THE EFFECTIVENESS OF PUBLIC SERVICES
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INTRODUCTION

Economics focuses primarily on the manufacturing sector in which the effectiveness is one of the key elements of success in a competitive environment. The public sector, which often spending about 50% of GDP (41.8% in Poland in 2013.), is often on the margins of such researches. Looking at the practical functioning of the state budget can be seen that it characterized by large's, although systemic undocumented differences in the efficiency of public services. Lack of measurement system also causes lack of positioning local government units according to assessing the efficiency and performance of their functioning. What is surprisingly, there is little empirical research that ukazýwały range of variation of this phenomenon. This paper presents an attempt to partially filling this gap of empirical research, undertaken directly in local government units.

The aim of this article is to analyze the efficiency of the public service provided by the public administration.

As the subject of research was adopted local districts (poviats) in Lower Silesia region. For choosing a districts in one region (Lower Silesia) spoke similar institutional, cultural, social and environmental conditions affecting the development of the cost of providing individual services. The applied research methods were mainly based on basic, primary research performed directly in the due units. The accepted methodology influenced territorial scope of research, which was limited to the area of Lower Silesia region.

1. RESEARCH METHODOLOGY

The first stage of research focused on defining the effectiveness of particular public services, performed by districts in all three categories: administrative, social and technical one. The research objective was not an exogenously defined self-government (black box), but a diversified set of processes occurring within its scope. Therefore, the definition of self-government functional efficiency was not based on external indicators, but on the compilation of measures describing its endogenous parameters. The identification of consistent services and procedures, outlays for their functioning and effects obtained in the process of their realization, became the basis for hereby research. However, in order to ensure the comparability of homogenous services effectiveness, performed by different self-governments, the individual indicators were constructed. They allow for defining, in case of every researched service, both effectiveness and efficiency measure [2, p. 165-172].

Expenditure related to full-time jobs necessary to provide a given service in a budget year were accepted as costs. The second group of costs calculated here was represented by current expenditure related to performing a given service. It covers such categories as expenditure of necessary office materials, electricity costs, heating, water and sewage, communication (phone calls, the Internet access, business trips), rent, staff training expenses etc. Investment costs were disregarded in this case since they occur sporadically and this could distort final results.

The problem of obtained results requires more extensive explanation. It is difficult to express it, following classical approach towards effectiveness, in the same units as costs (i.e. in monetary units). It results from the specific nature of non profit sector, which major task is far from obtaining profits. Therefore, this category may not constitute the background for its functioning assessment. As the result, the hereby research focuses on material effects related directly to particular services. In this way broader understanding of effectiveness, defined in political or social terms, was consciously avoided. On the other hand, a clear and unambiguous identification of reasons and effects influencing final result was provided, which significantly increases practical advantage of the above research. It allows for the simple definition of reasons influencing the final value of a given self-government assessment.

Synthetic effectiveness and efficiency measures were based on detailed measures referring to particular services. However, the aggregation was gradual in this case. Firstly, measurement results regarding a given service category were presented. As the result the perception of effectiveness and efficiency was prepared, separately for administrative, technical and social services. In the second stage summary results for all service categories in a given unit was presented. Synthetic measures represent the sum of standardized results for each service as its component. Such summary included
the nature of particular attributes (stimulants and destimulants). Synthetic measures of effectiveness and efficiency obtained in the above manner were subject to correlation study related to the size of districts expressed by the due number of their inhabitants.

2. RESEARCH RESULTS

The main observation made, based on results’ analysis, is the significant diversity of effectiveness measures even in the group of neighbouring districts. Extreme results, translated into absolute values, cannot be explained by just simple determinants. It is not enough to consider district size, landscape or local community features as fully responsible for such extensive differences.

As previously said, the first stage of research focused on defining the efficiency of particular public services. An example of such partial results, in the field of communications administration, presented in Figure 1. In this chart highlights the situations (ellipses), where in the various districts to serve yearly the same number of procedures (about 12 thousands) are spent three times more expenditure (TR-Trzebnicki about 500, OL- Olawski 850 and WB- Wałbrzyski as above 1500).

Fig. 1: Current expenditures and the number of procedures in communications administration in the Lower Silesia districts.

\[
y = 0.0076x^2 - 76.458x + 525100 \\
R^2 = 0.8277
\]

Source: Authors’ compilation

The second stage of research focused on defining synthetic effectiveness and efficiency measures were based on detailed measures referring to particular services (as shown above). The results of synthetic effectiveness presented in Figure 2.

As the results of research conducted in the above way the most effective group of districts turned out to be as follows: Oleśnicki, Głogowski and Dzierżoniowski. These districts owe their ranking mainly to good indicators of employment and expenditure on administration in relation to serviced clients, even though in none of these domains they are ranked as regional leaders. The ranking of least effective district is closed by Wrocławski (rural district), Kłodzki and Jeleniogórski districts. Wrocławski district is characterized by low effectiveness indicators in education, geodesy and architecture – the units servicing investment processes. It evidently results from geographical location and nature of a district.
The separate part of research focused on particular services performance. Just like in case of effectiveness, the observed feature of a synthetic measure becomes the limited balance of individual values as its components. As example of such component presented Figure 3. As by effectiveness (in the above), presented here the case of efficiency from communication administrations.

Fig. 3: Number of employees and served by their number of procedures in communications administration in the Lower Silesia districts.
The synthetic efficiency measures were based on detailed measures referring to particular services. Conclusions of such observations are identical as the ones in case of cumulated effectiveness measure – absence of internal homogeneity in the functional administrative structures. The studied scopes of services allowed for the arrangement of districts regarding performance in performing these services. The spread of results between extreme districts is smaller than in case of effectiveness, however, here also it is difficult to explain them by means of simple determinants.

The results of these studies presented Figure 4.

**Fig. 4: Synthetic indicator of districts performance** $W_{\text{synt}}$

At the top of ranking list prepared in this way there are placed the same districts (although in different sequence) which were the leading ones regarding effectiveness (Oleśnicki, Dzierżoniowski i Głogowski). Similar are also the properties which pushed them to these leading positions. Among them mainly low employment, comparing to the number of serviced procedures, should be emphasized.

The ranking is closed by Jeleniogórski, Wrocławski and Lubinński districts. All three of them are characterized by relatively high number of full-time jobs comparing to the number of carried out procedures. In case of Jeleniogórski and Wrocławski districts the frequently listed reason for relatively higher employment is the fact that these districts have taken over human resources persisting at the job market after the liquidation of regional authorities offices. Legnicki rural district, which is also listed in the zone of low efficiency, finds itself in a similar situation. These historical determinants (10 years have passed since districts were established) may confirm not just the quantitative role of taken over human resources, but the staff being used to a certain style of work.

It is interesting to notice a good position of these districts which were established (in 1999) totally from basics, without any prior functioning material base, or experienced staff taken from the closed down and previously functioning offices (e.g. Zgorzelec, Złotoryja, Polkowice, Kamienna Góra, Środa Śląska, Strzelin). In spite of the above, at present they frequently have better material base at their disposal, or as it is visible, are characterized by quite good results of their activities. The second factor is especially important from the point of view of administration functioning, where knowledge and many years of experience presented by an employee seem an indispensable component necessary for maintaining administration stability and high quality of performed services. The functioning based on young, inexperienced, or with little experience, human resources does increase the risk of unprofessional activities. The risk is high especially at the initial stage of functioning. On the other hand it opens an opportunity for creating innovative teams, not spoiled by rigid bureaucratic rules. Therefore, initial risk may be transformed into a serious advantage. It is confirmed by the examples of
some districts in Lower Silesia region which are more open to innovation and do implement modern functioning methods much quicker.

An interesting result of research was to define an economy of scale in the functioning of public services in the districts of Lower Silesia region. The obtained effectiveness and efficiency measures were subject to correlation analyses and compared to district sizes.

**Fig. 5: Relation between the size and effectiveness of districts in Lower Silesia region**

As opposed to explicitly quoted opinions, frequently prevailing in public debates, the standpoint claiming higher effectiveness of large units (*bigger is better*) in the perspective of presented above studies is not fully transparent. The details are illustrated in picture 5. Correlation coefficient between effectiveness and district size (measured by the number of its inhabitants) amounts to \(-0.1209\). This value illustrates quite weak reverse correlation. Having considered, however, extensive dispersion of results it may be assumed that between the two measured variables no statistical dependence relation occurs.

Similar results are obtained following the comparison of efficiency measures and district size. In this case correlation result is also insignificant, even though this value is positive and amounts to 0.0691. This time also the analysis of results, illustrated at picture 6, shows an extensive dispersion of values. Such arrangement confirms the fact that within the same size groups of districts there occur both effective units and these which obtain poor results in this respect. Such situation is characteristic for both small and the largest districts. Therefore, it is hard to speak about any sort of interdependence occurring in this matter.

Since the correlation results do not confirm any relation between effectiveness and self-government unit size, where does the strong attitude in public debate, regarding this issue, come from? Why do many experts in organization and management sciences accept *a priori* such standpoint?

The specific nature of public sector results in the fact that the theories which are true for production oriented activities find no application at all in case of public administration. It has to be considered that the latter is subject to much more diversified determinants and conditions, defined as institutional standards.

Even if one accepts the fact that the size of units determines effectiveness and efficiency, the absence of such relation in hereby studies may result from stronger influence of other factors. Their significance may be powerful enough to eliminate all advantages resulting from economies of scale. Much stronger correlation relation occurred between effectiveness and management quality. This leads to a conclusion that the more important element than unit size, which influences its
effectiveness, may turn out, among others, the nature of leadership and organizational culture of an office.

FINAL REMARKS

The diversity of efficiency and capacity indicators is surprisingly high which conforms significant opportunities for improvement in this sphere of administration. If so, this research field definitely has to be studied more extensively!

The current dominating opinion about small differences in efficiency (resulting from services standardization) is completely wrong. The reason for it are missing data systems without which proper positioning, benchmarking and (what result from it) improvements in this sphere of administration are impossible!

Research doesn't confirm economies of scale effect consisting in the interdependence between efficiency und unit size. Investigating reasons for efficiency diversity eliminates economies of scale effect as substantial basis for consolidation projects in administration.

No correlation between efficiency and quality, standard of services provided and keeping their deadlines was observed. It is not true that higher outlays on providing services result eg. from better standard of offices, or in quicker, more efficient and comfortable services. Informal determinants have the dominating influence on efficiency and capacity which results from the manner of influencing administration by the management of offices. To informal determinants belongs among others: character of leadership, culture of management, quality of staff etc.

BIBLIOGRAPHY


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Abstract
The organization of public sector is influenced by institutional order, also at local level. Therefore, it does not surprise that the problem of this particular self-government level proper organization, which covers the issues of overall system efficiency and effectiveness, becomes the core component of public debates. Presented in article empirical research does not confirm the leading argument of larger units advocates that they function more effectively and represent higher efficiency. In many cases breaking the ties of direct social control and distancing administration from local level resulted in the relative increase of structures, lower effectiveness and higher costs of functioning. The above experiences should serve as a warning before undertaking simple and unfounded changes in local administrative structures.

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effectiveness, public administration, local government

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