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MANAGEMENT SYSTEMS AND PRACTICES

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Decentralisation and Management Systems

The process of reform in Public sector management has highlighted the fundamental dilemma of upholding the government's role as a promoter of change as well as stability and consensus. Creating conditions in the public sector - which promote a culture of continuous improvement, foster innovation and capitalise on individual and team performance - is in itself an ongoing challenge for governments. However, governments are also required to constantly maintain a balance between under and over stimulating change and innovation. The current change from monopolised to pluralistic provision - involving private sector and not-for-profit agents - must be properly managed to ensure effectiveness and adequate feedback into the policy process. Opportunities to increase flexibility and efficiency must always be weighed against the risks involved in losing political control and responsibility for public sector activities, which must be based on societal consensus.

Lack of confidence is a problem in too centralised systems. Local government is therefore a key element in the political systems of liberal democracies. It is seen as an appropriate level for effective government intervention to meet welfare needs and also to stimulate economic efficiency. Local government is central to the establishment and maintenance of a democratic process.

There has been a decade of dramatic redefinitions of the role of the state in a majority of developing countries. Political changes in developing and transitional countries have been initiated to remake the structure of these societies. The established Western systems provide a vital base of experience for the development of new government systems. Effective public sector management is. The changing relations between central and other levels of government will be an increasingly important consideration in developing and transitional countries. As a country's income grows, the amount of social services increases. Governments need to do more in those areas where markets alone cannot be relied upon. Above all, this means investing in education, health, nutrition, family planning and poverty alleviation, building social, physical, administrative, regulatory and legal infrastructure of better quality, mobilising the resources to finance public expenditure and providing a stable macroeconomic foundation. We believe it's important to define these issues as investments for the future in a more positive and prospective way.

In terms of broad strategies of service reform, a distinction can be drawn between those countries where the emphasis is on retaining but at the same time reforming the established systems of public service delivery and those that lay a greater stress on the introduction of market mechanisms, business-like organisation and private sector competition. However, most governments have used a combination of approaches, melding administrative reform of the public sector and the use of market mechanisms. This decision to meld approaches has raised many of the most vexing issues of accountability.

There are many ways to finance, steer, regulate, structure, organise, manage and operate public sector activities. There is no single reform sequence which will fit all the economies. For those seeking to remake their systems, a number of models presented at a conference may serve as sources. However, cultural background, resources, traditions and other conditions all have to be taken into account. The system has to suit the country and the situation. In the current waves of administrative change, market oriented strategies most often reject culture specific problems, as demonstrated in eastern Europe and Latin America.

Then Copenhagen Declaration and its accompanying Programme of Action provide a context and a challenging agenda for public administrators as they seek to play a key role in implementation of social development objectives. A number of critical issues remain to be examined in regard to how to achieve the broad goals agreed to by the Summit. One of them - and we believe the most important one - is how change can be managed in a way that empower people to peak performance. Promoting reform requires shared visions and the active participation of a range of actors involved in implementing changes; including politicians, senior officials, business and labour representatives, the private sector and the not-for-profit sector involved in public service delivery, as well as the general public.

The general development tendency which has most affected the organisation of work in recent decades is decentralisation. Management by results as a management philosophy is a natural consequence of the decentralisation of an organisation, which leads to a clear focus on results. Responsibility for results means that some definite objectives are to be achieved within a given financial frame or that payment is made according to actual performance. The demand for accountability has traditionally meant that social service programs have a regularity aspect. An increased orientation towards the market, performance - linked incentives and new management information systems, has meant that operations have been adapted more rapidly to changing needs. Performance management strategies involve a shift from traditional procedural approaches to a more results - oriented culture where priority is given to outcomes of public policies.

Political forms of work have also changed. The role of politicians has always been complex, involving the task of solving conflicts of interest. Development of democratic forms of work is an important issue at all levels. Multiple interests must be brought into a participatory policy - making process, without jeopardising the capacity to govern. A market economy is a sensitive plant requiring a firm, stable democratic soil in order to thrive. A well-established local democracy is a prerequisite for building a stable society. In many countries the local budget has been a part of the state budget, which has been distributed arbitrarily. Local self-government creates a link between the state and civil society which can provide the basis for the effective use of resources.

These efforts need to be woven into a framework where the central capacity to govern is enhanced, especially in the face of globalisation; where an appropriate balance is struck between central direction and local discretion; where the interests of many policy actors are considered; and, where democratic accountability is protected. Traditional values of neutrality, integrity, and equity must also be married with today's demands for value-for-money and quality of service.

Therefore, the challenge facing governments is to re-establish political strength by being more explicit when defining goals, and more consequential in following-up results. Quality improvement and cost-effectiveness should be encouraged by using market mechanisms. Only by applying both these strategies can governments solve the dilemma of consensus versus change.

Market mechanisms

In Sweden and a lot of other countries, the responsibility and decision-making powers of many local authorities have been decentralised and shifted to lower levels in the organisation. This means that institutions such as day-care centres, homes for the elderly and schools now have their own budgets, and, thus, are able to determine how much money they wish to allocate to their various activities. Changes of this kind have regularly led to the improved utilisation of resources. The division of major authorities into small, service units is also a prerequisite for the introduction of market mechanisms. Further incentives to cost-effectiveness have been provided by utilising the principle of allowing funds to "go together with" the child/patient/pupil and by competitive tendering procedures. Both these incentive structures have resulted in substantial productivity gains. Since 1992 productivity, within the City of Stockholm, has risen by 25% as a result of the introduction of voucher systems, and by an estimated 13% as a result of competitive tendering.

The results experienced by the City of Stockholm are not unique. In fact, all reliable information indicates that the introduction of market mechanisms into the public sector results in productivity gains (Svensson, 1994). The increased orientation towards market mechanisms within the public sector - by means of performance-linked incentives, contracting out   and the introduction of new management information systems - have most certainly been successful in fulfilling demands in respect of increased cost-effectiveness. On the other hand, however, it is difficult to evaluate changes in standards of quality. It is often claimed that contractors are able to cut costs by lowering the quality of the services they provide, without the purchaser being able to detect or correct the deterioration in quality. It should be emphasised, however, that contractors rarely do this.

It is not sufficient to only refer to the introduction of market mechanisms, into the public sector, in order to understand why changes that increase efficiency, such as privatisation and purchasing procedures, can result in management problems. It is not the market mechanisms that create the problems. On the contrary, market mechanisms, such as competition, personnel incentives, contracts etc., can function as extremely powerful, control devices. If anything, the problems experienced are related to the fact that market mechanisms expose the inadequacies of the traditional, monopolised public sector. These problems were recognised and analysed last year at the UN Conference on Privatisation (UN, 1994).

Management problems are exacerbated by the fact that a previous bureaucratic and centralised organisation was unable to function efficiently. One and the same organisation, and often the same people, acted as purchaser, contractor and evaluator.   Any organisation that sets the requirements for its own work, then executes the work and, finally, evaluates the results has a natural tendency towards inefficiency - both in respect of the utilisation of resources, and the clear definition of goals and results. A "procedure culture" often develops in this kind of organisation which, by adhering rigidly to procedural practice, effectively blocks initiative and change. There has also been a strong tendency to treat the public sector as an instrument of labour-market policy rather than an organisation responsible for carrying out essential services for the community. Taken together, this has severely hampered the public sector's ability to

clearly define its goals, follow-up its results, motivate its employees and improve its methods. The need for clear specification of aims, objectives and service standards is therefore a key element of public sector reform work, both because of its own merits and in order to facilitate agencification, contracting out, concessioning and privatisation.

Four phases in management reforms

Management reforms in government take time to implement. Sometimes the ideas behind them are even slower to take root. Today management methods, concepts, models and values have been accepted as an integral part of the way public administration is conducted. The question of the relevance of different management concepts and techniques is open to debate.

You may see four phases in the way public management reform have been carried forward: The initial targets of the first phase covered the full range of familiar bureaucratic shortcomings: waste, unnecessary activity, overcomplex regulations, overlap and duplication of functions, confused lines of responsibility, slow and overcentralized procedures for decision making, divided authority, unclear performance standards and lack of information about results and costs.

Still instances emerged of reporting systems continuing to operate even though no one used the reports, expensive work being conducted in government when external purchasing was clearly cheaper, common services being overprovided free of charge to the user departments for example**.**

The second phase was to build a more general public management modernisation. The objective, to shift from procedures-based administration to results-based management with an orientation to year-on year improvement in performance, required a knowledge of results and costs along with better methods of using human and financial resources. This relied on a "one-best way" management-by-objectives philosophy strongly coloured by private sector experience. They assumed that a common stock of management principles could be applied throughout government (Allen, 1981). The main themes of the second phase were

- parallel reforms of management in all departments
- strengthening accountable line management
- longer term reform program developing new systems and structures
- priorities to decentralised financial management and cost control.

The third phase sought to change culture, attitudes and behaviour of government so that continous improvement becomes a widespread and in-built feature in the search for better value for money and steadily improving services. This phase can be summarised in the following way:

- create agencies to manage specific executive tasks of departments
- focus operational management responsibilities in agencies by defining their objectives and tasks
- keep strategic policy and resources decisions at the centre of the department
- establish processes for agreeing performance "contracts" between the centre of the department and the chief executive of each agency
- shift departments towards the divisional form o organization in which agencies can be viewed as separately managed "businesses".

The fourth phase is quite different. This phase aims at large-scale structural reorganisations of public service delivery systems. A macromanagement process is always required to steer structural changes because they are beyond the control of individual organisations (Metcalfe,

1993). Methods of managing reform are therefore required which take account of the pluralism and professionalism of the services in question. The management solutions that have been applied to structural reorganisations have followed the pattern of imitating business models and promoting competition. The main elements are

- decentralisation of operational management responsibilities to individual units
- creation of a business management ethos: cost consciousness, management by results, financial accountability within organisations
- competition between providers
- the public as customers rather than clients in a purchaser-provider contracting system
- centralised financial control over local management discretion
- centrally established policy parameters.

Management systems and practices

There is a common core to public sector modernization in the OECD countries, one which transcends the convergencies and divergencies of the programmatic level: on the one hand the functional shifts in the strategic role of the government from producer to enable, on the other a systematic decoupling and recomposition of the programming, realization and financing of service production.

These two new constitutive principles open up design options which go beyond traditional bureaucratic forms of task processing. These include a distinction between politics and managerialist steering, leaner and radically decentralized organization structures, the formation of diverse results oriented units with operative autonomy, emphasis on the internal and external competitive environment in ordering and purchasing services, and in particular systematic customer/citizen quality feedback systems. A new best practice model of public sector task fulfillment appears to be forming around these elements.

There is a mixture of international trends and local factors - a limited plurality of development paths of public sector modernization within the OECD (Naschold, 1995).

When moving from rule steering towards management by results systems (MbR) the political mobilization is essential. Otherwise the examples of MbR will be absorbed by the pressure of administrative rule steering and a degeneration back to the old system. However it's not possible to draw clean dichotomy between rule-based systems and those focused on marked-oriented strategies since our experience to date suggest that the two are likely coexist side-by-side. In countries that are recently emerged from authoritarian regimes it can be difficult to implement management styles that empower workers at lower levels of the organization.

The reform efforts during the 1970s to introduce ZBB (Zero based budgeting) and MbO (Management by objectives) have proved to be passing trends with little impact. These methods are based on the premise that any large problem can be desegregated into a series of small problems, which can be dealt with independently within centrally set parameters. Structural reorganizations cannot be managed in this topdown way. They require extensive consultation and active participation by the organizations affected to formulate problems, devise feasible solutions

and mobilize commitment to implementation. Especially when professional organizations are involved, imposing changes from above is liable to damage morale and performance.

Furthermore, MbO relies, to a certain extent, on a hierarchical structure in the break down of goals, and this can sometimes limit the possibility of motivating the personnel who carry out the service.

New reform strategies are also sometimes considered to be passing trends without a significant increase in efficiency. Another criticism against MbR and other modernization strategies is that they are a danger to democracy.

Managing change at the interorganizational level is much more difficult and demanding than changes at the level of a single organization. But given the fact that public policies are typically managed through networks of organizations rather than through single organizations it is extremely important that these difficulties are addressed and resolved.

Objectives and quality

Discussions, regarding standards of quality within the public sector, are often carried out in two, completely, different dimensions. On the one hand, there is the discussion and evaluation of the quality provided to customers and, on the other hand, there is the discussion and evaluation of the result which is provided in relation to the fulfilment of the goals set for the community. Even if the goals set for the community are identical with the customers' needs, and they often are, there is a necessity to separate satisfying customers' needs from the demands made by the community. Hereinafter, the fulfilment of the goals set for the community (i.e., the goals which are set by the political organisation) will be called "goal fulfilment" and the satisfaction of customers' needs will be called "quality".

Public services are always provided within a politically-defined framework. This framework is determined by the extent to which the services will benefit the community, by means of such things as ringing in the areas in which they will be provided, determining if the tax that can be levied will provide the necessary resources, and setting the goals the services should fulfil.

It is therefore quite possible that the fulfilment of goals set for the community can, ultimately, lead to conflicts in respect of quality for the customer. For example, the goal of equal treatment for all is often in open conflict with the individual's perception of quality . A similar conflict can arise between employees' professional opinion and the goals resolved by politicians, or between a customer's needs and the employees' professional opinion. Therefore, the further development of management, within the public sector, is not about strengthening the political control of detailed activities, but rather the creation of management mechanisms that clarify roles and responsibilities, and which also provide room for dialogue and discussion.

Total Quality Management (TQM)

In the first instance, TQM (Total Quality Management) is a visionary, leadership philosophy which expresses itself in a number of important attitudes to be achieved within an organisation. Typical TQM visions are: to put the customer in the centre, to base decisions on facts, to work

with processes, to constantly develop ways to improve quality and to convince everybody to participate. More concrete expressions of organisational systems, which are based on TQM, have been e.g., certification, according to international quality standards, which has been introduced into a number of countries in recent years. Certification focuses on a number of criteria which should be fulfilled in order to realise the most common TQM visions.

Leadership's clarity and involvement
Routines for information and analysis
Operational planning
Development of employees
Operational processes
Operating results
Customer satisfaction

In order to create a basis for evaluating how the organisation can fulfil all the requirements for total quality, the units are required to provide detailed accounts of how the various, key processes have been designed to meet each criterion.

Quality certification is focused on processes, and more or less implies the necessity for long-term decentralisation. The starting point for the implementation of the criteria is, however, a vision of a highly qualitative organisation, and the demands made of an organisational model of this kind. The risk is that focusing on the organisation's primary goals and results takes second place to focusing on overall, quality demands. TQM should be regarded as a management philosophy that supports further development. The extent to which the principles of TQM should be applied in each organisation, however, depends on the positive effects they can achieve in respect of the organisation's basic goals - not the positive effects that are noted in relation to achieving TQM itself.

Focusing on processes, and the possibilities of evaluating whether they have been designed with consideration and a professional approach, provides an essential dimension to management development. It should be possible to adapt methods - which combine clearly defined goal and result requirements with the possibility of preventing mistakes and ensuring important processes - to improve the control and management model of the public sector.

Management by Results (MbR)

Existing management problems are often uncovered in connection with purchasing procedures, and various techniques have been developed to overcome these problems. There are many examples, from several countries, of the extent to which forcing the tempo of purchasing procedures can lead to reverting to traditional procedural approaches. Detailed directions are given, on how the service in question should be carried out, in order to ensure the fulfilment of set goals. Detailed descriptions of how food should be prepared, or cleaning done, or streets cleaned may provide a certain degree of assurance in respect of fulfilling the goals set for the service, however, at the same time, they block all attempts to improve efficiency by developing new working methods.

In Sweden and many other countries, the implementation of a management philosophy, based on management by results (MbR), has been found to be a solution which can be successively applied. Interest is focused on the results to be achieved, while issues regarding the working methods to achieve the results are the responsibility of the individual units. MbR and other performance management strategies involve a shift from traditional procedural approaches to a

more result-oriented culture, where priority is given to outcomes of public policies. For example, the maintenance of a park is not described in terms of when the lawns should be mowed, how densely and how deeply the flowers should be planted etc., but rather in terms like a "well-maintained park", where consensus on the concept "well-maintained" is achieved by means of an ongoing dialogue between the purchaser and contractor, using photographs, descriptions etc.
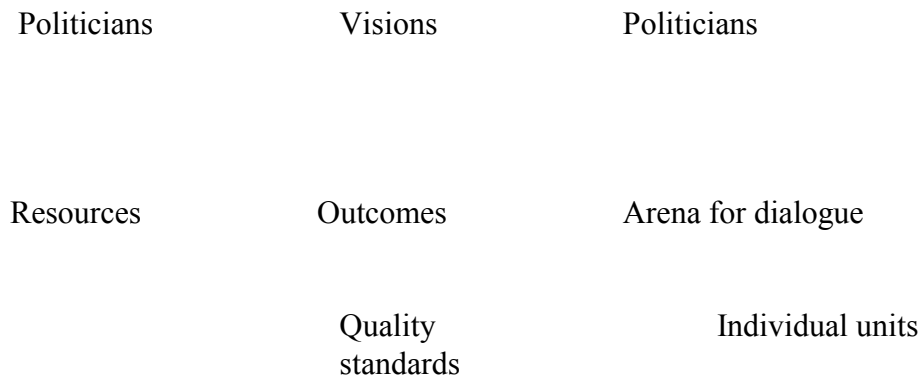
MbR constitutes extensive adjustments for a traditional administrative organisation. For those who have experience of traditional organisations, the following requirements serve to illustrate the extent of the work needed to reform.

New steering models as a combination of results steering and Total Quality Management have been developed since the mid 1980s in Sweden. An evaluation of the lesson of Experience in central government and municipalities has pointed out the following prerequisites in the reform process (Svensson, 1993):

1. The effects for the people concerned (patients, children, pupils) should be focused at all levels in the Organization.

2. The discussions about visions, goals and targets should be integrated in the budgetary process and all decisions should relate resources to demands for effects and results (quantity and quality).

3. This process should be designed in a way that it is possible to engage and encourage every politician and every employee.

4. There should be a commitment (contract) for every result unit signed by the manager and her/his supervisor, where the responsibility for a certain result is agreed upon.

5. This commitment consists of the demanded results (possible to follow up and evaluate), linked to the resource allocation.

6. MbR is a method for combining service standard improvements with deregulation. Outdated and unnecessary regulations should therefore be subject to consideration.Decentralization of power and employee empowerment are fundamental.

7. A commitment for every employee, including demand for defined results, rights and competence.

8. MbR is improved by monitoring, evaluation, performance incentives systems and accountability.

9. Essential prerequisites for MbR are systematic customer/citizen quality feedback systems, and evaluation and accounting systems so that the achieved effects and results can be measured and compared with visions, goals and targets.

10. The philosophy of MbR should be carefully implemented among all politicians and all employees through well thought - out introduction and development programs and appropriate training systems.

The problems regarding the hierarchical structure of MbO have been solved in MbR by emphasizing dialogue regarding the goals, rather than their breakdown.

Politicians	Visions	Politicians
Resources	Outcomes	Arena for dialogue
	Quality standards	Individual units

We have called this model CQM - Commitment Quality Management - as a combination of results streering and Total Quality Management.

CQM consists of

A. A leadership based on clear specifications of quality in aims, objectives, goals and targets
B. Focus on the results for the citizens
C. Commitments based on participation from every employee in the process
D. Measuring and evaluation of service standard quality
E. A program for continuos improvement of quality and efficiency.

From Managements by Results to Commitment Quality Management

Efforts to reform the public sector in this direction have been very successful in the 1990s:
- rising productivity performance by distinguishing between agencies and central government departments.
- utilization of the MbR negotiating process as a step towards total quality management.
- utilizing MbR systems in the form of interactive co-planning with citizens in technical and social areas.
- integrating MbR systems with systematic customer/citizen quality feedback systems.

- distinguishing between programming, financing and implementation in the sense of various forms of the "enabling authority".
- interaction between results orientation, regulation and competition in local government services.
- integration of MbR systems and organizational outsourcing with the aim of stimulating institutional competition.
- extending the opportunities for employee participation and further development of industrial liberalations.

All these examples have achieved a successful balance of increased organizational effectiveness and efficiency without negative effects on product quality and working conditions, whereby organizational design and contextual characteristics can be specified.

At the same time, these examples serve to warn against the promises of easy solutions. The reality is always a complex mixture of government regulation, economic competition and social devolution. What is then required is to activate the external context within which the administration operates: an extention to civic participation via a comprehensive quality policy and improvement in citizens freedom to choose by introducing competion into service production.

There is considerable evidence of the allocatively and productively beneficial effect of competitive elements in the course of public sector modernization, frequently without undesirable distributive effects. Thus the rational use of markets under well specified conditions is clearly an important element of public sector modernization.

There is a trend within the OECD reforming countries towards a quality control of public service production through citizen and customer participation. Above all, they include systematic and decentralized citizen quality feedback systems and in some cases explicit service obligations by the administration towards citizens within the framework of a citizen charter.

The core element of all internal modernization programs is the introduction of the new administrative steering model containing element of management by results, cost and performance calculations, and results budgeting. In most countries the introduction of the new steering systems and the re-organization of the operative administrative units has thrown the central units into crisis.

This leads to a strategic dilemma in the course of the internal modernization process: usually the central units prove to be an important if not indispensable motor initiating the reform process: once a certain stage of development has been reached, however, the headquarters often constitute a major barrier for the further course of the modernization process.

This new steering system, e. g. management by results, are, in the final analysis the highest developed forms for managing the modernization of the public sector (Naschold, 1995). Successful reform projects point to the strategic importance of the interactive and decentralized

negotiating process. The continuous and targeted discussion and negotiations, on targets, results and their conditions can often constitute the point of departure for total quality management.

One of the aims of abandoning administrative rule steering in favor of results oriented steering is to create the scope for autonomous action by the units at local level. Such a steering logic will, however, lead to the centrifugal segmentation of the administrative system unless monitoring skills accompanying the process of reform are developed as a medium for collective observation, learning and selfsteering.

Internal modernization is not merely a task for management, but is inherently a function of the work and action of all the employees participating in the value added process. Thus the development of working structures which are conducive to learning and favor task integration, together with corresponding personnel development systems is essential.

Commitment Quality Management (CQM)

In order to further develop its services, it is of great interest to the public sector to find methods which combine a strong focus on goals and results with modern process and quality thinking.

CQM (Commitment Quality Management) is being used as the basis for the City of Stockholm's current programme for furthering the development of its services. In brief, this method constitutes that the units design and structure working processes, in accordance with set goals, and that working processes of special importance are ensured by means of a detailed description and follow-up of their application. The identification of goals is based on the unit's own assessment of its customers' needs, and consideration of the unit's own professional image. These goals are integrated with the goals set for the community in a dialogue between the contractor and the purchaser (management and operative, responsible personnel). The processes are designed, independently, by the operative, responsible personnel, and are monitored by the management, which also follows the work that is done to ensure that results are fulfilled. The end-product is that the management and the unit assess a level of ambition, which is reasonable in relation to the goals set, and establish the unit's commitments in relation to the community's goals and its customers. These commitments are continually added to through the process of development.

We have provided relevant examples of CQM across a range of different public services. The City of Stockholm has chosen the, traditionally, difficult management areas of childcare, education, social security and eldercare to further develop these methods. Pilot bodies were selected on basis of management capability, demonstrated improvements and potential for further improvements.

The work involves clarifying and strengthening the connection between the commitments the unit undertakes (based on the community goals that direct the unit's activities, the needs of its

customers, and the unit's chosen image), and the working methods and routines that are applied. Child care and eldercare are customer-affiliated activities, which are characterised by intensive, long-term and close relationships with customers. Customers' needs are often based on values regarding feelings - feelings of security, consideration and respect. This emotive dimension is also often what attracts people to work in social welfare. By taking stock of these values, it is possible to create a many faceted picture of the needs the unit is required to satisfy. Experience has shown that an initial stock taking of values, together with the personnel, provides an invaluable basis for commitment to development work. The unit then proceeds to identify the community goals, which the unit is required to fulfil in dialogue with the purchaser, as well as the unit's chosen image. Thereafter, every goal is broken down into working methods, and the most important elements are described in more detail. The system of safeguards is the internal follow-up system, whose main task is to ensure that the working methods are actually being applied. An evaluation is carried out in order to check customers' needs and community goals against the quality system. A development plan sets out the efforts which are necessary to achieve a higher level of ambition. Analytically, the last step is to formulate the commitment the unit can assume in relation to its customers and the purchaser.

In practice, the work involved with development and quality systems is far more complicated and detailed than the above description implies. The following is an example of the stages used in determining how the practical work should be structured.

Goal identification (= what is to be achieved) consists of the following stages:
Identification of customers' needs.
Identification of community goals.
Identification of professional goals (the unit's professional image).
Integration of the above goals with the activity's goals.

Service structuring (= how the goals are to be achieved) consists of the following stages:
A clear description of the working processes, which is closely linked to the fulfilment of the activity's goals.
A detailed description of especially important parts of the processes.

Safeguards (= when, by whom, follow-up of work carried out and follow-up of results) consists of the following stages:
Specification of the time for carrying out the processes.
Allocation of responsibility for carrying out the processes.
Description of routines, which should provide the possibility of monitoring whether the agreed working methods are in fact being applied.
Description of the results the unit anticipates.
Description of how the unit is to follow up and trace back actual results.

Evaluation and development consists of the following stages:
Description of how the unit evaluates the quality system in relation to customers' needs, professional image and community goals.
Description of development goals.
Description of development efforts.
Specification of how continual reviewing of agreed parts in the quality system should be carried out.

The practical work can be regarded as a repetitive process, focusing on reviewing all the stages, successively, and monitoring the parts of the operation that are important in order to ensure quality. The commitments the unit undertakes, in relation to customers and the purchaser, are formulated on the basis of the level of ambition which is possible to fulfil.
Experience shows that reification of what is possible to achieve emerges during work to establish the quality system.

As mentioned before, the quality of a service depends to a great extent on the personnel's involvement in their work. Quality systems, which are based on important emotive values, motivate involvement. This motivation should be developed by allowing the personnel to have a strong influence on the planning of operations. The development of a quality system guarantees this influence inasmuch as all personnel participate in working out the system, and each working group is responsible for the quality system when it eventually comes into operation. The management's role is to support and supervise the work.

In order to carry out work at unit level, a sequence of operations has been developed, which is based on the main part of the initial work being carried out by the unit's manager and representatives for the various departments (quality group). This group develops a rough draft of the quality system for the unit.

Thereafter, each department (working group) further develops this draft. The quality group is responsible for coordination within the unit.

The quality system is designed by the personnel, but the direction the work takes is determined by the customers and politically, resolved goals. Therefore, part of the unit's quality system is to evaluate and adapt the unit's goals and working methods to suit customers' needs and political goals.

It is not only the direct controllable variables that are of importance to the customer, and thereby the unit, but also a certain degree of unanimity between the important services provided by various organisations. Therefore, cooperation between child care and schools can be of importance. In the case of eldercare, it is obvious that customers expect cooperation with "affiliated" organisations, such as the public medical service, to prioritise their particular needs. Effective interaction with these affiliated organisations requires well-developed working methods, and routines for contact between the organisations involved. As illustrated above, this also requires a certain amount of mutual influence on the structuring of activities.

As mentioned before, a unit's development of its quality system and quality safeguards leads to a breakdown of its goals, and is directly connected with the unit's working methods. This provides a clear picture of the unit's goals, which can be monitored as well as suitably controlled. It ensures that the goals set by the purchaser/politicians have an impact on the unit's practical work. However, the possibility to exert this amount of influence on the unit's work demands a great deal of competence on behalf of the purchaser. The community goals, which are formulated by the management, must be structured in a way that provides a certain degree of stability over a period of time, and takes the customers' needs and the unit's image into account. It should also be possible to translate community goals into tangible, relevant results where applicable.

The purchaser's evaluation according to CQM

A unit is required to do more than just develop a quality system in order to develop acceptable quality safeguards. It should also be possible for the purchaser/politicians to be able to assess, and implement measures to improve standards in the unit's quality system.

For a number of years, the ISO system, and the criteria for national and international quality certification have been widely used to assess the quality systems of organisations. To date, the assessment systems used have had a wide focus. As stated above, this can lead to the risk of units considering the evaluation work as being far too comprehensive, and the control signals far too dissipated and inarticulate.

CQM endeavours to focus the development of evaluation methods on the relationship between goals - working methods - results. Evaluation consists of the standard of the quality system itself - i.e., how the unit has acquired/formulated goals, structured working methods and assessed results - and the unit's professional knowledge - i.e., are the goals relevant and comprehensive, are the working methods relevant to the goals and of an adequate professional standard, and are the results sufficient in comparison to the performance of other units.

Thus, the methods of evaluation are partly related to quality evaluation, but they also have a distinct relationship with the methods that are used to assess tenders and follow up the work of contractors. The control function which is, thereby, put into the evaluation system requires considerable knowledge on the part of those who carry out the evaluation of the various activities. In comparison to other quality evaluation systems, evaluation is specific to an activity, and aimed at testing the feasibility of undertaking a commitment.

CQM in practice

Units that work with the method notice that employees become more involved in their tasks, that awareness regarding professional requirements are strengthened, and that dialogue with customers and politicians becomes easier. Development work also indicates that considerable quality gains for the unit can be achieved, mainly, because the personnel's efforts are co-ordinated with, and related to the organisation's goals. The professional work done by the unit enhances public respect and increases customer participation.

Due to the current economic situation of the public sector in Sweden, as well as many other countries, it is of vital importance that clarity regarding meaningful qualitative values, and ways of achieving these values in the most significant parts of a unit's work, are identified by using methods such as those provided by CQM. It is possible to carry out a responsible transition to a situation with reduced public resources in combination with efficiency incentives, such as competition and performance-linked budgeting. It should also be noted, that efficiency can, and should be one of the unit's goals. This enables the unit, itself, to describe, follow up and further develop processes to improve the efficiency of its activities.

Another effect of this course of action is that it contributes towards the unit's ability to design commitments, which are specific to the unit or even to the customer, and which can complement the general commitments the unit has worked out in connection with the formulation of public charters. In some countries, as the UK and Finland, they have developed concepts of citizens charters to measure and improve service standard quality. It is obvious, that

more individualised charters provide the individual citizen with far better safeguards in relation to the unit and the authorities.

The political level monitors and assesses, the extent to which the units can manage to maintain adequate, professional standards in this work, and whether the units' efforts to fulfil the goals are sufficient.

In comparison to TQM, work to ensure quality safeguards is entirely based on the goals the units have. The other parts of quality work are regarded as secondary, supportive efforts. Thus, quality work is adapted to each unit's specific role and conditions.

Similarities to TQM and MbR consist in the fact that CQM combines the basic values, clarity of goals and result requirements, as well as the quality thinking and safeguarding of processes of both these management philosophies.

When is CQM applicable?

CQM is a method which has been specifically developed for services provided by the public sector. It is particularly suitable for activities which have relatively complicated goals that are difficult to follow up.

Working methods are concerned with the long-term development of quality and, therefore, require a certain degree of goal stability. This is, mainly, applicable to core-elements within the public sector. CQM is particularly suitable for activities that are managed by a number of decentralised units - advantage should be taken of the possibilities to compare and compete. The method requires considerable knowledge of the conditions, under which the activities are carried out, as well as on the part of those who carry out the evaluation of the various activities. However, this does not necessarily mean that the units are required to have reached a high professional level. The method is, primarily, development oriented.

An interesting aspect of CQM is that an organisation, which has a relatively low professional level, can methodically assimilate, guarantee and further develop competence within those areas that are directly relevant to fulfilling the goals of the organisation.

One of the difficulties encountered in implementing CQM is to provide the units with enough incentive to undergo the process of reorganisation that the method requires. The introduction of CQM into an organisation should, therefore, be initiated by strengthening the management's competence and authority, concurrent with adjusting the initial requirements to levels that comply with the units' capabilities. Thereafter, the development incentives and the elimination mechanisms, which are part of the process of market adjustment, will apply. A prerequisite for development, in the long-term, is also the necessity for the political leadership to realise the importance of allowing the units to take responsibility for the development work, and to abstain from dictating working methods. Management's role is to support and encourage efforts that result in improvements, and to intervene, by means of personnel changes, if units cannot cope with the development work.

Public sector services are required to achieve a balance between the interests of customers, the professional ambitions of personnel, and the interests of the community. A balance of this kind requires that the customer has the possibility to influence and/or choose the provider of a service, that personnel have the possibility to choose the image of their respective activities, and that the

political leadership's goals have an impact on activities. Experience gained from the implementation of CQM, to date, indicates that far-reaching decentralisation combined with an active follow-up of goals to establish how they are applied to working methods, can create the basis for a balance of this kind. The result is that a step towards a solution to a serious management problem, within the public sector, can be discerned.

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