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## **COMMITMENT QUALITY MANAGEMENT**

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## Introduction

There have been major changes in the key concepts of management for development with the world-wide movement from highly centralized planning to more sustainable, participatory and democratic procedures. It is being increasingly realized that central governments should not interfere in the administration of local government and the local government must have the financial resources to run their programs and to hire their own, qualified personnel and remunerate them adequately for work.

In the case of those countries making the transition to a market economy, addressing issues about decentralization, the appropriate role of local governments, and new approaches to governance is central to the reform process. Local governance in this situation requires the acquisition, by both officials and administrators, of new skills and management systems. Moreover, as those countries achieve economic stability, citizens will certainly try to influence governmental institutions to cater to their own increasingly diversified needs - thus placing even more locally focused demands on systems. Consequently, decentralization, which moves decision-making power closer to communities, is a logical reform choice for systems engaged in the transitions. For citizens in many countries, the demand for decentralization is acute, but the struggle to achieve it is much more complex and far from won.

As city administrators find themselves drawn to the challenges of the market place on the one hand and the demands of the citizenry on the other, they increasingly have had to become political managers of, negotiators and mediators in central-to-local relations as well as in newly emerging public-private partnerships. They are the initiators of reform and, therefore, need substantive knowledge and skills for strategic planning in all its dimensions.

To respond to these challenges many local governments in developing countries, have adopted new integrated management approaches, including:

- the introduction of participatory management which encourages the decentralization of institutions;
- the decentralization of administrative, political and development processes to lower levels - sub-metropolitan districts, town councils and neighborhood committees;
- greater citizen/community participation to ensure the cooperation and support of the public for municipal programs;
- the opening up of institutions to public scrutiny in order to ensure accountability, thus enhancing efficiency, probity, transparency and effective program execution; and,
- greater efforts to develop improved institutional capacity.

Recent management innovation involves creation closer linkages between municipal budgets (resource allocation) and performance in many developing countries. The main aim is to switch from a system based on inputs, to a system based on outputs, where the day-to-day management is left in the hands of autonomous units. That implies more stringent requirements for results and a greater freedom for the units to obtain them. In the modernization of management of local government, management systems from the private sector such as Management by Objectives (MbO), Management by Results (MbR), Performance Management and Total Quality Management (TQM) have been used increasingly in the OECD countries, but also in other countries around the world.

This paper highlights a management system innovation **tailored for the Public Sector**, which has been put into practice in local governments, ministries, agencies and central government departments.

I have called this system Commitment Quality Management (CQM). The aim here is to balance external demands with limited resources, and create a culture where achieving customer satisfaction and real results are the commitments of every committee, manager and employee in the Local Government. Contracts and/or agreements aim to clarify the responsibilities of each party and represent a formal commitment by the parties to mutually developed and shared goals. This system includes a specified type and level of performance, in return for specified funding and an agreed level of autonomy, and related reporting requirements.

## **Decentralization 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 capitalize 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 monopolized to pluralistic provision - involving private sector and non-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.

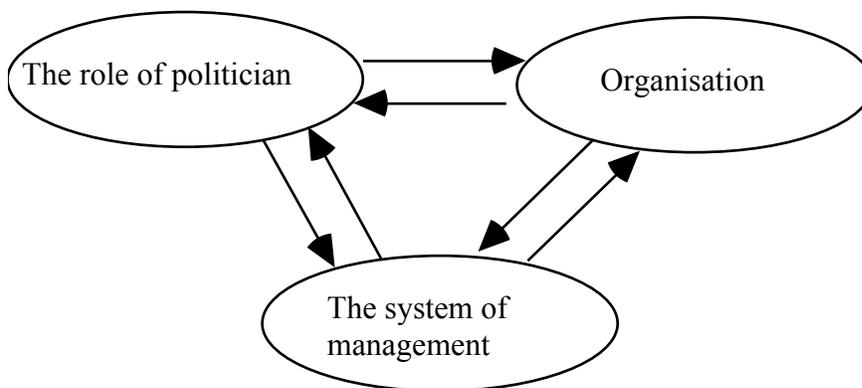
Lack of confidence is a problem in too over-centralized systems. Local government is therefore a key element in the political systems of liberal democracies. It is seen as an appropriate level for effective government intervention to meet welfare needs and also to stimulate economic efficiency. Local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

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. Above all, this means investing in education, health, nutrition, family planning and poverty alleviation, building social, physical, administrative, regulatory and legal infrastructures of better quality, mobilizing the resources to finance public expenditure and providing a stable macroeconomic foundation. I believe it's important to define these issues as investments for the future in a more positive and prospective way.

There are many ways to finance, steer, regulate, structure, organize, manage and operate public sector activities. There is no single reform sequence, which will fit all economies. Cultural background, resources, traditions and other conditions all have to be taken into account. The system has to suit the country and the situation.

The Copenhagen Declaration (United Nations World Summit for Social Development) and its accompanying Program of Action provide a context and a challenging agenda for public administrators as they seek to play a key role in the implementation of social development objectives. A number of critical issues remain to be examined as regards how to achieve the broad goals agreed by the Summit. One of them - and I believe the most important one - is how change can be managed in a way that empowers 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 labor representatives, the private sector and the non-profit sector involved in public service delivery, as well as the general public.

The general development tendency, which has most affected the organization of work in recent decades, is decentralization. Management by results as a management philosophy is a natural consequence of the decentralization of an organization, which leads to a clear focus on results. 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. The aim is to move, from a mode of operation based on ex ante control of resources, extensive regulation to prevent abuse and ex post inspection, to ensure compliance with legal standards, to continuously monitored performance, management with accountability for results and all dimensions of performance (economy, efficiency, effectiveness, service quality, financial performance).



Multiple interests must be brought into a participatory policy-making process, without jeopardizing 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. 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 globalization; 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 local governments is to re-establish political strength by being more explicit when defining goals, and more consequential in following-up results. Using market mechanisms should encourage quality improvement and cost-effectiveness. Only by applying both these strategies can local governments solve the dilemma of consensus versus change.

## Organization of Local Government

Today you may find three different principles for Organization of Local Government. It is fairly common not to use only one of these principles, but to find new combinations and solutions tailored to the needs in each city / authority. The traditional Organization is based on the principal that every field of operations should have its own Committee and management. Now many Local Authorities have an Organization based on territory principles (neighborhood committees). Purchaser - provider models have also been introduced during the last decade. There are many combinations between these three principal models and my experience is that there is no "best practice". It is important to find an organization tailored to the situation in each Local Government.

The clarification of roles, which has been striven for in many municipalities, has for example involved separating the tasks of citizens' representative, employer (producer representative), and owner (of land, premises, equipment etc.). Some key components of this perspective are shown in the following diagram:

A. To represent citizens as	
- financier	* Effective use of available resources
- consumer	* Guaranteed access to community services
	* Quality assurance
	* Safeguard ethical considerations
	* Efficient tendering procedures
B. Producer representative, activities carried out under municipal control	
	* Ability to compete (to be the best alternative)
	* Commercial approach
C. Owner	
	* Good employers
	* Yield on invested capital

## Market mechanisms

In many countries, the responsibility and decision-making powers of local authorities have been decentralized and shifted to lower levels in the organization. This means that institutions such as day-care centers, homes for the elderly and schools now have their own budgets, and are therefore able to determine how much money they wish to allocate to their various activities. Changes of this kind have regularly led to the improved utilization 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 utilizing the principle of allowing funds to "go together with" the child/patient/pupil and by competitive tendering procedures. 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 - has 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 emphasized, however, that contractors rarely do this.

It is not sufficient merely to refer to the introduction of market mechanisms into the public sector in order to understand why changes that increase efficiency, such as privatization 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, monopolized public sector. These problems were recognized and analyzed at the UN Conference on Privatization (UN, 1994). One and the same organization, and often the same people, acted as purchaser, contractor and evaluator. Any organization 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 utilization of resources, and the clear definition of goals and results. There has also been a strong tendency to treat the public sector as an instrument of labour-market policy rather than an organization 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 privatization.

## **Customer choice**

In the traditional system customers are assigned to institutions that can take them for granted, because they are monopolies. There is a big contrast between a system that funds individuals and one that funds institutions. Putting resources directly in customers' hands means that customers can take their business elsewhere and providers must constantly seek feedback on their needs and then do what is necessary to meet them. In this context, customer choice is based on that the individual citizen - given the entitlement by the municipality to a subsidized service - is able to make use of this subsidy by means of a service cheque/money grant/voucher or the equivalent, which is valid as a means of payment when purchasing the service.

This right is based on an individual decision for each person, or a general decision covering all individuals with a particular need. The person or organization providing the service is to be authorized by the municipality to cash the cheque/voucher. The individual citizen can also be given the opportunity of choosing more or less freely without this being linked to a system of cheques or money grants.

There are many advantages with systems using money grants. The individual has a clear freedom of choice. Producers are obliged to compete for customers, which increases quality.

## **Four phases in management reforms**

The need of local governments is to achieve a balance between various competing requirements, such as: (a) approaches to management which emphasize efficiency, devolution and decentralization, (b) the development of equitable and sustainable governance institutions, (c) institutionalizing strategic and cooperative leadership, (d) maximizing participation by stakeholders, and (e) insuring transparency and accountability. Local governments will inevitably have to address each of these issues. The main question is: What steps can be taken

now, to improve the quality of local governance. Significant management reforms take time to implement. Moreover, sometimes the ideas behind them are very slow to take root. Today a variety of new management methods, concepts, models and values are being accepted as an integral of the way public administration is conducted.

The question of the ultimate relevance of different management concepts and techniques is however still open to debate. Recent experience at the local level suggests that there are four phases in the process by which public management reforms are carried forward.

The first phase involves addressing 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.

Such reforms focus on matters like the elimination of outdated reporting systems, expensive work being conducted by government when it is clear that external purchasing is cheaper, and of common services being provided free of charge to user departments.

The second phase of reform typically focuses on more general public management modernization. The objective is to shift from procedures-based administration to results-based management style with yearly measured improvement in performance. This requires knowledge of results and costs and better methods of using human and financial resources. This relied on a "one-best way" management-by-objectives (MbO) philosophy strongly coloured by private sector experience. The main themes of the second phase are:

- strengthening accountable line management
- developing new systems, structures and priorities to decentralize financial management and cost control.

The reform efforts during the 1970s to introduce ZBB (Zero based budgeting) and MbO have proved to be passing trends with little impact. Many such methods are based upon the premise that any large problem can be desegregated into a series of small problems. These can then be dealt with independently within centrally set parameters. Frequently however, structural reorganizations cannot be managed in this top-down way. Significant reform requires extensive consultation and active participation by the organizations affected to identify key problems, devise feasible solutions and mobilize real commitment to the implementation of reform.

The third phase reform involves the changing of culture, attitudes and behavior in government so that continuous improvement becomes a widespread and in-built - feature in the search for better value for money and steady improvement of services. This phase can be summarized in the following way:

- focus operational management responsibilities by clearly defining objectives and tasks
- keep strategic policy and resources decisions at the center but devolve implementation decisions to the units responsible for results; and,
- establish processes for agreeing on performance measures and "contracts" between the center and the units responsible for program results.

The fourth phase of reform is often quite different. This phase aims at large-scale structural reorganizations of public service delivery systems. A macro management process is always required to steer structural changes because they ultimately are beyond the control of individual organizations. Methods of managing reform are therefore required which take ac-

count of the pluralism and professionalism of the services in question. The management solutions that have been applied to structural reorganizations tend to focus on Management by Results approaches. They often have followed the pattern of imitating business models and promoting competition. The main elements of such efforts normally are

- decentralization of operational management responsibilities to individual units
- creation of a business management ethos: cost consciousness, management by results, financial accountability within organizations
- competition between providers
- treating the public as citizen customers rather than clients in a purchaser-provider contracting system; and,
- implementing centralized financial control with local management discretion

When moving from rule - driven management towards Management by Results systems (MbR) effective political mobilization of political support is essential. Otherwise the MbR initiatives will be absorbed by the pressure of rule - driven administration and one will witness a slow return to the old system. However it's not possible to make a clear distinction between rule-based systems and those focused on market-oriented strategies. Experience to date suggests that the two often are likely to coexist side-by-side. In countries that have recently emerged from authoritarian regimes, it can be difficult to implement management styles that empower workers at lower levels of the Organization.

Another defining feature of the new local methods of governance is its responsiveness to stakeholders interests and needs. Thus, the tasks of local governments are to identify and support the development of local partnerships (e.g. with community-based organizations, non-governmental organizations, and the private sector).

## **Objectives, quality and customer satisfaction**

Nearly all organizations are, by now, aware of the critical need to be customer-oriented in all phases of the business and of the importance of service excellence in achieving customer satisfaction. But the challenge is to achieve real results. Within local government, that means balancing external demands and limited resources, creating internal incentives, which actually result in more satisfied customers, and truly infusing the organization, from top to bottom, with a culture, that achieving customer satisfaction really is important - even if that doesn't mean that you will get more money.

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 fulfillment of the goals set for the local government. Even if the goals set for the local government are based on the customers' needs, and they often are, it is necessary to separate satisfying customers' needs from the demands made by the local government.

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 defining the areas in which they will be provided, determining whether the tax, that can be levied, will provide the necessary resources, and setting the goals the services should fulfill.

It is therefore quite possible that the fulfillment of goals set for the local government 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.

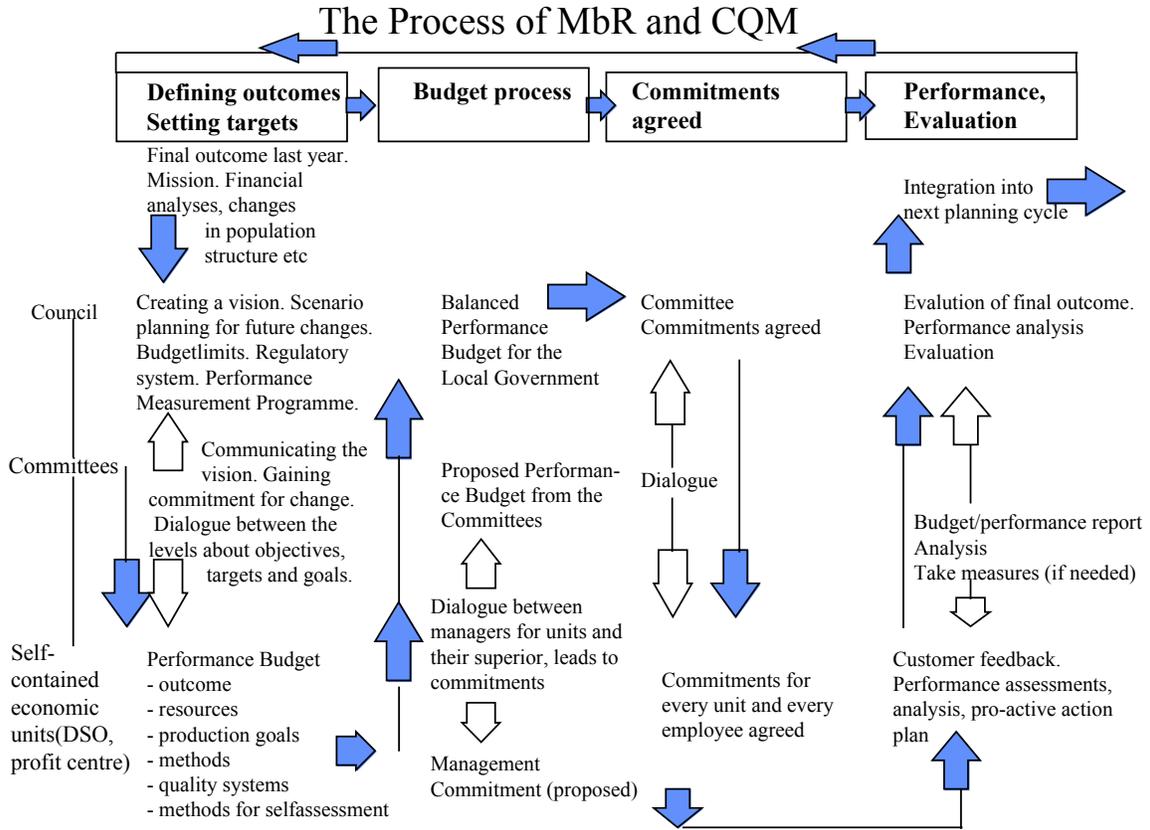
*TQM (Total Quality Management)* expresses itself in a number of important attitudes to be achieved within an organization: to put the customer in the centre, to work with processes, to constantly develop ways to improve quality and to persuade everybody to participate. The starting point is a vision of a highly qualitative organization. The risk is that focusing on the organization's primary goals and results, takes second place to focusing on overall, quality demands.

### **Management by Results (MbR) and Commitment Quality Management (CQM)**

In many countries, the implementation of *Management by Results (MbR)* has been successfully applied. MbR and other *performance management* strategies involve a shift from traditional procedural approaches placing emphasis upon the outcomes of public policies. An evaluation of the lesson of Experience in central and local government suggests the following guidelines for implementing such a reform process (Svensson, 1997):

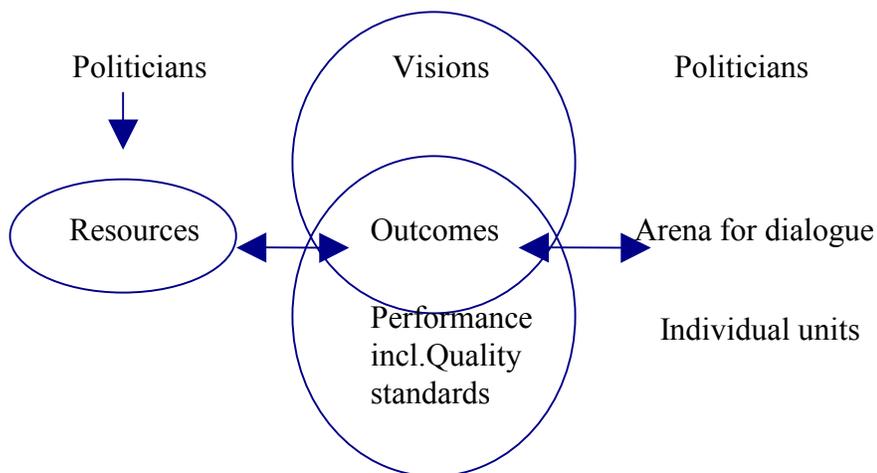
1. The effects for the people concerned (patients, children, pupils) should be focused at all levels of the Organization.
2. Discussions about visions, goals and targets should be integrated into the budgetary process and all decisions should relate resources to demands for results in quantity and quality of services delivered.
3. This process should be designed in such a way as to engage every politician and every employee of the municipality.
4. The government should be organized into "result units" and there should be a commitment (contract) for every result unit signed by the manager and her/his superior, where responsibility for certain results are agreed upon.
5. Required results (which are possible to follow up and evaluate), must be linked to resource allocation.
6. Outdated and unnecessary regulations should be abolished. Decentralization of authority and employee empowerment are fundamental.
7. Commitment of every employee, to defined results, is critical.
8. Effective monitoring, evaluation, performance incentive systems and accountability must be implemented.
9. Essential prerequisites for MbR are systematic customer/citizen quality feedback systems. Evaluation and accounting systems should be implemented so that the achieved results can be measured against visions, goals and targets.
10. The philosophy of MbR should be carefully implemented among all politicians and all employees through well thought-out introductory programs and appropriate training systems.

Targets, which are credible and motivating, must be established. The process is summarized below:



The commitments aim to clarify the responsibilities of each party and represent a formal commitment by the parties to what has been agreed. This include a specific type and level of performance in return for specified funding and the specified level of autonomy and related reporting requirements (sanctions and rewards may also be prescribed).

The problems regarding the hierarchical structure of MbO have been solved in MbR by emphasizing dialogue regarding the goals, rather than their breakdown, as illustrated in the following figure:



I have called this model Commitment Quality Management (CQM). This model recognizes the need to balance external demands and limited resources while achieving customer satisfaction and real results. This is the commitment for every municipal committee, manager and employee. The aim is to establish a new managerial culture, which blends responsibility, autonomy and accountability. The objective is to give units greater operational autonomy while developing a better steering and strategic capability at central level.

#### CQM highlights

- A. Leadership based on clear specifications of performance (including quality standards) in aims, objectives, goals and targets
- B. Focus on the results achieved for the citizens and their perception of them
- C. Performance Commitments based on participation from every employee in the process
- D. Measurement and evaluation of performance, including service standard quality; and
- E. A program for continuous improvement of quality and efficiency.

Efforts to reform local government in this direction have been very successful in the 1990s: and could serve as model for the reform of the management of local government. This would involve:

- utilization of the MbR negotiating process as a step towards CQM
- 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 - but linking together - programming, financing and implementation
- ensuring 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.

This approach builds upon the growing trend towards quality control of public service production through citizen and customer participation. Above all, it includes systematic and decentralized citizen quality feedback systems and in some cases explicit service obligations by the administration towards citizens within the framework of the citizens' charter, focused upon issues such as timeliness, accessibility and continuity of services.

This leads to a strategic dilemma, in the course of the internal modernization process: usually the central units prove to be important, if not indispensable, motors, 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.

Moreover, by abandoning administration in favor of results-oriented steering one creates organizational space for autonomous action by the units at local level. Such a steering logic can, however, lead to the centrifugal segmentation of the administrative system unless monitoring skills, to accompany the process of reform, are developed as a medium for collective observation, learning and self-steering.

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.

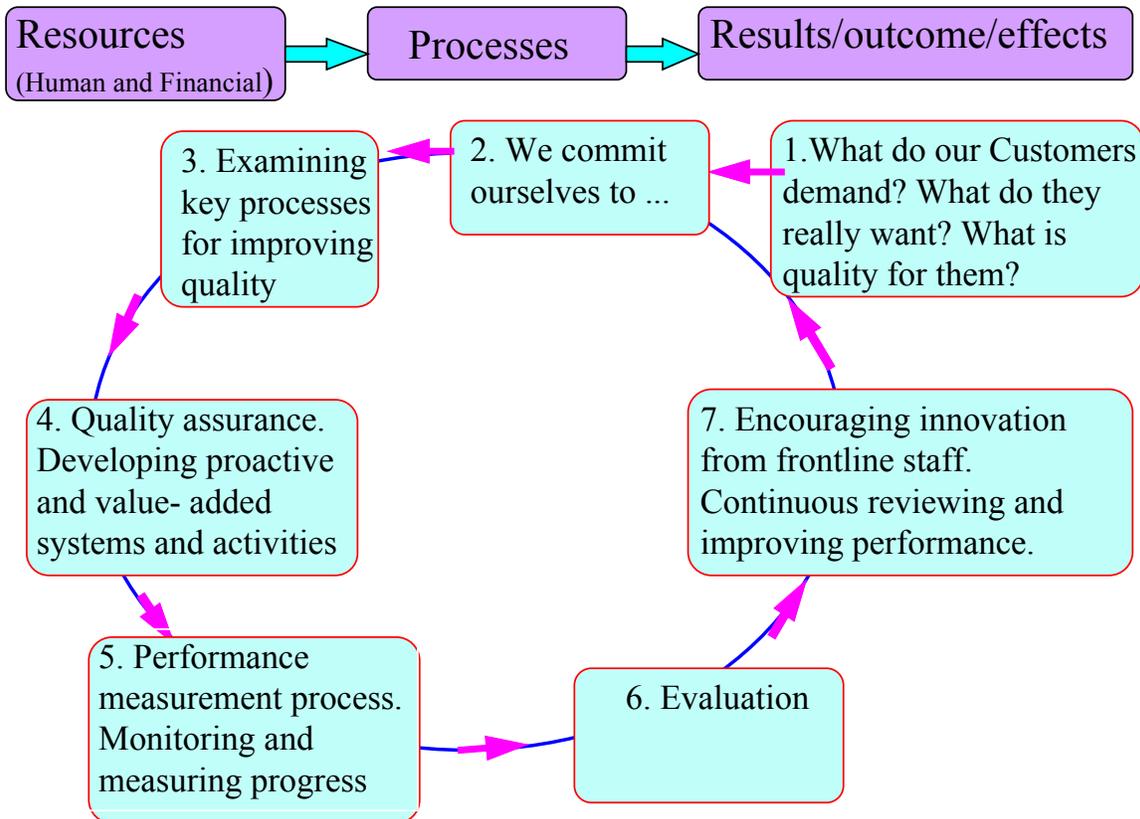
## **Commitment Quality Management (CQM)**

In order to develop even further the delivery of its services, to the public sector it is necessary to find methods, which combine a strong focus on goals and results with an equally strong focus on modern process and quality thinking. CQM (Commitment Quality Management) is being implemented for this purpose in local government, ministries, central agencies and government departments. In brief, this method requires that each participatory unit design and structure its working processes, in accordance with set goals, and that detailed description and follow-up of their application occurs with regard to its working processes of special importance.

In local government we have provided relevant examples of CQM across a range of different public services, for example child care, education, social security and care of the elderly, to further develop these methods.

The work involves clarifying and strengthening the connection between the commitments the unit undertakes (based on the 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. Education, child care and care of the elderly are customer-affiliated activities, which are characterized by intensive, long-term and close relationships with customers. Customers' needs are often based on values regarding feelings of security, consideration and respect. This emotive dimension is also often what attracts people to work in schools, hospitals and social welfare. By taking stock of these values, it is possible to create a multifaceted 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 following is an example of the steps used in determining how the practical work should be structured. The steps are summarized in the following figure:



### Step 1: Identifying the customers and their needs

Today also the public sector is part of a competitive market place. Public organizations have to be increasingly proactive in meeting customer needs. The challenge is to satisfy customers and to go beyond the ordinary requirements of quality and value to exceed customers' expectations.

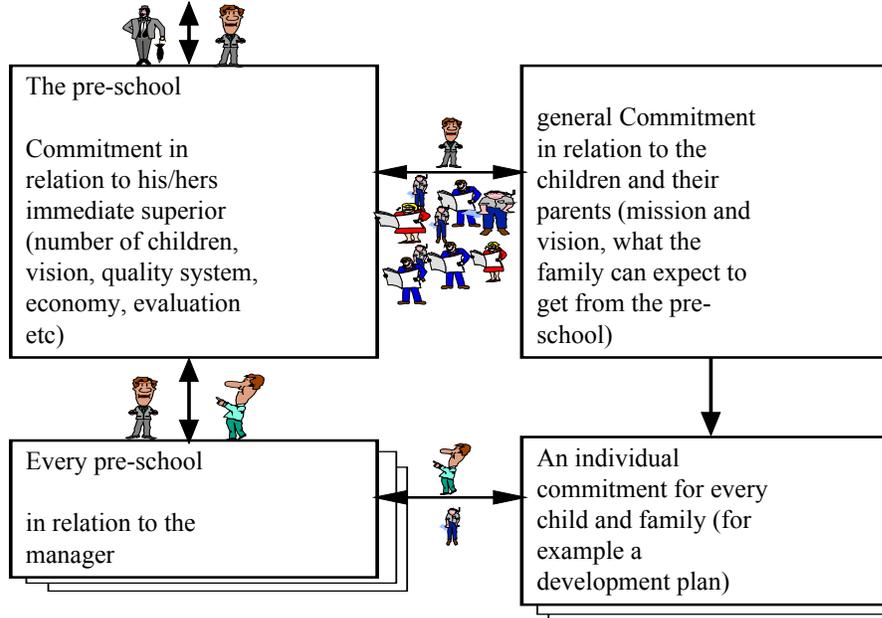
### Step 2: Identification of commitments (= what is to be achieved)

One problem is the fact that customer satisfaction is affected both by perceptions of performance and by expectations, both of which are "subjective". Managing expectations becomes an objective itself. In step 2 ("we commit ourselves to...") the unit has to find a balance between the interests of the taxpayers, the politicians and the direct users of the service. The commitments are on two levels - one general and one, more detailed, individual. All commitments are in writing, signed by both parties. There is agreement upon the duration and when the commitment is to be reconsidered.

## COMMITMENTS

(Example : A pre-school)

Council/Committee/Chief officer



### **Step 3: Service structuring (= how the commitments are to be achieved).**

A clear description of the working processes, closely linked to the fulfillment of the goals.  
A detailed description of especially important parts of the processes.

### **Step 4: Safeguards (= when, by whom)**

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.

### **Step 5: Follow-up of work carried out and follow-up of results**

Description of how the unit is to follow up and trace back actual results.

Developing a practical action plan to measure, monitor and improve performance.

### **Step 6: Evaluation**

Once a performance measure is calculated it must be evaluated. Is the performance good or bad or indifferent?

Description of how the unit evaluates the quality system in relation to customers' needs, Professional image and the commitments.

### **Step 7: Development**

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 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 achievable.

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.

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 organizations. In, for example, the case of care of the elderly, it is obvious that customers expect cooperation with "affiliated" organizations, such as the public medical service, to prioritize their particular needs. Effective interaction with these affiliated organizations requires well-developed working methods, and routines for contact between the organizations involved.

## **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.

CQM endeavors to focus the development of evaluation methods on the relationship between goals - working methods - results.

### **Developing a practical action plan to measure, monitor and improve performance:**

1. Why measure performance? What is the aim?
2. These are our commitments!!
3. Identifying appropriate performance indicators.
4. Methods for measuring and monitoring
  - Photo, video and other documentation of results
  - Self-assessment
  - Dialogue with customers (for example the "milestone method")
  - Interviews
  - Questionnaires
  - Observations and tests
  - Exercises
  - External examiners (peer review/ organizational audit/medical audit/patient care audit)
  - Conferences and hearings
  - Benchmarking
5. Finding the best methodology for your needs. The balance between internal and external measures. Cost effective measurement - balancing the utility of information against its production costs. Ensuring accuracy.
6. Designing the detailed Performance Measurement Program.

7. Integrating financial with non-financial/soft measures.
8. Establish effective Performance Reviews. Making performance indicators relevant to the particular needs and conditions of the user.
9. Actions.

## **CQM in practice**

Who's in charge of actual performance / service quality - the centre or the field? CQM defines the roles as follows: The first step is to develop an action plan to put these ideas and principles into practice to generate improved performance. The Council or the committee is responsible for having such an action plan designed and implemented. Then it's a responsibility for the managers and staff on the field level to develop the quality systems for every unit.

Units that work with the method notice that employees become more involved in their tasks, that awareness regarding professional requirements is 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 efforts of the personnel are coordinated and related to the goals of the organization. The professional work carried out by the unit enhances public respect and increases customer participation.

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 and 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, they have developed concepts of citizens' charters to measure and improve service standard quality. It is obvious, that more individualized charters provide the individual citizen with far better safeguards in relation to the unit and the authorities.

In comparison with 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.

## **Conclusion**

Managing local governments is beset with contradictions in policy implementation; plagued by limited capacity and inhibited by significant financial constraints. Every country has to chart a course suited for its circumstances and realities. Central government commitment to a decentralization policy is essential. But even more important is both recognition of and the existence of policies that reflect the reality that local governments are the foci of development, are needed for effective governance and are central to the promotion of Participatory democracy. This is only possible, if local government is independent, in relation to the state both financially and functionally, and is managed efficiently, effectively and productively.

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. However, this does not 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 organization, 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 organization.

CQM is a method encouraging innovation from front-line staff to improve customer service. The introduction of CQM into an organization should be initiated by strengthening the management's competence and authority. A prerequisite for development, in the long-term, is also the necessity for the political leadership to realize 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.

Public sector services are required to achieve a balance between the interests of customers, the professional ambitions of personnel, and the interests of the general public / the tax-payers. A balance of this kind requires that the customer be able to influence and/or choose the service provider, that personnel be able 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 decentralization 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.

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