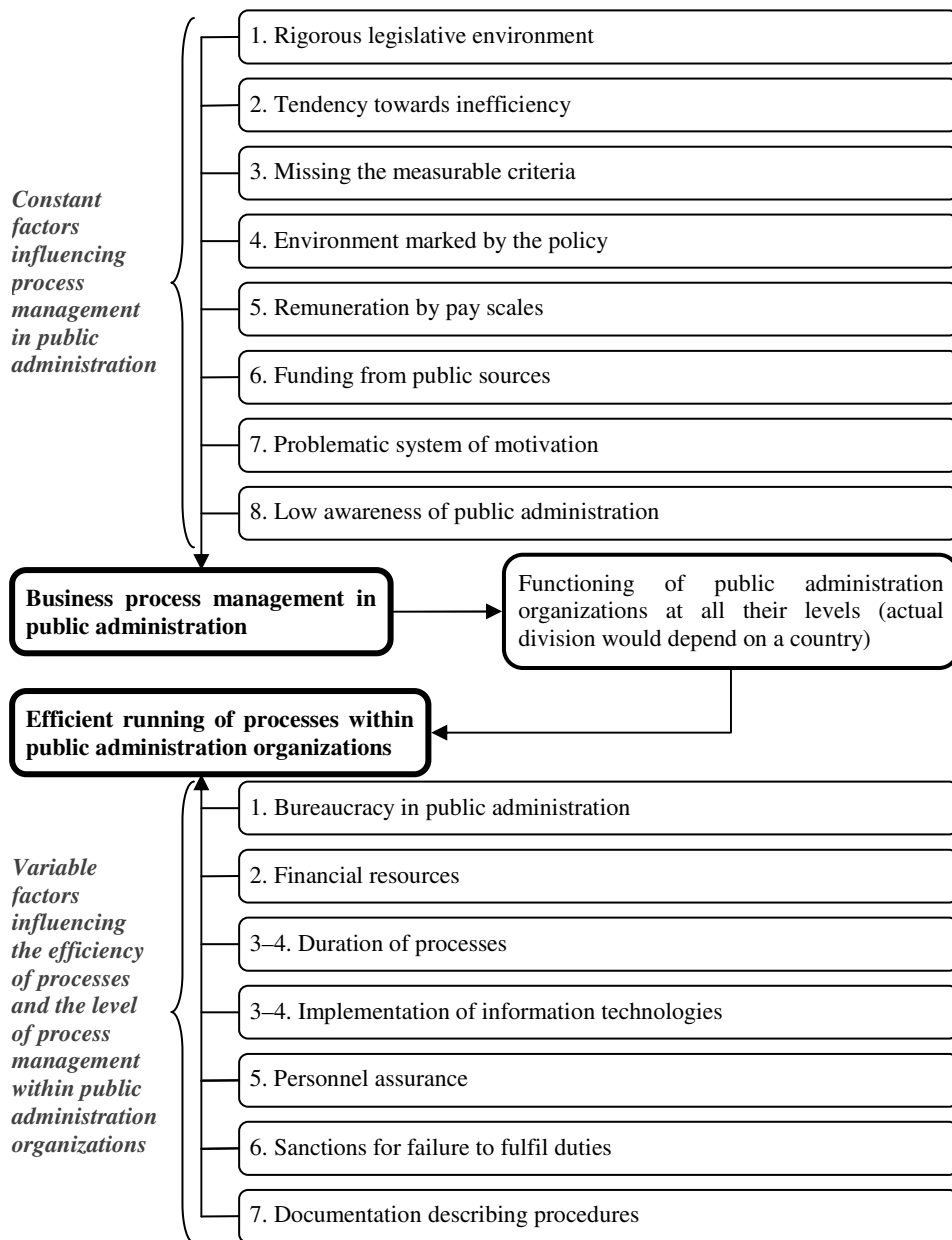


Figure 3. **Factors influencing process management in public administration and efficient running of processes in public administration organizations, authors'**

When introducing processes management, it should be kept in mind the specific features of the environment shown in Table 1. This paper would not be devoted to the group of fixed factors affecting the management of public administration, due to difficulties in their elimination.

Table 1. Constant environmental factors of public organizations and their possible implications for process management (Knezova and Cepelova, 2008)

Features of the environment and the organization of public administration	Possible consequences for process management
Rigorous legislative environment	Limitations in decision-making
Tendency towards inefficiency	Wastage of resources
Lack of measurable criteria for results evaluation	Unclear identification and impersonation of direct responsibility, problematic development of fellowship with employees
Problematic creation of intra-organizational systems for employees' motivation	Fluctuation of employees
An environment marked by policy	Fluctuation of employees, pressure of lobby groups, clientelism, corruption
Remuneration by pay scales	Lack of qualified professionals, lack of interest to work in public organizations
Funding from public resources	Strict control over funds use, limited freedom in funds usage
Low level of public awareness on the essence and importance of public administration	Negative image of public administration organizations as such

Variable factors affecting the efficiency of processes and level of process management in public administration. As mentioned above variable factors are more sensitive to changes, it means, intentional actions on some of them can lead to a positive effect on processes of public administration organizationing (eliminating or relieve their negative impact on the process manifested by their inefficiency). Analysis of their impact is given close attention here.

Objective and methodology. The aim of this paper is to identify the impact of factors affecting efficient operations of processes and efficient process management inside public administration organizations.

The research focuses on the environment of local self-government in Slovak Republic, namely the level of municipalities, which the Constitution in its Article. 64 defines as a basis for local self-government. In order to narrow the field of observation, our attention will concentrate on the cities that have the status of municipality, however meeting the conditions they gained the status of city according to the procedure stipulated by § 22 Act No. 369/ 1990 Coll. on the municipality establishment as amended³.

The Statistical Bureau of Slovak Republic states the number of municipalities in Slovakia equals to 2890 as of December 31, 2012, out of them 138 have the statute city. Selecting cities for the sample we avoided the extensive issue of small municipalities in Slovakia⁴. For the objectivity of questionnaire research, for the sample we selected city offices in Slovak Republic as executive bodies assuming the organization

³ These conditions include: a) it is an economic, administrative and cultural centre and tourist centre or spa place; b) it provides services for the residents of surrounding municipalities; c) it has transport links to surrounding municipalities; d) at least in a part of its area it has got the urban character of buildings; e) it has at least 5,000 inhabitants (an optional condition).

⁴ Small municipalities (municipalities with population of less than 500) are struggling with a number of obligations which they are legally obliged to fulfil. It is the scope of original and transferred competencies that due to personnel, financial, qualifications and other reasons are unable to fulfil incorrectly.

and administration matters of local council and mayor, as well as bodies established by the local council. The activity of city office is subject to § 16 Act No. 369/1990 Coll. on the municipality establishment, amended. Data collection has been carried out during the months May through August 2014. Realizing the research with the sample including 56 cities (out of 138 possible) in 5 process fields (complex development, municipal property, municipal entrepreneuring, environment and services development), we have obtained data from 280 managers of city councils (out of 690 possible). The sample is gender balanced (52.14% of women to 47.86% of men). The age structure consisted mainly of 3 equal groups: 31–40 years (30.71% of the respondents), 41–50 years (33.93%) and 51 and more years (31.43%). From the point of view of the degree of achieved level of education, the most frequent is the second level of university education (80.1% of the respondents). In terms of the length of their practice in public administration dominates the period of 11 and more years (68.93% of the respondents).

Survey results. The survey confirmed the negative impact from the presence of variable factors on managed activities and their review is given in Table 2. It is about unreasonable length (duration) of processes, strong bureaucracy, missing sanctions for failure to fulfil obligations, insufficient human resources, lack of financial resources, lack of or inadequate documentation describing how to proceed and the lack of information technologies use. On the basis of Table 2 we can confirm the presence of each factor however in varying intensities of their impact). As the strongest factors, the absolute majority identified the inadequate length of time of processes (210 respondents), significant bureaucracy (248 respondents), lack of financial resources (220 respondents), and lack of information technology implementation (186 respondents). The average "vote" can be attributed to the lack of penalty for the failure to comply with obligations of municipality officials (123 respondents agreed). To weaker (but still not negligible factors) belong insufficient human resources (86 respondents), and lack of/inadequate documentation describing how to proceed (74).

Table 2. Factors causing the failure of effective course of the process in public administration organization, authors'

Factor	Answer	N	%
Inadequate / time of a process	Yes	210	75.00
	No	70	25.00
Strong bureaucracy	Yes	248	88.57
	No	32	11.43
Missing sanctions for the failure to meet the duties	Yes	123	43.93
	No	157	56.07
Insufficiency human resources	Yes	86	30.71
	No	194	69.29
Missing funds	Yes	220	78.57
	No	60	21.43
Missing /insufficient documentation describing the process	Yes	74	26.43
	No	206	73.57
Insufficient implementation of information technologies	Yes	186	66.43
	No	94	33.57

Since every factor causes various obstacles in processes management, in the following Table 3 we provide an overview of their order. The key for this arrangement is their sorting by significance, meaning improvement of which factors would result in processes streamlining at the division/section/department of a municipal office. Among the 7 factors, the most fundamental change is required for reduction of bureaucracy. The 5th place took the improvement of managing staff activities and the 6th factor is the introduction of sanctions for failure to meet the obligations. As the least important factor for process management, the respondents indicated the need for additional documentation describing how to proceed.

Table 3. The order of the factors causing the inefficiency in the processes of public administration, authors'

Factor	Order of factor	Average	Median	Min	Max	Standard deviation
Time of the process	3, 4	2.48	2.00	1.00	7.00	1.83
Bureaucracy	1	1.92	1.00	1.00	7.00	1.56
Sanctions for the failure to meet the duties	6	4.22	4.00	1.00	7.00	1.74
Human resources	5	4.04	4.00	1.00	7.00	1.86
Funds	2	2.27	2.00	1.00	7.00	1.53
Documentation describing how to proceed	7	4.81	5.00	1.00	7.00	1.98
Implementation of information technologies	3, 4	2.48	1.00	1.00	7.00	1.94

Subsequently, for this research important is the *research question*: Is there a statistically significant correlation between the perception of effectiveness of self-governing city processes and bureaucracy in public administration? On the basis of the results of the Kolmogorov-Smirnov test for normality, we found that in this case 2 variables are not normally distributed (Table 4). For this reason, to identify the relationship between variables – the perception of effectiveness of self-governing processes and bureaucracy in public administration – we use the correlation coefficient gamma. Testing shows the statistically significant relationship ($\gamma = -0.55$, $z = -5.39$, $p < 0.001$, $n = 280$), and therefore, confirms the hypothesis.

Table 4. Kolmogorov-Smirnov test, authors'

Variables	D	P
Bureaucracy in public administration	d = .34	p < .01
The perception of effectiveness of self-governing processes	d = .19	p < .01

For the sake of generalization, we can say that the results of the survey showed the strong influence of various factors on the efficient course of processes of city authorities Slovakia. The analysis confirmed the effect of 7 identified factors, among which the greatest influence, according to city managers and as confirmed by the K-S test, has got bureaucracy in public administration.

Conclusions. Increase in the awareness on the most advanced methods in management, among which is also process management leads to the growth of competitiveness, efficiency, reactivity, performance what is considered to be the actual chal-

lenges for public administration in any country. Though the order of the factors specified above may be different, neither of them should be omitted. The most significant factors are: bureaucracy in public administration, funds use and timing of process, implementation of IT. The least effect on the efficiency in course of processes has got the documentation describing processes. However, in spite of its last position, the effect of this factor should not be ignored. In real practice, managers have also to consider the specific effects of legal environment on management of public administration not to underestimate the effect of bureaucracy on the efficiency of managed processes. Intentional changes should concern gaining higher level of autonomy for managing staff in public administration when implementing process changes and the reduction of unnecessary administration load.

References:

- Ustava SR c. 460/1992 Zb. v zneni neskorších predpisov // www.prezident.sk.
Zakon c. 369/1990 Zb. o obecnom zriadení (o obci) v znení neskorších predpisov // www.bratislava.sk.
Business Dictionary (2015). The definition of process. Washington, D.C.: WebFinance // www.businessdictionary.com.
Fiser, R. (2014). Procesni řízení pro manažery – Jak zaradit, aby lidé vedeli, chtěli, uměli i mohli. Praha: Grada Publishing, a.s. 176 s.
Fricova, D. et al. (2013). Procesne modelovanie v samosprave SR. Verejná sprava a spoločnosť, 14(2): 29–37.
Grasseova, M. et al. (2008). Procesni řízení ve veřejném a soukromém sektoru: Teoretická východiska a praktické příklady. Brno: Computer Press, a.s. 266 s.
Knezova, J., Cepelova, A. (2008). Moderne formy vzdelávania ako podpora implementácie znalostného manažmentu vo verejnej sprave. In: eLearn 2008 (ss. 70–82). Zilina: Zilinská univerzita.
Madison, D. (2005). Process Mapping, Process Improvement, and Process Management. USA: Paton Press LLC. 313 p.
Repa, V. (2012). Procesne řízení organizace. Praha: Grada Publishing, a.s. 304 s.
Rucinska, S., Knezova, J. (2010). Vybrané problémy manažmentu organizácie vo verejnej sprave s dôrazom na možnosti využitia procesného riadenia. Forum manažera: teória a prax v riadení podniku, 1: 43–47.
Statistický úrad Slovenskej republiky (2012). Databáza Mestská a obecná statistika. Bratislava: SU SR // app.statistics.sk.
Zavadsky, J. (2004). Procesny manažment. Banská Bystrica: Univerzita Mateja Bela, Ekonomická fakulta. 145 s.

Стаття надійшла до редакції 2.10.2015.