

THEORETICAL AND PRACTICAL ISSUES
OF SYSTEMIC ENHANCEMENT OF EFFICIENCY
OF ADMINISTRATIVE PROCEDURES: PRACTICE
OF THE PRESIDENTIAL ADMINISTRATION
OF THE REPUBLIC OF KAZAKHSTAN

Zhaubassov B. J.¹

Abstract

The article reviews theoretical and practical issues of systemic efficiency enhancements of administrative procedures applied in the Presidential Administration of the Republic of Kazakhstan.

Key words: *management, efficiency, public administration, personnel, principles, indicators, processes.*

Today systemic enhancements in the efficiency of public administration and public services become increasingly important worldwide. President Nazarbayev clearly defined what professional public sector is in Kazakhstan's strategic documents.

In this context, we should note that any activity should be considered as a process; otherwise the perception of such activity will be fragmented. A cook who has overdone a shish kebab will not blame a grill in it! He knows that he failed to meet one of the process requirements:

- Do not overdo food on the fire;
- It is important to realize one's role in the process of collective labour! Otherwise how would you understand what you are for and what they want from you;
- One should be able to analyse his/her systemic and frequent mistakes in order to be efficient;
- One should be able to see the results of his/her work, assess such result and realize the extent to which it is efficient. This is the precondition for a 'take-off' without which there is no 'flight'.

Unfortunately, most people have a problem with analysing their activity or inactivity – few people want to do it. It is much easier for

¹ Zhaubassov B. J., Cand. Sc. Law, has occupied various high level positions in the Academy of Public Administration under the President of the Republic of Kazakhstan, has research experience in research institutions, including international ones. He is the Secretariat Chair of the Disciplinary Council of Astana Department of the Agency for Civil Service Affairs and Anti-Corruption. He has made over 30 scientific publications. Contact details: zhaubassov_b@mail.ru.

many people simply to do something, to prepare a note, to make a proposal for a paper to look better and then get rid of it. And then when it comes to fulfil the task, a person thinks how to 'close' the action and forget about it.

The examples below show that modern technologies help to exclude some excess elements of a process, preparation of different status update reports for action plans, public services; all this can be automated.

Paradoxically, but the size, speed and quality of modern bureaucracy unfortunately have not changed much over time. The bureaucracy slowly takes up the opportunities provided by modern technologies and software.

It is clear that in the modern world the role of the government in developing its economy continues growing from year to year. The state's ability to counter world downturn and challenges is an important component of ensuring stability and growth in prosperity of its citizens [1].

The issues of management and efficient utilization of its elements in public administration were reviewed by I. Aronov, F. Taylor, W. E. Deming, S. N. Nugerbekov and many others; in Kazakhstan, however, this issue has not been deeply studied and requires additional research activities.

The system proposed by Frederick Winslow Taylor determined the mechanism for managing quality of each specific article; he replaced 'tricks of the trade' with a 'sequence of elementary motions. Taylor's principles are seemingly very simple.

The first principle for improving efficiency of labour says: study the task and analyse the motions required to complete the task.

Second principle: describe each motion and efforts required for it and measure the time to make the motion.

Third principle: remove all unnecessary motions; every time when we study manual labour, we find that most motions are waste of time which prevents improving labour efficiency.

Fourth principle: each of the remaining motions required to fulfil a task are put together into a single logical sequence in such a way so that a worker spends least manual and mental efforts and minimum time.

Fifth principle: the design of all instruments used for a job need to be properly changed. When optimizing different activities we find that traditional instruments need to be improved [2].

This was the case of shovel for carrying sand (carrying of sand was one of the first types of manual labour studied by Taylor). A shovel was of odd-shaped, wrong size and awkward handle. Many deficiencies can be found in the instruments used by, for instance, surgeons.

In the context of civil service the instruments used by an employee in his/her work can be analysed: starting from a pen and a printer through to electronic document management system and other IT systems. Taylor's principles seem to be obvious as any effective methods. But to come to them Taylor made experiments for 20 years.

Over the last 100 years Taylor's methodology has undergone numerous changes, adjustments and improvements. Even its title has changed. Taylor called its methodology 'task analysis' or 'scientific task management'.

Twenty years later this methodology was called 'scientific organization of labour' or 'management'. Another 20 years later, after the World War I, management in the U.S., UK and Japan was called 'scientific management' and in Germany it was called 'rationalization of production'.

Taylor demonstrated that there is no mastery in manual labour, but there are simple, repeating motions. They are efficient by knowledge of, or rather acquaintance with optimal ways to perform simple monotonous motions [2].

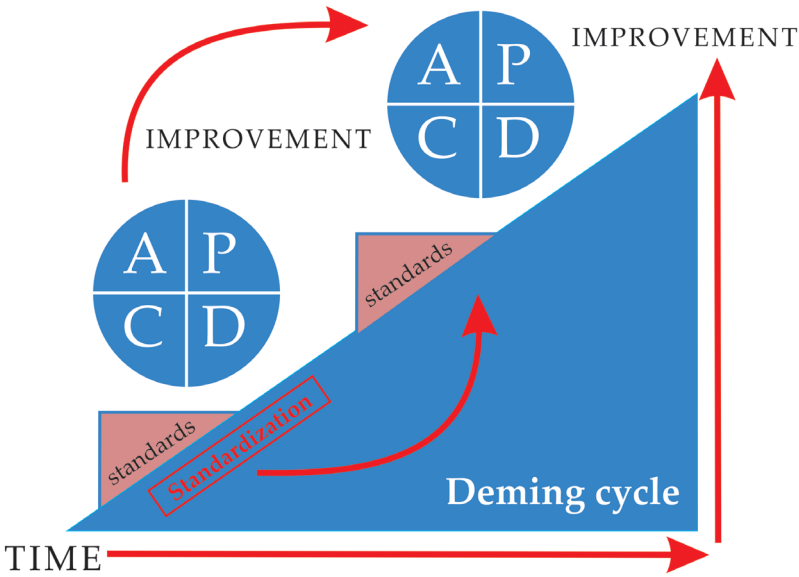
It was Taylor who for the first time combined knowledge and labour. One should note that Taylor's principles were not accepted by the then trade unions which were bringing together highly qualified employees whose mastery was explained by knowledge of some tricks of the trade and such knowledge was monopolistic. It was

extremely unacceptable for the trade unions that Taylor promoted payment for results, i.e. for a duly completed task, rather than for a process, i.e. for the hours worked.

In general, the world has accumulated considerable experience covered by the works of well-known specialists in quality management, however, one of the best examples is Total Quality Management by Edward Deming (born in 1900).

Deming analysed and organized production process in the same way as Taylor did. But then he added to Taylor's methodology (approximately in 1940) quality management based on statistical theory. In 1970-s, Deming replaced a stop watch and shooting of phases of an operating process with TV and computer modelling. In all the rest, Deming's specialists in analysing quality management are close copies of Taylor's specialists in scientific organization of labour.

A well-known Deming's cycle helps managers to achieve continuous improvement in the workplace (Picture 1).



Picture 1. Deming's cycle

Deming's cycle consists of four stages:

- PLAN stage involves setting out goals and objectives, planning actions required to achieve them and to satisfy customers;
- DO stage involves implementing the above actions;
- CHECK stage involves determining whether the process is working as intended and if not, identifying the reasons;
- ACT stage involves addressing the reasons through taking corrective actions [5].

Having summarized the works of the founders of various types of management and adjusted it to the specifics of a government authority below is a generalized algorithm of actions for implementing a process-based management model (a programme for improving organization's quality).

As for Kazakhstan, in the context of administrative reforms pursued in its public sector the introduction of elements of corporate management into government authorities' activities is becoming increasingly important.

The Presidential Administration of the Republic of Kazakhstan was one of the first institutions to introduce new management techniques, such as internal audit, performance evaluation of departments and employees, and quality management system.

One of key experimental site in the Presidential Administration is the Department of Social and Economic Monitoring (Department), which in addition to the above, has also started implementing Balanced Scorecards.

Over the past two years since the implementation of new management techniques a lot has changed in the department's work. Employees look on their jobs differently. Now each employee is confident that the efforts he/she spends are not in vain. All department employees are no committed to Quality Management System (QMS), Key Performance Indicators (KPIs), and Balanced Scorecards. This is unique experience.

Clearly, the implementation of such approaches will help in deeply reforming the bureaucracy and bringing it to a radically new level.

The Strategic Development Plan of the Republic of Kazakhstan until 2020 says that highly efficient bureaucracy is the basis for successful

implementation of key five areas of Kazakhstan's development until 2020 [6].

OBy building on the public sector reforms started under the 2010 Strategic Development Plan the state is building a radically new model of public administration based on the principles of corporate management, efficiency, transparency and accountability. The reforms in the public sector will be focused on five main areas:

- 1) determining clear mandates and responsibilities of government authorities, including at different levels;
- 2) improving quality of public services through the development of standards and improvement of processes conducive to efficiency in public service delivery;
- 3) accelerating civil service reforms, including improvements in training of civil servants;
- 4) introducing elements required for true results-based public administration;
- 5) improving management of administrative reforms and increasing responsibility for public sector reforms.

The Department is responsible for fulfilling the President's mandate in social and economic policies. This implies a considerable scope of work for collecting, processing and reviewing information related to over 50 sectors, subsectors and areas of Kazakhstan's economy, plus monitoring and analysis of economic processes worldwide. Given that most outputs of the department's work are then submitted to the country's leadership, the requirements to the quality of such materials are extremely high [7].

In its nature, the department is not very different from similar departments in other government authorities: similar never-ending documents, regulations, instructions, minutes, reports and meetings.

One of the deficiencies of the bureaucracy, long working hours, was also a part of its everyday life. Perpetual workflows prevented from catching a break and look at the existing systemic issues.

Functionally the department processes about 10,000 documents a year. With the headcount of 27 persons the department produces about 47,000 man-hours a year. This means that processing of each document takes about 4 hours 42 minutes. And this figure does not take into account the diversity of activities performed

by the department on a regular basis. These include continuous engagement with other government authorities, participation in meetings, forums and workshops, business trips and logistical activities. Clearly, quantitative results of an organization should impact the quality. Is it really true?

The main issue of a government function is that it is difficult to quantify its quality. First, every person has his/her own interpretation of 'quality' based on his/her preferences, the same is true for the interpretation of quality of a government function. Second, preparation of different decisions requires different time and analytical resources. Eventually, the department started thinking as to how to put management in place in such a way so that to ensure high quality with the available human resources.

There was a number of brainstorming sessions and corporate workshops, which resulted in a conclusion that systemic changes are vital and in a resource-constrained environment the main way to improve departments' efficiency was to implement innovations.

Already then the department considered a number of issues which required changes. Such issues included:

- development of a single structure and classifier for e-document storage and search;
- performance evaluation of staff based on real performance standards; and
- automation of control at the workplace [7].

Due to their sizes, complicated structures and hierarchies, many transnational corporations face issues similar to bureaucracy: red tape, lack of flexibility, mission creep, inefficiencies.

Though corporate motivation is different from the motivation in public sector – focus on market penetration, increase of asset value and low social component, – the instruments used by transnational corporations are applicable to government agencies as well.

The so called process-based management model in corporate sector is used for improving the capacity of internal resources.

Thus, for instance, the Department reviewed the practice of Toyota which is currently successfully applied in many companies. This company:

- focused on strategic objective: creating value added for society;
- never defied Dao principles, followed these principles and served as examples for others;
- paved the way up with their hard work and always found themselves where value was added (gemba); and
- considered issues as a possibility to train staff [8].

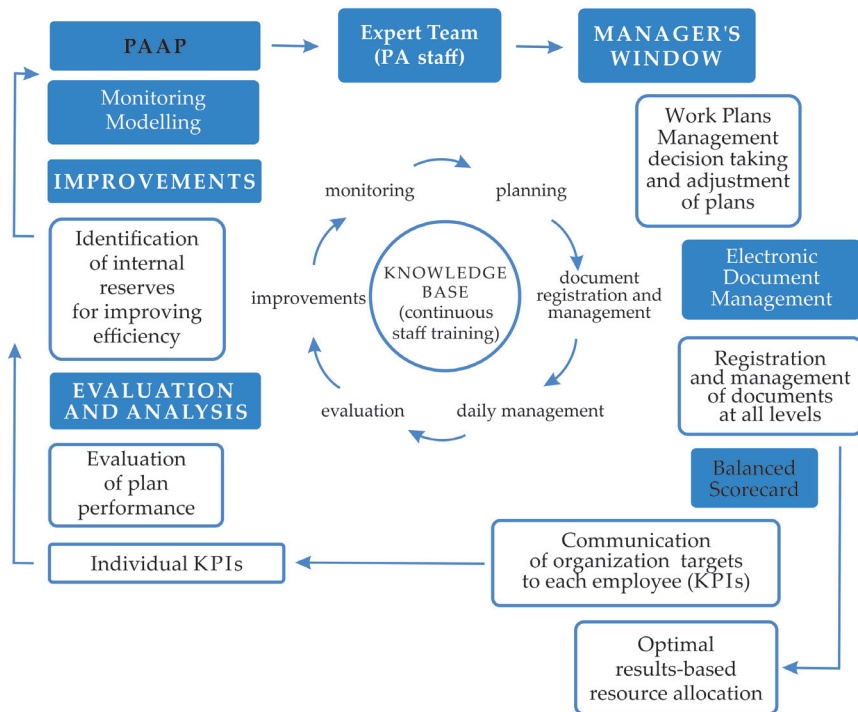
And all these principles were taken by the Department as a basis and the Department started the implementation. It includes phased introduction of Quality Management System (QMS), Key Performance Indicators (KPIs) and Balanced Scorecard.

Below you will find a description of each phase. The work pursued by the Department in the abovementioned areas, including document management system, work planning, employees' performance evaluation, developing Balanced Scorecard and PAAP – all this required systematization of the mentioned instruments into one framework that would enable achieving the required result in resource constrained environment.

As described above, implementation of Deming's cycle enables achieving continuous improvement of quality at all stages, therefore this cycle was taken as a basis for developing management decision making system (which informally was called 'Deming's cycle of the Department', see the Picture 2).

The work started with monitoring social and economic situation in the country and worldwide, which is a core responsibility of the Department. The issues identified through monitoring, forecasting and modelling will immediately appear in the planning and management module of the PA Analytical Platform and in manager's (decision-maker's) window.

Strategic and Operational Plans of the Presidential Administration and departmental plans are prepared based on the above information. Execution and follow up of planned activities are performed through a single Electronic Document Management System.



PAAP – Presidential Administration Analytical Platform
 PA – Presidential Administration of the Republic of Kazakhstan [7].

Picture 2. Decision Implementation Cycle

The information on the outcomes is automatically transmitted from the document management system to the Department’s Balanced Scorecard system, which demonstrates the extent to which the targets set have been achieved, resource distribution, evaluation outcomes as well as performance of standardized procedures. Based on this module, if necessary, changes are made in internal instructions and regulations which will help to improve quality of system performance and prevent similar mistakes.

At the end of a cycle the data on mistakes and corrections are uploaded into Knowledge Base module in the PA Analytical Platform. This valuable information will help staff of the department and the Presidential Administration in general not to repeat earlier mistakes and understand the essence of improvements.

Thus, the department has improved the Deming's cycle which became 'monitoring – planning – execution – daily management – evaluation – system improvements'.

This cycle is an innovation in public administration because no similar models with a complete cycle have been implemented anywhere in the world.

Thus, due to new management solutions the Department was able to:

- reduce time;
- improve quality of management decisions;
- improve transparency and accountability of the system;
- increase motivation and morale of the team; and
- create incentives for innovations in department's work.

In addition, the implementation of the 2020 Strategic Plan requires professionalization of civil service. This requires both quality training of civil servants and building the environment that would be conducive to the retention of professionally trained civil servants in public sector and as well as attraction of progressive youth of Kazakhstan to public service.

To support the new compensation system for civil servants in 2012 the system for performance evaluation of civil servants was introduced; the system takes into account scope and quality of work, level of responsibility, professional development and compliance with Code of Honour of Civil Servants. Therefore the management of the Department made the decision to introduce employee performance evaluation. There was a need to find reasons of issues to address them in a systemic way. There was a need to measure work load of employees and devise mechanisms to optimize it.

For this the department reviewed all evaluation methodologies used in the world practice and started developing its own methodology aimed to motivate staff and to improve their KPIs through process systematization.

KPIs stand for Key Performance Indicators. These indicators are set for each employee and the outcomes directly affect their performance bonus.

Introducing KPIs requires, at least, setting such performance indicators. There are two options: either to use standard atlases of KPIs (these are prepared by areas of activities) or to invent a genuine 'efficiency scale'. Based on feedback from specialists the second option was decided to be a better one.

During the discussions everyone presented his/her own ideas and the opinions differed. Presentations were delivered in the Department to explain to the staff the benefits of the new system and what issues its implementation would help to avoid in the future. Finally, after heated discussions the first draft of the evaluation methodology was prepared and piloted in February 2010 in the Department.

It should be noted that according to the staff of the Department the methodology was not ideal and required various improvements. The methodology and rules were continuously changed. But it helped to build a framework for evaluating performance and discipline at work.

Proper execution of job responsibilities was selected as the main indicator. To evaluate performance under this criterion the staff submitted daily reports, then weekly reports and then monthly reports. To date the methodology and rules of evaluation have been developed and approved.

Evaluation indicators are classified into:

- A – primary indicators for the execution of job responsibilities;
- B – supplementary indicators not directly related to the job responsibilities.

At the same time, there was another side of the coin. Daily reports were prepared by the staff manually. And this clearly caused dissatisfaction amongst staff: it's waste of time, what for if there is an electronic document management system. In addition, the results were processed and issued manually and also required time; in addition, there were doubts in the objectivity of exercise because such work was performed by a designated person.

In this process one important thing became clear to everyone: every day looking for a better and simpler way to do it. The principle of the discussions was that all are equal and everyone has a right to express his/her opinion.

By generating ideas for improving the processes the employees were not realizing how the motivation towards ideas and promoting QMS elements emerged. Every person is perfect in his/her own way. Every person's opinion is the fruit of creativity. While developing the evaluation methodology the employees could feel their full involvement into the new process model for managing processes they deal with every day. All this required looking for an objective operational system and gave a key to the development of information systems or software.

A working group was established which involved representatives of the Institute of Economic Research. This working group started the activities for automatizing reporting processes, determining work load per employee and contribution of each employee into the department's performance. To this end, the Department started the work to integrate Lotus Notes (electronic document management system) with the Department's information and analytical system. This was hard and long work. But it bore fruits.

Today the workload per employee is calculated automatically in the form of reports. Such reports contain the following information:

- number of documents assigned to an employee for execution;
- number of executed documents.

Such reports take into account an important element – contents of a document, or 'added value' of a document. For instance, an employee can write over 10 and more documents with requests to government agencies to review and submit proposals; or an employee can prepare information based on available statistics; or an employee can make an analysis, identify issues and make proposals for reforming sectors of economy.

This was an important moment and provoked strong reaction from the staff. Everyone tried to emphasize the importance of different tasks assigned. Different options were considered as to how it is better to be captured in the product. And today there are some results. For the first time the Department's information and analytical system and Lotus Notes electronic document management system include indicators for all types of documents reflecting their importance for the economy.

The report specifies the types of documents: analytical note, request for information, reference materials, memo, opinion report with

conclusions and proposals, materials for international events, materials for regional events. Level of complexity was assigned to each of these categories of documents which helps to measure the work performed by an employee and time spent for it.

This evaluation system helped to measure objectively performance of each employee, each section and to promote healthy competition in the Department. There is now motivation for continuous improvement of employees' professional skills.

To summarize the above the following **conclusions** can be made: Omar Khayyam said: the great thing in this world is not so much where we stand as in what direction we are moving. The instruments described here cannot be, of course, considered as a panacea for the issues pertinent to the government.

No acceptable results should be expected if these instruments are applied formally. An extreme of formalism may be the so-called 'cargo cult', which has been broadly described in mass culture. Therefore the heads of government agencies should take a lead in promoting effective use of the proposed instruments. Only their will and desire can improve the quality of work and bring positive results.

A huge potential for improvements always exists at the frontline level: those who stand at the other side of a business process are always unsatisfied with something (salary, status, role in a team, schedule of work, access to inputs, etc.). And this energy should be continuously induced and properly managed. This is a huge source of motivation by using which a wise manager can make out of an undistinguished clerk who has been just shifting papers a true strategist and analyst, the results of whose work may result in a true breakthrough in some sectors.

For a manager it is also important to be able to build a team, to make team members to sympathize for each other and promote healthy competition among team members.

References

- Aronov I. Z. TQM as Taylor's Management System // Standards and Quality. – 2001. – No.12. – p. 94-98.
- Deming W. E. 1950 Lecture to Japanese Management // Quality Management Methods. – 2000. – No.10. – p. 24-29 (Translated by Y. P. Adler and V. L. Shper).

- Deming W. E. Out of the Crisis. New Paradigm for Managing People, Systems and Processes, Rev. 2; Management Models of Leading Series; Moscow, 2009. – 418 p.
- Imai M. Kaizen. The Key to Japan's Competitive Success. – M.: Alpina Business Books, 2004. – 274 p.
- Nugerbekov S. N., Syzdykov E. M., Process Management – Efficient Management, Astana 2011, p. 37-38.
- Taylor F. W. Scientific Management, Rev. 2, M., 1925;
- Decree of the President of the Republic of Kazakhstan dated 13 January 2007 No. 273, On measures to modernize public administration system in the Republic of Kazakhstan (RoK CPA, 2007, No.1, p. 5; Kazakhstanskaya Pravda dated 16 January 2007 No. 8 (25253).
- Decree of the President of the Republic of Kazakhstan dated 1 February 2010 No. 922, On 2020 Strategic Development Plan of Kazakhstan. www.nomad.su