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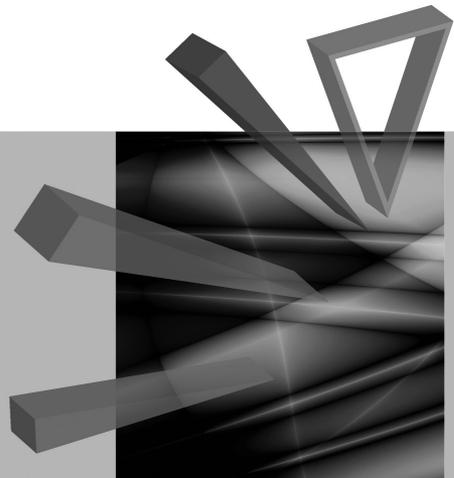
RESEARCH PAPERS

of Wrocław University of Economics

282

Local Economy in Theory and Practice

Planning and Evaluation Aspects



edited by

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Publishing House of Wrocław University of Economics
Wrocław 2013

Copy-editing: Elżbieta Macauley, Tim Macauley, Marcin Orszulak

Layout: Barbara Łopusiewicz

Proof-reading: Aleksandra Śliwka

Typesetting: Adam Dębski

Cover design: Beata Dębska

This publication is available at www.ibuk.pl, www.ebscohost.com,
and in The Central and Eastern European Online Library www.ceeol.com
as well as in the annotated bibliography of economic issues of BazEkon
http://kangur.uek.krakow.pl/bazy_ae/bazekon/nowy/index.php

Information on submitting and reviewing papers is available on
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www.wydawnictwo.ue.wroc.pl

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Wrocław 2013

ISSN 1899-3192

ISBN 978-83-7695-329-8

The original version: printed

Printing: Printing House TOTEM

Contents

Introduction.....	7
Ryszard Broł: Theory and practice of local development strategic planning .	9
Andrzej Sztando: Local development strategic planning and social responsibility of communal authorities: the Polish experience.....	20
Tatiana Zhelyuk: Strategic planning as a tool to enhance the competitiveness of territories	31
Justyna Anders, Wawrzyniec Rudolf: Placing collaboration in LED strategies – evidence from selected Polish cities.....	40
Grażyna Karmowska, Katarzyna Bilyj, Katarzyna Mazur: The development of the Rewal and Bogdaniec communes – a comparative study.....	48
Ewelina Szczech-Pietkiewicz: Competitiveness of Polish cities in a European environment.....	58
Veronika Humlerová, Eva Cudlínová, Ivana Faltová Leitmanová, Renata Klufová, Ladislav Rolínek, Milan Jílek: Rural development in terms of economic support – a case study from the Czech Republic	68
Janusz Sasak, Beata Domańska-Szaruga: Application of process benchmarking in improving the functioning of public administration.....	81
Sara Bonini Baraldi, Luca Zan: Managing heritage sites in China. The case of the Guan Lin Temple	90
Artur J. Kożuch, Katarzyna Peter-Bombik: Target costing as an instrument to ensure efficient fulfillment of public needs at local government units..	104
Joanna Kenc: The effects of town twinning in the Lower Silesia voivodeship – a comparison of the situation in small, medium and large towns	112
Dorota Sikora-Fernandez: Private cities. Spatial and economic consequences of gated communities in Poland	122
Miroslav Žižka: Multi-dimensional evaluation of economic pillar of territorial analytical data	130
Katarzyna Przybyła, Alina Kulczyk-Dynowska: Economic evolution of the Lower Silesia subregions.....	139
Edward Wiśniewski: Evaluation of investment attractiveness of the Central Pomerania communes by local governments	147

Streszczenia

Ryszard Broł: Teoria i praktyka planowania strategicznego rozwoju lokalnego	19
Andrzej Sztando: Planowanie strategiczne rozwoju lokalnego a społeczna odpowiedzialność gminnych władz. Polskie doświadczenia	30
Tatiana Zhelyuk: Planowanie strategiczne jako narzędzie do zwiększania konkurencyjności terytorialnej.....	39
Justyna Anders, Wawrzyniec Rudolf: Umiejscowienie współdziałania w strategiach rozwoju lokalnego na przykładzie wybranych miast w Polsce	47
Grażyna Karmowska, Katarzyna Biłyj, Katarzyna Mazur: Rozwój gmin Rewal i Bogdaniec – studium porównawcze.....	57
Ewelina Szczech-Pietkiewicz: Konkurencyjność polskich miast w otoczeniu europejskim	66
Veronika Humlerová, Eva Cudlínová, Ivana Faltová Leitmanová, Renata Klufová, Ladislav Rolínek, Milan Jílek: Rozwój obszarów wiejskich w warunkach wsparcia gospodarczego. Studium przypadku z Republiki Czeskiej.....	80
Janusz Sasak, Beata Domańska-Szaruga: Aplikacja benchmarkingu procesów w doskonaleniu funkcjonowania administracji publicznej	88
Sara Bonini Baraldi, Luca Zan: Zarządzanie miejscami dziedzictwa kulturowego w Chinach: studium przypadku świątyni Guan Lin	103
Artur J. Kożuch, Katarzyna Peter-Bombik: Rachunek kosztów docelowych jako instrument zapewniający sprawne zaspokajanie potrzeb publicznych w JST	111
Joanna Kenc: Efekty współpracy partnerskiej w województwie dolnośląskim – porównanie sytuacji w małych, średnich i dużych miastach.....	121
Dorota Sikora-Fernandez: Miasta prywatne. Przestrzenne i ekonomiczne konsekwencje zamkniętych osiedli mieszkaniowych w Polsce	129
Miroslav Žižka: Wielowymiarowa ewaluacja gospodarczego filaru terytorialnych danych analitycznych	138
Katarzyna Przybyła, Alina Kulczyk-Dynowska: Przekształcenia gospodarcze w subregionach Dolnego Śląska	146
Edward Wiśniewski: Ocena atrakcyjności inwestycyjnej gmin Pomorza Środkowego według samorządów lokalnych	158

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APPLICATION OF PROCESS BENCHMARKING IN IMPROVING THE FUNCTIONING OF PUBLIC ADMINISTRATION

Summary: Growing civic awareness among citizens leads to a greater and more active participation in local and regional management. The standard of providing public services, based on the traditional model of administration, is becoming inefficient. Thus, methods for improving public administration should be developed. The aim of the paper is to present the possibilities for using process benchmarking as a tool to improve public administration in Poland.

Keywords: process benchmarking, public administration, Poland.

1. Introduction

Modern society is characterized by the increasing significance of information and knowledge in the decision-making processes. Heightened awareness among citizens drives growing social activity and a more active involvement in local and regional management. The changes occurring in a society necessitate the establishment of a new standard for providing services by public administration. The traditional manner of managing public information demands change. A paper-based data storage media and the allied document flow need to be supplanted by electronic media, facilitating the automation of the information processes. This proves essential to formulate model processes for providing services by public administration units, which may be carried out in several ways. One way involves imitating solutions prevailing in various units in the form of a database, and then devising model solutions. The result of selecting this method is the creation of the benchmarking base that enables the advancement of the management of public organizations through comparing the conduct of their processes with the model processes or those carried out in other units. The benchmarking made in such a manner seems to be an effective tool for improving management. Therefore, the aim of this study is to analyse the possibilities

for using benchmarking processes in the public administration for streamlining management and methods for the delivery of public services by public administration units.

For the purposes of this paper, the literature and the findings of the research conducted by a panel of experts in the pro E-administration as a condition of the Development of Poland carried out by the University of Warmia and Mazury, have been used. One of the main aims of the project was to establish a database of reference processes for marshal, voivodship and municipal offices. During the first stage, the methodology of the process description was created. This was done by means of business tools (Oracle Business Process Management). Based on this methodology, the description of the processes was prepared for chosen offices (8 marshal offices, 8 voivodship offices and 16 municipal offices). A panel of experts established the procedure for creating the reference processes, which was submitted to the United States Patent and Trademark Office and registered as Patent Pending 616722990, the algorithmic method of generating reference models for the implementation of processual management in public sector units. Based on the algorithm created, the database of reference processes was generated. Next, the processes were verified by means of an expert method. The database obtained in this way can be used as one of the benchmarking models in order to improve the processes of public administration in Poland.

2. Specifics of management in public administration units and efficiency of providing services

The increasing importance of the non-commercial sector in the economy and the development of civic society made the previous division into economic and non-economic organizations unsatisfactory from the viewpoint of management. Thus, there were differentiated obligatory organizations whose existence is mandatory – labelled as public and facultative ones - contingent on the society's intent, called organizations of the third sector [Kožuch (ed.) 2008, p. 38]. Hence, to be a public organization, its material-technical subsystems as well as its subsystems of targets, values, structure, and principally management are distinguished by its “publicness” differentiating them from other organizations [Kožuch 2002]. Identifying and understanding the core nature of public organizations is central for determining the specifics of public management.

A defining feature of public administration is the high level of formalization, strong hierarchy and internal order. These features imply the necessity of applying the standardization of the services delivery processes. Further factors that reinforce standardization include limited flexibility and a low risk level. The research¹

¹ Surveys conducted within the project E-administration as a condition of Development of Poland. <http://www.uwm.edu.pl/eap/>.

conducted by the University of Warmia and Mazury shows that the same processes carried out in various public administration units are differently crafted and run, which suggests the lack of standardization of activities, diverse quality levels and different costs of services rendered, and the distinct course of processes in specific units.

Recently, a fairly common transfer of solutions from the private sector to the public sphere could have been noticed. This is predominantly determined by the limited income and related urgency of enhancing the efficiency of operations. While implementing the methods and practices proven in the economic sector to the public sector, utmost prudence should be used. Differences in the specifics of organizations may cause efficiently functioning solutions not only to fail to produce expected benefits, but also trigger losses. Therefore, it appears to be appropriate to devise models for operations undertaken by public managers based on the practices tested in the public sphere.

The issue of choosing the level of public services provision seems to be essential for the public sphere, as it determines the tasks and obligations for the public administration. The accomplishment of a continuously growing basket of public services requires the development of suitable techniques and methods for operations, adjustment of instruments and taking into consideration a range of external factors [Potoczek 2008, p. 75]. Quite frequently there arises a necessity to compromise, involving the selection of measures to the detriment of others, or postponing decisions.

Given the determinants illustrated above, attention should be turned to enhancing the efficiency of public services delivery, which requires the continuous improvement of management processes in this sector. Although the scope of the term of efficiency is particularly broad and ambiguous [see Kieżun 2002, p. 9; Zieleniewski 1976, pp. 232–233] three features may be singled out which determine the efficiency of operations:

1) Efficacy: when assessing the degree of fulfilment of the objective through the prism of efficacy, only the projected effects of operations are taken into account, while their costs are ignored. A degree of congruence between the effect of operations conducted and assumptions made is recognized as a measure of the efficacy of operations [see Kieżun 1997, p. 44].

2) Cost-effectiveness: construed as a relationship of the effects of actions to their costs. It should be stressed that when examining the costs of actions, their material as well as moral aspects should be considered.

3) Beneficiency: defined as the difference between the useful result of actions and costs of actions [Kieżun 1997, p. 19]. Thus, we deal with the beneficiency of actions when the result of actions exceeds the costs borne. Otherwise we talk about the adverse operations. Władyka argues that, in the event of the actions with the same cost-effectiveness and degree of approach to the objective projected, the one characterized by greater beneficiency proves to be more effective [Władyka 2004].

Supplementary virtues of efficacy include precision, simplicity, rationality and reliability. Their significance is rather marginal and is often passed over in evaluating the efficacy of actions.

Aspects of the efficient operations appear to be applicable as criteria for assessing the organization of all sectors. However, it should be kept in mind that in the case of assessing the organization of the economic sector, the evaluation of efficacy is much easier as operating profit is the main and easily measured assessment criterion (the defect of the profit as a measurement of efficacy assessment should be indicated [see Domańska-Szaruga 2009, p. 11]). In the case of the operations of public organizations, measuring the efficiency poses some problems, as the effect of the organization's actions are not focused on seeking profits, but on satisfying social needs. The level of such satisfaction tends to be a value hardly measured, and thus the assessment of efficiency may be erroneous.

3. Process management in public administration

The fundamentals of modern, process-oriented management are linked to the concepts of quality management, mathematical statistics, operational studies and systems theory. As a management method, it obtained popularity at the beginning of the 1990s by Business Process Re-engineering in commercial organizations. The elimination of redundant actions, the increase in productivity and the higher level of services provided in the view of customers, should be regarded as the basic merits of this method. The essential factors accelerating the advancement of Perechuda's process management include, among others: growing turbulence of the internal and external environment, increasing complexity of processes, individualization of needs, heightened significance of non-material resources, cutting-edge communication technologies, cutting down the product life-cycle [Perechuda 1997, p. 34]. Today these factors are becoming critical also from the viewpoint of public organizations. Thus, numerous attempts of adapting this method to public management may be discerned.

Process management involves delegating a significant part of powers to operational posts, that is a shift in the optics of perceiving an organization from the classic one predicated on grouping similar functions, into one focused on organizational processes gathering resources from various areas for fulfilling customers' needs. The adoption of such an understanding of process management in the case of public administration should be related to the delegation of powers to officers, establishment of electronic systems for public services and the active involvement of citizens in the process of delivering public services. The processes constructed in this manner should serve as a starting point for the allocation of resources, division of tasks, streamlining an organization and the motivation system within an organization.

The implementation of process management in a public administration is reinforced by the necessity to align to current citizens' needs and identify trends in changes affecting the creation of new needs. Satisfaction of customers within the public sphere is reliant on the effectiveness of tools [see more Pollitt, Bouckaert 2004, pp. 138–142], and methods for the management of the public administration. Previous attempts to introduce process management into the public sphere ran into numerous obstacles within some organizations. Those diagnosed most often included resistance of employees accustomed to the hierarchical structure and vertical management, and not comprehending horizontal structures and their governing principles.

4. The role of benchmarking in administration

In the traditional approach, the concept of benchmarking is defined as a method for improving an organization's operations based on the selection of the model competitor and comparing the organization against it. The areas where the competitor's operations are characterized by greater efficiency represent the reserves likely to be released for the organization. These methods have undergone a range of modifications, e.g. apart from competitors, enterprises outside the industry experiencing similar problems are selected for comparison.

The main barriers identified by Grudzewski when employing benchmarking are [Grudzewski, Hejduk (eds.) 2000, p. 149]:

- treating one's own practices as superior to others,
- conviction that one's own enterprise is better structured and does not need to learn from others,
- mistakes in motivation systems which fail to reward unpopular decisions delivering definite benefits to the organization,
- isolation of the organization from external practices.

When applying benchmarking, it is particularly significant to formulate and comply with the principles. The key principle is to develop trust in the field of observing legal and ethical norms. A further principle is the reliability in exchanging information between partners and a moral obligation to make the data needed by the partner available. The obtained information should be protected better than the one already possessed, as it proves to be central for credibility and opportunities for making use of the partners' help afterwards. It is not permissible to use secret methods such as eavesdropping, filming or taking photos of the partner's solutions. Detecting disloyalty should result in informing one's own management staff and the equivalent in the partner organization. Compliance with these principles will ensure security for the benchmarking parties and the achievement of best effects.

Currently a typical benchmarking process comprises of seven phases. Generally the first and second phases, that is selecting areas and criteria for benchmarking, are interlinked. For their accomplishment it is possible to use SWOT analysis, which

helps to determine the areas in which it will produce the best effect, and barriers to be confronted while carrying it out. In selected areas the domains are identified and key processes chosen to be improved. Based on the areas and processes selected for benchmarking, a market leader or leaders with whom the organization will exchange information are appointed. The fourth phase involves gathering information on the model and comparing one's own practices with those observed at the partner's. This phase requires particular accuracy because creating improved solutions implemented in the organization relies on the information and analyses obtained in it. Data collected in an unreliable or imprecise manner may make the organization not only fail to boost its effectiveness, but may decrease the efficacy. When gathering information, it is vital to document it in a manner which will allow for repeated reference to practices discerned and their unequivocal interpretation, even after a long period. The fifth and sixth phase formulate the goals to be pursued by the organization and the methods by which the goals may be achieved. Following the accomplishment of these phases, variants of solutions emerge which lead to a new standard for the course of the process or performing the function. The final phase of benchmarking is the implementation of solutions.

Changes occurring in public administration, coupled with the concepts of the New Public Management, indicate the urgency to seek new management methods intended to streamline the manners of functioning and delivering public services. One of the methods which may yield expected benefits is benchmarking, which in the public sphere, in view of its natural feature which should be transparency, may be implemented and exploited in a far easier way. The functioning of the public sphere, from the perspective of the law, is regulated in a stricter manner than operations of the commercial sphere. In the case of the public sphere, a legislator merely specifies the conditions which need to be fulfilled while providing the services by the administration, leaving the manner of delivery to the competence of the manager. Therefore, the process of delivering the same service by various organizations may be run differently and involve other resources, which tends to be the rationale behind the claim that processes aiming to provide the same service and delivered by various offices may be characterized by varied effectiveness. This claim is manifested in the results of surveys conducted while mapping processes of the public administration by the University of Warmia and Mazury within the EAP² project. The project encompassed works related to mapping the processes of completing tasks by province offices, marshal's offices of the province and municipal offices. The findings of the surveys show there are significant differences in the efficiency of performing the processes. In the offices surveyed, the processes of delivering the same services are characterized by the involvement of various resources in terms of the size and quality, different actions and production costs. The material collected

² Project E-administration as a condition for development of Poland, <http://projekteap.pl/Projekt/>.

during the surveys may be utilized as a benchmarking base for processes and serve to streamline practices in individual offices.

The emerging civic society and limited funds for the delivery of public services impel the continuous improvement of public organizations. On the other hand, it should be kept in mind that public managers are closely related to the sphere of politics. Thus, in many cases, public managers do not have a complete knowledge in the field of management. What also poses a problem is a lack of standards for performing tasks – model solutions which ensure the efficient provision of services.

5. Conclusions

In the age of the information society and growing awareness among citizens as the recipients of public services, the necessity arises to seek solutions for advancing management in the public administration units and enhancing the effectiveness of the processes of delivering services. Therefore, it is advisable to search for proven solutions in other sectors of the economy and adapt them to circumstances in which contemporary administration functions. One such solution is the benchmarking method propagated in the 1980s in the economic sphere.

One of the basic barriers to using process benchmarking in Polish administration is the low degree of process maturity of public administration units, as only a few of them have achieved the CMMI level in which organizational processes are identified, described and measured. Another major barrier is a belief about the specific nature of the office, which makes it impossible to use models. Moreover, reward systems and promotion regulations which are used in offices do not improve working methods.

The introduction of quality management methods into public management enables the description of the processes occurring in the office. Based on the description and the database created in the project “E-administration as a condition of Development of Poland” it is possible to use process benchmarking.

Using reference models will shorten the amount of time needed to improve the process, make it easier to eliminate unnecessary processes and also limit the number of people participating in the process. This will result in the reduction of financial and material resources used in the process.

The application of the process benchmarking in public organizations, in view of the specifics of their functioning, seems to be far easier than in the case of commercial organizations. A chief barrier faced in commercial organizations – fear of losing knowledge and competitiveness – should not occur in the public sphere. Nevertheless, an urge to possess power noticed in the public sphere will certainly continue to be a problem as improving and streamlining the processes consequently need to result in curbing the power exercised by officers. A demonstration of models for functioning of the public administration will trigger heightened social awareness and thus may affect the attitudes of officers who will perform their tasks in a more

responsible and reliable manner. The method of process benchmarking should be then regarded as useful in advancing the public administration.

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APLIKACJA BENCHMARKINGU PROCESÓW W DOSKONALENIU FUNKCJONOWANIA ADMINISTRACJI PUBLICZNEJ

Streszczenie: Rosnąca świadomość obywateli prowadzi do zwiększonej aktywności społecznej i szerszego uczestnictwa w zarządzaniu lokalnym i regionalnym. Dotychczasowe standardy świadczenia usług publicznych oparte na tradycyjnym modelu administracji stają się niewydolne. Dlatego też należy poszukiwać metod doskonalenia administracji publicznej.

Celem artykułu jest przedstawienie możliwości zastosowania benchmarkingu procesów jako narzędzia doskonalenia polskiej administracji publicznej.

Słowa kluczowe: benchmarking procesów, administracja publiczna, Polska.