

MODEL FOR MONITORISING AND EVALUATING GLOBAL PERFORMANCE FOR PUBLIC SERVICE OPERATORS

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ABSTRACT

Performance has always been a key subject in the bussines world but has only lately become an important aspect when looking at public institutions or public services providers. One of the main reasons is due to the fact that performe revolves around the end goal of the evaluated entity; If for the first one the end goal is profit and performance is considered accordingly, when discusing about public services it`s harder to establish only one goal, therefore performance has always been considered fuzzy and many times not that much taken into account, considering that the continuity of the service is usualy more important that anything else. The question that is discused in the following papper is how could a model for monitorising and evaluating performance for a public service look like, taking into account all aspects that are today considered as performance pillars: technical, sociological, environmental and economical alike.

KEYWORDS: *performance, public service, global performance, new public management, public oeprator.*

1. INTRODUCTION

Public services in Romania find themselves in a vast process of transformation, due to the mutations occurring at the level of the territorial administrative units, regarding the specificity of the operators providing the public services, both from the point of view of the legal considerations that impose a certain form of their organization, but also due to the requirements of the local councils regarding the quality of the provided service.

In Romanian legislation, public services are defined as all the utility and general public interest activities carried out at the level of communes, cities, municipalities or counties under the direction, coordination and responsibility of the local public administration authorities in order to meet the requirements of the local communities, which provides the following utilities (Romanian Parliament, 2006):

- water supply;
- sewage and sewage treatment;
- collection, drainage and evacuation of rainwater;
- production of transport and supply of heat in centralized system;
- sanitation of localities;
- public lighting;

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- administration of the public and private domain of the administrative-territorial units, and the like;
- local public transport.

The current trend, both at the level of Romania and at European level, is to transfer, as much as possible, the management of public services to private entities subordinated to local councils through a delegation contract for the management of their service or concession. According to the literature, as the economy felt the necessity to diversify the public services to be as operative and flexible as possible, it was understood that providing a public service through private entities has to meet the following three conditions (Zamfir, 2011):

- Satisfaction of the general interest, which should not be replaced in any way and under any circumstances with the private interest and the public services, should not be aimed at obtaining profit.
- The means of public power are privileges granted to the private company serving the general interest, which will enjoy a certain authority vis-à-vis third parties.
- Private firms may only provide a public service following the delegation received from a public person who will be able to exercise control over the public service activity.

In Romania, the main changes for the management of public services, both from the point of view of the local authorities and of the service providers, were noted at the moment of joining the European Union, which obliged to achieve minimum standards of performance of services. By complying with regulations and directives, which deal with various legal, technical and economic-financial aspects, from the awarding of service management delegation contracts to the way of compensating each service, Romanian public service operators must become competitive, in the conditions of the emergence on the Romanian market of the major providers of public services on the European market. However, at Romania's level there is a delay in the major changes which significantly limits the development of the country's system of services to the international standards of the countries of the European Union (Plumb et al., 2003).

In today's context, of interdisciplinary approach and competitiveness, both at national and European level, performance and performance management across all economic entities is being increasingly considered in all areas of activity. However, the concept of performance is in a continuous dynamic, defining a set of criteria that a company must respect in order to be considered as performing. Analyzing the literature we can see the following evolution of the concept of performance:

- In the 1950s - 1980s, performance is mainly viewed from the financial point of view, with the main criteria of appreciation: productivity, turnover, production costs, etc.
- For the time period of 1980-1990, "performance defines the level of achievement of the proposed objectives" (Desbiens, 1988).
- From 1995 to 2000, the performance of a company defines the unstable balance resulting from the evolution of efficiency-productivity ratio (Niculescu & Lavalette, 1999), or the presumption that performance requires efficiency and effectiveness at the same time (Margulescu, 1994).
- Beginning with the year 2000 there is an expansion in the area of defining the performance of an economic entity, taking into consideration aspects related to the sustainable development or the satisfaction of the social demands raised by the main stakeholders (Radu & Sendroiu, 2013). This is how the new global performance concept develops (Tangen, 2004).

Although there has been strong progress over the past few years with regard to various ways of measuring and evaluating a company's performance, with more and more performance measurement systems and frameworks, many companies still use the traditional measurement model where performance is strictly limited to the analysis of financial performance.

At the same time, in the case of public utility services, the performance concept itself needs to be tailored to the specificity of each service in order to avoid paradoxical situations of performance. In the same way, account must be taken of various public-sector factors that influence the performance of operators, such as the setting of ambiguous objectives by the territorial administrative unit or the disparity between costs and revenues specific to certain public service operators (van Thiel & Frans, 2002).

In the case of public service operators in Romania, the concept of performance should also take into account the specific requirements of the Public Utilities Act 51/2006 (Romanian Parliament, 2006), thus ensuring:

- Meeting the quantitative and qualitative requirements of the users according to the contractual provisions.
- Health of the population and quality of life.
- Legal and social economic protection of users.
- Optimal, safe operation of people and service, cost-effectiveness and economic efficiency of constructions, installations, equipment and endowments, corresponding to the technological parameters projected and according to the specifications, the operating instabilities and the service regulations.
- Introduction of modern management methods.
- Introduction of modern methods of elaboration and implementation of strategies, policies, programs and / or projects in the sphere of public utilities.
- Protect the public and private domains and the environment in accordance with specific regulations in force.
- Information and consultation of local communities benefiting from these services.
- Compliance with the principles of market economy to ensure a competitive environment, restriction and regulation of monopoly areas.

Taking into account the above-mentioned aspects, there is a rather wide-ranging approach to the various areas where a public service operator must achieve performance, and the measurement and evaluation of these performances is thus a necessity. In the book "Measuring the Performance of Public Services. Principles and Practice" author Mike Pidd (2012) believes that good performance measurement is an essential component for improvement and planning, monitoring and control, benchmarking and ensuring democratic accountability.

In the "Good Governance Standard for Public Services" paper, developed by ICGGPS, various issues are raised for administrators, citizens and other stakeholders to make a good assessment of good governance of public services

There are, however, similar concerns in the academic environment in Romania as follows. According to the paper "Performance through the Common Assessment Framework. A Critical Review for Romania", conducted by Ana Matei and Elis - Bianca Bălăceanu (2013), there is a clear link between good governance at local level in Romania and the level of performance. The study analyzed 63 administrative-territorial units in Romania, through 6 dimensions:

The human resources of the structures within the territorial administrative unit.

- Capacity of operators in public utilities.
- Mechanisms for adjusting the activity of all community services.
- Performance of territorial administrative units based on administrative acts.
- The flow of documents and documents.
- Clear evidence of decisional transparency.

Although there is support from both the European Union and the academic community in Romania, which draws attention to the need for better monitoring and evaluation of performance in public utility

services, there is still a great need of implementing, at the level of any territorial administrative unit in Romania, a system to measure the overall performance of public utility service operators.

2. RESEARCH METHODOLOGY

In this paper an analysis of today`s performance regarding a big public utility service provider was conducted for showing that for the moment performance is only considered through a technical approach and some social performance indicators that don`t really appreciate the level at which the operator satisfied the public view or the manner it`s implicated in citizens lives.

For this, the case of Bucharest`s Public Transport Operator (RATB) was selected and the institution designated to perform this performance assessment continuously (AMRSP). Reports from 2017 for RATB performance were analysed and presented further in the paper.

3. FINDINGS

The analysis of the reports from 2017 regarding performance assessment of the public transport operator of Bucharest showed us that the municipality is more concerned with how the operator maintains his technical performance and in small regard his social performance or the environmental one with no interest in financial performance as it is presented in table 1.

Technical indicators	Social Indicators	Environment indicators	Financial indicators
Total number of vehicles used daily compared to no. necessary for the implementation of the circulation program	Number of passenger complaints regarding the quality of the transport	Number of motor vehicles certified Euro 3, Euro 4 in relation to the total number of vehicles required for the execution of the travel program	-
Number of routes on which the operator has suspended or delayed the execution of the shipment from the traffic schedule	Number of passengers affected by delays or service cuts of more than 24 h.	Compensations paid by authorized carriers / carriers for non-compliance with the quality and environmental conditions for transport	-
The number of deviations found and sanctioned by the empowered personnel regarding compliance with the legal provisions	-	-	-

The number of traffic accidents caused by the fault of its own staff or of the authorized transport operator	-	-	-
Number of routes where the operator has not performed local public transport for more than 24 hours	-	-	-
The age of the vehicles used for transport and the comfort they offer the passengers	-	-	-
6	2	2	0

Source: adapted by the authors from The municipal authority for public services reglementation (AMRSP) report regarding public transport performance (2017)

As it can be observed in table 1, technical performance is the most important for the municipality given that 6 indicators regard technical aspects, 2 reflect social and environmental features and 0 indicators regarding the financial aspects of the service.

The main result of the research, in this case, was the validation of the assumption that the performance indicators used by the Romanian public service operators, where implemented, do not reflect the overall performance of the service provided.

Performance assessment could be implemented in a more global approach by considering more relations between the operator and stakeholders of the service. Performance indicators should describe the global performance of the service provided through analysis of all aspects concerning the operators influence over the stakeholders and the stakeholders influence over the operator of the provided service. An identification of such relations between the service provider and the stakeholders of the service can be observed in figure 1.

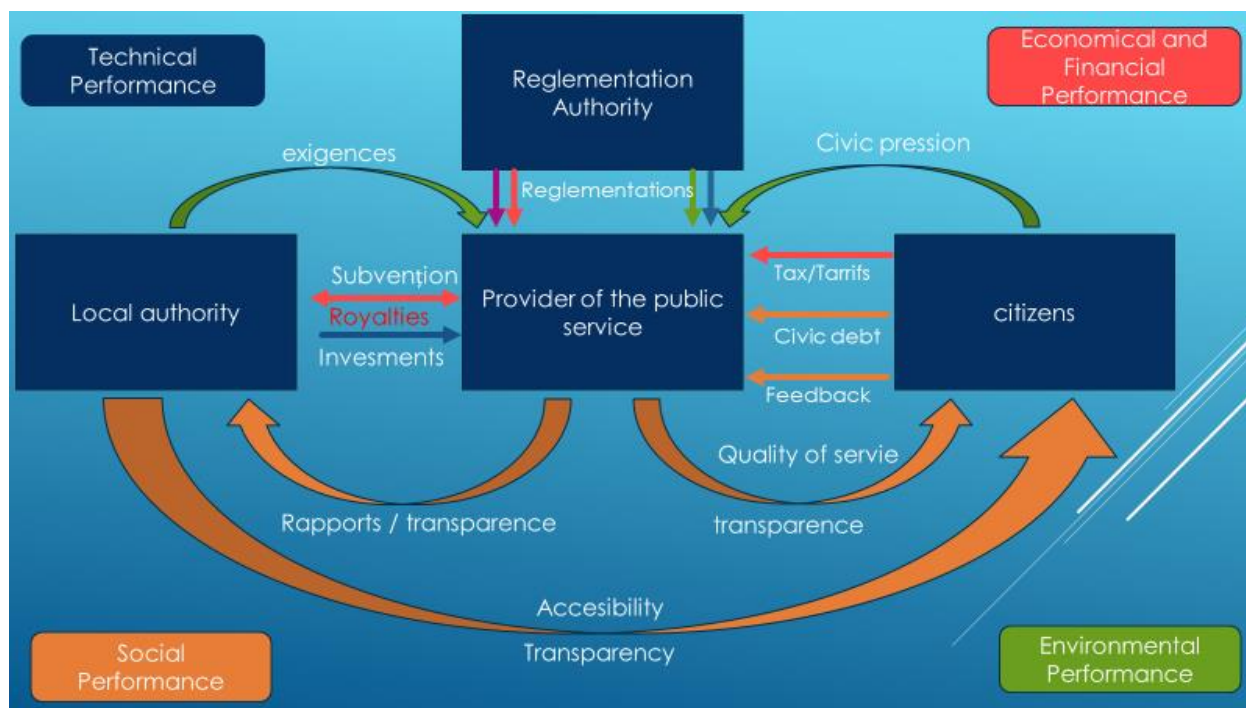


Figure 1. Model of relations between the service provider and stakeholders of the public service.

As it can be observed above, influences between all stakeholders of a public service and the public service providers are presented, and the colour scheme presents the type of performance, from the four considered, they mainly influence.

The provided scheme could serve as the base foundation of developing performance indicators that could serve for a better understanding on the overall performance of the public service taking into account effects that affect technical, social, environmental and financial performance alike.

4. CONCLUSIONS

Today's performance assessments in Romania regarding public services is somewhat unclear and lacks the proper regulation or tools regarding what or how should be taken into account when creating proper performance indicator that can describe the overall performance of a service.

A new model that considers all relationships between the service provider and the stakeholders of the service needs to be laid out in order to create more functional and convincing performance indicators matrix for a true global performance assessment to take place.

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