Public Space as a Necessity for a Flexible and Effective Strategic Public Management: The Opportunity of Independent Agencies

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Abstract:

This paper seeks to present the necessity of the public “space” availability as a relaxation of the legislation margins in order of a flexible and efficient Strategic Public Management. This papers is about to be proposed with inclusion of the basic ideas of public strategic management. The proposed strategic plan is supposed to be adopted by an Independent Authority in Greece, the Ombudsman, which is a part of Hellenic Public Administration. The enhanced Bryson model of strategic public administration was selected, as the basis for this application. The whole strategic plan development methodology constitutes from the hyper thesis of several models, while each Bryson step, may assumed as a discrete method, as well as an implementation of qualitative and quantitative analysis such as text analysis and regression analysis. The Balanced Scorecard business model was performed, with regards to breaking down strategic goals to operational and individual. The final outcome of the strategic planning methodology in the Greek Ombudsman is that according to the strategic mapping model, the focus should be placed on the citizen as a user of the services and the rest of the operational goals should be set in such a way as to allow and guide the Ombudsman’s services around the citizen’s needs. As a basic finding of the whole application is the need for extended flexibility of such organization in terms of self-determining the vision and the operational goals.

JEL Classification: H11, H83, C88

Keywords: Strategic Management, Independent Agencies, Public Administration, Balanced Scorecard.

1. Introduction

The foundation of the Ombudsman institution has its roots in Sweden. The Swedish Ombudsman for Justice was founded in 1809 and its establishment was part of a major political modification (Magnette, P. 2003). The initial idea of the classic Swedish
ombudsman was irrelevant from the concept of a human rights institution, as it was only focusing on guaranteeing the maintenance of law in public administration (Koo, J.-W., Ramirez, F.O, 2012). However, it is accepted that the later scope of such institutions was closer in defending human rights. Since their initial appearance in Sweden in 1809, 178 NHRI (National Human Rights Institutions) have been founded in 133 countries. Depending on the typology, a number of countries have adopted both a classical ombudsman and a commission, but the majority use only one model. Among them, the European Ombudsman is a new kind of NHRI, whose status and aim remain fuzzy (Magnette P., 2003): While it is typically a parliamentary organization aiming to strengthen the control of EU institutions, on the other hand, the consequential profile of this organ resembles that of a court. A commonly accepted definition of such agents refers to “government-sponsored organs whose functions are specifically defined in terms of promoting and protecting human rights” (Koo, J.-W., Ramirez, F.O, 2012). The Ombudsman, as the most characteristic NHRI, is deep seated at the heart of the European identity. Thus, not only it is aligned with the European core values, ethics and politics meeting the need of an organization to be in contrast with the economic impact on the society, but also balances the power between the Government and the Parliament.

However, the international situation is facing obstacles regarding the Ombudsman’s functional ability to accomplish its aim. The amount of complaints an ombudsman receives follows a growing trend, varying from hundreds to thousands annually. This variation depends not only on the national demographic scale, but mainly on the degree of the general public accessibility and awareness of the organization. The Ombudsman’s responds to the annual public quests experience a trough and if this continued to be, this would mean a demotion of the agency that also happens in other institutions of the public sector. So, there is an increasing need of visibility, awareness and accountability, in accordance with the need to respond in a proper rate to the complaints. These reasons lead to the public strategic management necessity.

Strategic management is usually referred as the alignment of internal capabilities with external demands (Johnsen, A. 2015). This may take the form of plans, patterns, positions, perspectives, and plots” (Mintzberg et al., 2009). According to Williamson (1999), “strategy is now considered a field that makes it possible for the leaders of public and private organizations to “opt for the future”. Strategic management was initially invented and implemented in order to deal with the ‘industrial dynamic’ marked by “cut throat competition” (Porter, 1982). As a topic of knowledge, strategic management has been developed over half a century ago.

Nowadays, many countries have seen multiple transformations in their public sector with varying priorities. The, so called, New Public Management (NPM) reforms have been a significant influence in diverse public domains (Hansen R.G. et al 2016). A characteristic example is the Hellenic Ombudsman, which is the case study of this paper.

2. Study Methodology

This research project develops and evaluates a Strategic Plan in order to be implemented by the Independent Authority (usually named “agency”) of the Hellenic Ombudsman (hereinafter "Ombudsman"). For the development of this Strategic Plan, Bryson’s Strategic Management Model for Public Institutions (Bryson, 1988) was applied, due to the fact that the Ombudsman constitutes a component of Public Administration. The ultimate goal is to create highly autonomous public organizations with well-defined strategy and figurative tasks.
with more ‘strategic space’ to operate. Strategic space could be provided by legislative moderations giving to the Ombudsman’s agency the freedom to be completely independent and autonomous from the general state mechanism. According to this formula, strategic management in public institutions consists of ten essential steps: 1. Development of an initial agreement, 2. Identification of the institutional framework and expectations of stakeholders, 3. Development and formulation of the mission and identification of values, 4. Analysis of the environment (existing situation of the agency and external influences), 5. Identification of strategic issues, 6. Formulation and implementation of strategic planning (using Balanced Scorecard), 7. Reviewing and adopting the strategy, 8: Description of the Future Image of the Organization, 9: Development of effective application processes, 10: Strategy and strategic planning procedures, re-evaluation.

In this study, focus is being on identifying the functional objectives and the method of monitoring their achievements. For the quantitative analysis SPSS v.20 was used, whilst the qualitative analysis (context analysis) implemented using the Nvivo v.10 software. The evaluation procedure of the emerged strategic planning was implemented using a structured questionnaire that distributed to a sample of 30 public administrators.

3. Strategic Planning Process

**Step1:** Developing an Initial Agreement: It is important to be an agreement among the Ombudsman leadership towards a formulation of a strategic plan.

**Step 2:** Identification of the institutional setting and expectations of stakeholders: The strategic planning application regarding the Ombudsman is based on the recent law No. 4369/2016, which along with the law No. 3230/2004 constitutes the institutional framework of the Hellenic government regarding the administration and system performance management strategy.

**Step 3:** Development and devising of the mission and identification of values: This step includes Stakeholders Analysis, Mission, Vision, and Values declaration. The key in mission development of the organization is the analysis of interactions i.e. all stakeholders who interact to form a network policy (Sabatier P.A., 1987).

The mission of an organization depicts the reason of its establishment and manoeuvre. Ombudsman’s mission is already defined in Article I of its founding law as “The mediation between citizens and public services, local authorities, legal entities and public utilities to protect citizens' rights, to fight against maladministration and to maintain the observance of legality.” The above description ensures the uniqueness of the institution, without creating conflicts with other organizations and justifies its existence.

The vision is the illustration for the future of the organization and has a long-term horizon. The vision of the Ombudsman is defined as “the sustainable coexistence between Citizens and Public Administration.”

In terms of values, the IOA (International Ombudsman Association) suggest that all Ombudsmen, including the Greek one, are obliged to embrace the four following fundamental principles:

i) Independence: The Ombudsman is independent in structure, functions and appearance to the extent possible in terms of executive procedure.
ii) Neutrality and impartiality: The Ombudsman, by definition an impartial institution must remain unbiased and must not assume tasks where there is a possibility of conflict of interests.

iii) Confidentiality: The Ombudsman must communicate with those seeking its services in strict confidence and must not disclose any confidential information, unless obliged by court. The only exception in breach of confidentiality should be when a major risk or serious harm is imminent.

iv) Informality: The Ombudsman is not involved in legal procedures related to cases handled by itself.

**Step 4: Analysis of the environment:** Environmental analysis is an asset for the success of a strategic plan developing process, as it identifies external and internal events and factors which affect the organization in order to calculate its strengths and weaknesses. PESTEL Analysis tool was used to analyze the external environment of the Ombudsman. Using PESTEL Analysis, the environment is analyzed based on five factors. Data resulting from the analysis of the external and internal environment using the SWOT environment analysis tool are classified into four major categories, as showing in Appendix C: Interior environment (Strengths, Weaknesses), External environment (Opportunities, Threats).

By examining both the organization's website and the 2016 annual report, the following findings rose regarding the strategic management application in the Ombudsman: 1. There is no precise statement that any type of managerial outline is implemented at the organization. 2. No vision exists in the organization and thus the pertinent management's commitment is absent. 3. No set of indicators for monitoring the organization exists, though some reports provide various quantitative totals but without any evaluation, linking to targets, estimating future trends or target value, etc. 4. There is no proof of environmental analytical tools (SWOT, PESTEL, etc.), although an informal analysis of macroeconomic and social driving factors is observed. 5. There is no reference to strategic management laws (3230/2004 4369/2016) nor to the measures taken by the administration to conform to the terms of these regulations. As a consequence, there is a general inadequacy of strategic planning in the organization.

Mapping methodology and evaluation techniques analyzed the 2016 Ombudsman report and provided quantitative and qualitative data. Graphs from this analysis are presented in Appendix B. The main inferences are: There is a temporal trend in increasing the "social impact" of the organization. The agency does not have filtering processes when submitting reports, leading to a gratuitous examination of thousand reports. Nearly 45% of petitions are considered unfounded and this is deemed a significant rate, resulting in a great expenditure of resources. The resolution rate of verified cases fluctuates between 80-85%. The organization has productive competence of 10,000 cases more or less per year with an annual downward trend. The effectiveness of the organization is expected to drop by at least 3%, experiencing a nosedive most likely in November of 2017 (in terms of marginal monthly rate).

Respectively, data deriving from the analysis of the external and internal environment using the SWOT environment analysis tool are classified into four major categories, as showing in Appendix C: Interior environment (Strengths, Weaknesses), External environment (Opportunities, Threats).

Items included in categories 1 and 2 came out the current situation analysis of the internal environment, whilst items in categories 3 and 4 are identified using PESTEL analysis. The Strengths and Opportunities consist the positive aspect of the Organizations, whereas the Weaknesses and Threats have a negative quality.
**Step 5:** Identification of Strategic Issues: The outcomes of the above analyses are then used to ascertain the agency’s strategic issues. For their gradual appearance the "Direct approach" (Bryson, 2004) was applied. According to this method, the strategic issues arise from the mission analysis (Step 2), the commands from “above” (Step 3), and the PESTEL and SWOT analyses (mainly from the Weaknesses and Threats of SWOT, and the negative PESTEL points) (Step 4). Moreover, the organizational culture strongly influences what strategic disputes will be placed in the agenda.

According to Bryson, Strategic Issues are those which stem from the application of the "do nothing scenario", have an impact on an organization and -most important- the institution is in position to take action to address them and has more than one alternatives to face them. In order to recognize them, the following particulars were analyzed:

1. A frame question which identifies the strategic issue: «What will happen if the level of services to citizens does not get improved by enhancing the Ombudsman’s efficacy?” This question in essence also comprise the strategic issue for the Ombudsman, which is: Does the effective provision of mediation services meet citizen’s needs by upgrading the service efficiency and diversifying its operation?


3. Failure consequences to solve the issue: Self-sabotage of the institution leads to its desuetude and obsolescence, to an inadequate citizens’ rights protection mechanism, to an amplification of maladministration phenomena and last but not least to waste of resources (staff-time lost).

**Step 6**: Strategy Formulation and Development (using Balanced Scorecard): At this stage, the organization's strategy is performed. The strategic objectives are identified and operational goals are emerged finally by the strategic issues shake out, which are further devided to functional and personal goals. For these purposes, Bryson’s "5-step process” model was used (Bryson, 2004, 2010). According to this model, the following questions are addressed:

1. Which alternative approach could address the strategic issue? At this point the “do nothing scenario” contrasts with alternative scenarios/options which solve any strategic issue. For instance, the “do-nothing scenario” regarding the citizens’ satisfaction measurement may lead to a fewer use of the Ombudsman's services ending to an institutional obsolescence.

2. Which are the barriers obstructing the realization of such strategic alternatives? For example, efforts to improve processes at the Ombudsman’s internal operation (operations management) is possible to erase staff’s reactions.

3. What recommendations should be made to deal with these problems? Regarding the previous example, the Ombudsman could effectively communicate to the staff the positive dimensions of the changes.

4. Which actions could be supportive along with the available resources of the organization, in order to implement the operational plans within the next two years? In this step the strategic aims are transformed to operational aims, including all the available resources. A parameter of vital importance at this step, is the strategic plan embracing by all the staff. This is mainly achieved via the methodological use of the Balanced Scorecard.
5. Which specific actions should be undertaken in the next six months and who would be responsible for them? At this last step, the operational objectives are transformed into objectives of administrative units and individual goals within a six month timetable. In this study however, the process of analyzing the organization's strategy stops at the level of operational objectives.

By applying the above 5 step process, the following Strategic Objectives for the Ombudsman achieved: Better quality service to citizens, organizational embarking upon new action fields, promotion and enhancement of Ombudsman’s public image/visibility, boost in Ombudsman’s actions effectiveness.

These objectives concern both the efficiency and the diversification effort of the agency.

For the breaking down of strategic goals into operational ones and for the development of indicators to calculate them, the Balanced Scorecard business planning model was applied. According to this model, each strategic objective is specialized into an operational one through four dimensions. Of those four dimensions, one is the output that covers the focus of the strategy, while the other three are inputs.

In case of public institutions such as the Ombudsman, the focus is being on the citizen and the related services, while other dimensions are set so as to monitor the service quality.

Therefore, the four dimensions which were chosen are:

1. Value added services (Output): This includes all procedures / actions targeting citizens’ satisfaction by the Ombudsman’s services amenity.

2. Internal processes: This dimension concerns all functions with regards to the operations management inside the Ombudsman.

3. Human resources: This includes all acts for the optimal utilization of the Ombudsman’s human resources in order to conduct its work properly.

4. External Actions and Partnerships (External Procedures): This dimension relates to the Ombudsman meddling with the external environment by widening its strengths and endorsing its accessibility. In addition, it has to do with actions of high communicative skills (such as lobbying) and personal relations, as well as informational sessions targeted at vulnerable groups.

**Description of Balanced Scorecard tables:**

- The objectives that were set to meet the requirement of being SMART and the indicators were selected with criteria of simplicity, reliability, acceptance (of the applicable users), relativity (with the goal that would evaluate), objectivity and ability to confirm (by external observations).

- The current value of the index. Its value is absent if there was no prior measuring system or if the operational objective introduces rather a new process/procedure.

- The target value of the indicator, must be realistic, in order to create the so-called «stretching effect», i.e. to have a certain degree of difficulty. Also there is a need to be able to provide motivation to staff to achieve the objective value of the index.

- The operational actions that will contribute to achieve this goal.

- The people who are responsible for implementing the actions and achieving the goal.
### Table 1a: Balanced Scorecards for Dimension 1 (output): Provided Value added services

<table>
<thead>
<tr>
<th>Id</th>
<th>Operational objective</th>
<th>Indicator</th>
<th>Current value</th>
<th>Target value</th>
<th>Implementation actions</th>
<th>Implementer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Creating a &quot;one stop-shop&quot; Ombudsman services in selected ADS throughout the country for preventive information and citizens' complaints collection</td>
<td>% Partner CSC (which would provide Ombudsman services) in Regions</td>
<td>-</td>
<td>Services Ombudsman function in 35% of CSC Regions 2020</td>
<td>Cooperation with the Ministry of Interior (responsible for the ADS) for the determination of levels of responsibility and to change the institutional framework</td>
<td>Head/Quality Manager/ Operations Manager</td>
</tr>
<tr>
<td>2</td>
<td>Improving level civil service</td>
<td>Citizens satisfaction degree (by completing the relevant form/questionnaire)</td>
<td>Rating&gt; 80%</td>
<td>&lt;2%</td>
<td>Locating synergies and grouping of reports</td>
<td>Quality Manager/Operations Manager/ Personnel Officer</td>
</tr>
<tr>
<td>3</td>
<td>Improving cooperation Ombudsman &amp; Administration</td>
<td>% of reasonable complaints with successful resolution with actions of the Ombudsman</td>
<td>83%</td>
<td>90%</td>
<td>Development of interactive online services (chat, skype) for the effective and efficient collaboration Ombudsman and Administration and dealing &quot;organizational failures&quot; Improving coordination with Administration incorporating new ICTs and platforms As SYZEFXIS II Front-line update (CRC &amp; Ombudsman) Interactive form reports with immediate notification in case of lack of jurisdiction Management reports</td>
<td>Quality Manager/Operations Manager/ Manager ICT</td>
</tr>
<tr>
<td>4</td>
<td>Improving front-line services</td>
<td>% Reporting except competence Ombudsman</td>
<td>48%</td>
<td>25%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Step 7**: Reviewing and Adopting the Strategy: In formulating the Ombudsman's strategy, support from the political leadership is of high importance.

**Step 8**: Description of the Future Image of the Organization: The vision for the success of the organization is scattered to the Ombudsman’s staff. The staff is informed of its role in the strategic planning, as well as what it will be asked in the future (e.g. through the development of its Code of Conduct).

**Step 9**: Development of Effective Application Procedures: For the effective strategic plan implementation, the agency will create a workgroup (task force) seconded to the project "Implementation of strategic planning." The group will contain the Chief Ombudsman, the Deputy Ombudsmen, people from the scientific and administrative staff of the Authority. In terms of applying the strategic and operational plan the organization will develop an extensive annual work program for each of the three years for 2018-2020.

**Step 10**: Strategy and Strategic Planning Procedures - Reevaluation: The stage of evaluation is a very crucial process in strategic planning. At this stage the individual, administrative, operational and strategic goals and achievements are reviewed by the task force and corrective measures are proposed if necessary.
Table 1b: Balanced Scorecards for Dimension 2: Internal Processes (Internal Operations)

<table>
<thead>
<tr>
<th>Id</th>
<th>Operational objective</th>
<th>Indicator</th>
<th>Current value</th>
<th>Target value</th>
<th>Implementation actions</th>
<th>Implementer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>optimization Ombudsman</td>
<td>Number of business cycles</td>
<td>6 cycles</td>
<td>3 cycles</td>
<td>reorganization recording procedures</td>
<td>Chief Ombudsman/Operations Manager</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td>Number of documented procedures / year</td>
<td>-</td>
<td>50 / year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Redistribution - reducing operating costs Ombudsman 29</td>
<td>rent for buildings</td>
<td>388,000 EUR</td>
<td>280,000 EUR 2020</td>
<td>Reduction administrative and scientific staff in ADS Reducing operating costs due to space-saving</td>
<td>Chief Ombudsman/Finance D/Director</td>
</tr>
<tr>
<td>4</td>
<td>Improving scientific staff efficiency</td>
<td>% Fulfilled cases / total cases competence Ombudsman</td>
<td>89%</td>
<td>95%</td>
<td>Motivational actions Development management system matters using ICT Defining appropriate indicators</td>
<td>Quality Manager / Supervisors Activity Cycles Ombudsman / ICT Officer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of references / Year g/official</td>
<td>45</td>
<td>90 reports/year / official until 2020 90 days</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Median x time q handling cases</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. Results: Strategic Planning Evaluation using Multi-criteria Analysis

Strategic planning fulfillment is followed by the assessment stage. The questions that this evaluation address are the following:

A) How possible is the developed strategic plan to be implemented?
B) How useful and efficient is this plan?
C) Are there any differences in the way that this plan is evaluated according to the individual characteristics and the personal knowledge of the evaluator?

In order to evaluate this strategic plan, Multi-Criteria Decision Analysis (Keeney, R. L., & Raiffa, H., 1976) method was used along with the use of Utilization Function technique (Department for Communities and Local Government, 2009). As strategic plan evaluators, executive managers who work at least two years in the public sector were chosen. Furthermore, in order to choose an individual to be part of the sample, it was mandatory for him to have either strategic management knowledge or to have practice strategic management at the public sector.

A hard copy of the strategic plan was given to the evaluators as well as detailed explanations for it and for the evaluation procedure. The assessors were called to answer for each of the ten Bryson’s strategic planning steps the following:

A) How important is each step for the strategic planning itself? This significance was taken as weights vector in Multi-criteria Analysis (Brownlow S.A. and Watson S.R., 1987).
B) How feasible is each of the ten steps as well as the whole plan to be implemented?
C) How effective is each step and the plan in general?
Graph 1a,b: Box plots that representing the evaluators opinion about the significance, the feasibility and the effectiveness of each step of the strategic plan

Graph 2: Box plots that are representing the evaluator’s opinion about the total feasibility Effectiveness of the whole strategic plan
The evaluation of the above was accomplished with a 5-Likert Scale (1= none – 5= very much).

At graphs 1,2, box plots were given for evaluating the significance, the feasibility and the effectiveness of each step of the strategic plan, while at graph 3 (in the Appendix) the total Feasibility and Effectiveness are given.

In addition, statistical significant positive correlation emerged between work experience in the public sector and estimated strategic plan feasibility. (Pearson’s r=0.493, p=0.021). Also, negative correlation was emerged between feasibility and effectiveness (r=-0.372, p=0.014).

Moreover, by the t-test emerged that those who hold general managerial positions consider the plan less effective (M=3.96, SD=1.21) in contrast with those who hold a plain manager position (M=2.096, SD=0.98), t=4.74, p<0.05. Gender and education had no statistical significant effect. To conclude, the following findings were emerged by the multi-criteria analysis of the strategic plan evaluation:

5. Conclusions

It seems that using the appropriate tools for analysis, it can be identified the main strategic issues of both the public sector organization and the citizens. As resulted from our analysis, it seems to be a growing demand from the Ombudsman's services. This observation is in line with the findings of international literature. Our analysis has shown that, a large number of the ombudsman cases, concerns cases in the workplace. Given the fact that Greece is experiencing a severe economic crisis, it is expected that labor rights will be affected, and this will cause more demand for the ombudsman's services. Although we recognize that the Ombudsman's organization is working intensively, there are weaknesses and points to be improved in order to be able to meet the public expectations. In order to do this, a strategic plan needed to be adopted, while simple day-to-day management can downgrade the organization's performance over the long time term.

The developed strategic plan is characterized feasible and effective, meaning that it notes Mean of feasibility and effectiveness well over 3, the neutral rate. Not all steps of the plan are the same determinant on its efficiency. The most crucial steps for planning is the operational objectives determination, the appropriate action planning to achieve the goals, the appropriate indicators development and monitoring to evaluate the actions’ effectiveness and the goal achievement re-evaluation. By the open type question processing contained in the questionnaire, it is emerged that the most significant issues the administrators believe the strategic plan would have while implementing, are the following: Lack of long-term culture in planning of public administration, lack of quantification and measurement mechanisms of the findings and lack of knowledge on strategic planning issues of the executives of public administration.
References

Appendices

Graph 3: Results from the Nvivo software. Although the fact that the language of the analyzed documents mainly are written in the Greeks, the above picture of a text search tree, is given as a typical example of the tools and methods used in our analysis. In the above tree, the whole needing for actions (according to Ombudsman) are collected.
Picture 4: Results from the regression analysis. Dependent variable selected to be the public demand for the ombudsman services over time. Although it seems to be seasonality, in the background there is a constant linear increasing trend of the demand.