



Public Administration

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Part 1
Introduction to
Public
Administration

Chapter 1

Introduction to Public Administration

What is Public Administration?

Public administration, the **implementation** of government policies. Today public administration is often regarded as also including some responsibility for **determining the policies** and programs of governments. Specifically, it is the planning, organizing, directing, coordinating, and controlling of government operations.

In most of the world the establishment of highly trained administrative, executive, or directive classes has made public administration a distinct profession. The body of public administrators is usually called the civil service.

Traditionally the civil service is contrasted with other bodies serving the state full time, such as the military, the judiciary, and the police. Specialized services, sometimes referred to as scientific or professional civil services, provide technical rather than general administrative support. Traditionally, in most countries, a distinction is also made

between the home civil service and those persons engaged abroad on diplomatic duties. A civil servant, therefore, is one of a body of persons who are directly employed in the administration of the internal affairs of the state and whose role and status are not political, ministerial, military, or constabulary.

Certain characteristics are common to all civil services. Senior civil servants are regarded as the professional advisers to those who formulate state policy. In some countries entry requirements for a career in the higher civil service stress qualifications in technical fields such as accounting, economics, medicine, and engineering. In other countries legal training is deemed appropriate, and in others no specific technical or academic discipline is required among candidates for senior posts. Whatever their precise qualifications, senior civil servants are professional in the sense that their experience of public affairs is thought to provide them with the knowledge of the limits within which

state policy can be made effective and of the probable administrative results of different courses of action.

Civil servants in every country are expected to advise, warn, and assist those responsible for state policy and, when this has been decided, to provide the organization for implementing it. The responsibility for policy decisions lies with the political members of the executive (those members who have been elected or appointed to give political direction to government and, customarily, career civil servants). By custom, civil servants are protected from public blame or censure for their advice. The acts of their administration may, however, be subject to special judicial controls from which no member of the executive can defend them.

Civil services are organized upon standard hierarchical lines, in which a command structure rises pyramid-fashion from the lowest offices to the highest. This command implies obedience to the lawful orders of a superior, and in order to maintain this system

the hierarchy of offices is marked by fixed positions, with well-defined duties, specific powers, and salaries and privileges objectively assessed. In some countries there may be direct appointment to higher office of persons not previously employed by the service, but even then a recognized system of internal promotion emphasizes the nature of the hierarchical pyramid.

Public Administration and Public: The Public Interest

Public administration is vitally concerned with efficiency and economy. Alongside this efficiency approach there has been a growing concern about what may broadly be called 'morality' or 'ethics' in Public administration. Government has to serve the common good without making any sort of distinction between citizens. Efficiency in government has thus a moral tone. Against this background the broad theory of public interest has emerged to provide general frame work for the functioning of public administration.

There are several reasons for the concern for public interest:

- The members of the bureaucracy constitute of Power elite. They are likely to take decisions in self-interest or under pressure from the Powerful interest groups. In either case, Public interest suffers.
- Further, the bureaucracy is a mindless machine that turns out decisions mechanically. The rule- bound

administration may look neat and tidy, but it may not be able to serve the wider cause of public interest.

- According to Herbert Simon, administrative decisions are often based on grounds other than those of efficiency and economy. Social and psychological factors greatly influence the way decisions are taken by the decision-makers. The importance of a Sense of public interest as wider ethical Commitment in public administration assumes significance in this context.

Public Goods

What are the main characteristics of pure public goods?

The characteristics of **pure public goods** are the opposite of private goods:

1. **Non-excludability:** The benefits derived from pure public goods cannot be confined solely to those who have paid for it. Indeed non-payers can enjoy the benefits of consumption at no financial cost – economists call this the ‘**free-rider**’ problem. With private goods, consumption ultimately depends on the ability to pay
2. **Non-rival consumption:** Consumption by one consumer does not restrict consumption by other consumers – in other words the marginal cost of supplying a public good to an extra person is zero. If it is supplied to one person, it is available to all.
3. **Non-rejectable:** The collective supply of a public good for all means that it cannot be rejected by people, a good example is a nuclear defense system or flood defense projects.

There are relatively few examples of *pure* public goods.

Examples include flood control systems, some of the broadcasting services provided by the BBC, public water supplies, street lighting for roads and motorways, lighthouse protection for ships and also national defense services.

Policing – is policing a public good?

The general protection that the police services provide in deterring crime and investigating criminal acts serves as a public good. But resources used up in providing policing means that fewer resources are available elsewhere. Private protection services such as private security guards, privately bought security systems and detectives are private goods because the service is excludable and rival in consumption and people and businesses are often prepared to pay a high price.

Why are public goods an example of market failure?

- Pure public goods are **not normally provided by the private sector** because they would be unable to supply them for a profit.
- It is up to the government to decide what output of public goods is appropriate for society.

- To do this, it must **estimate the social benefits** from making public goods available.

What is meant by the Free Rider Problem?

- Because public goods are non-excludable it is difficult to charge people for benefitting from a good or service once it is provided
- The free rider problem leads to under-provision of a good and thus causes market failure

What are Quasi-Public Goods?

A quasi-public good is a **near-public good** i.e. it has many but not all the characteristics of a public good. Quasi-public goods are:

1. **Semi-non-rival:** up to a point, extra consumers using a park, beach or road do not reduce the space available for others. Eventually beaches become crowded as do parks and other leisure facilities. Open access Wi-Fi networks become crowded
2. **Semi-non-excludable:** it is possible but often difficult or expensive to exclude non-paying consumers. E.g. fencing a park or beach and charging

an entrance fee; building toll booths to charge for road usage on congested routes

The air waves – a public good or quasi-public good?

- The airwaves used by mobile phone companies, radio stations and television companies are owned by the government. Do they count as a pure public good? One person's use of the airwaves rarely limits how other people can benefit from utilizing them.
- At peak times, the **airwaves become crowded**
- The governments also control the issue of licenses needed to operate mobile phone services using the airwaves .

The case for government intervention with public goods

Overcoming the Free-Rider

Direct provision of a public good by the government can help to overcome the free-rider problem which leads to market failure

- The **non-rival nature of consumption** provides a strong case for the government rather than the market to provide and pay for public goods.

- Many public goods are provided more or less **free at the point of use** and then paid for out of general taxation or another general form of charge such as a license fee.
- State provision may help to prevent **the under-provision and under-consumption** of public goods so that social welfare is improved.
- If the government provides public goods they may be able to do so more efficiently because of **economies of scale**.

Administrative Decision Making

The pioneering scholar of the theory of decision making in organizations, was **Herbert Simon**. He was born in Milwaukee, Wisconsin and was one of the most celebrated political scientists, economist, sociologist and a psychologist. His body of work covers topics from administration to cognitive psychology to artificial intelligence. He was awarded the Nobel Memorial Prize in Economics for his most important work, the decision-making process of the organizations. Therefore, for the sake of our discussion we shall refer to the theories and concepts provided by Simon for the administrative decision making.

In his book *Administrative Behavior: a Study of Decision Making Processes in Administrative Organizations*, he makes a very remarkable statement that decision making is the heart of administration. He went on to add further that the logic and psychology of human choice determine the administrative theory. The entire premise of Simon's work is based on the logical rational model as mentioned earlier, but it is important to understand rationality within this particular context of decision making.

In Simon's work, rationality becomes a variable, and he was aware of the limitations of human rationality as well which are not static but depend on the environment of the organization in which the decisions take place. According to Simon, the task of the administration should be to design such an environment in which the individual approach becomes as rational as practicably be possible.

To understand the concept, we need to understand three important aspects:

- The Economic Man
- The Administrative Man
- Organizational Perspective

The Economic Man is all about the ideal and rational model of decision making. In an organization the decisions are made on empirical and normative elements, these premises can also be called the factual or the value premises. The factual premise is nothing but all the information and knowledge regarding the organization and its environment. The value premises on the other hand are the morals and legal constraints. A rational decision is to choose those alternatives which are appropriate to reach the desired end.

The means and ends have to be connected in the organizational hierarchy.

The Administrative man depicts the "objective" rationality, determining whether the selected alternative's course of action is good enough. The administrative man's approach to the world is simplistic and would take into account only a few most relevant and critical factors unlike the economic man for whom knowing all the alternatives and its consequences is a complex task.

Lastly, the organization perspective criticizes the earlier established principles of administration which were:


- Specialization
- Hierarchy
- Span of control

Simon argues that the applicability of administrative principles needs to be based on an underlying understanding of the administrative decision making. Organization manifests its influence through five mechanisms as identified by Simon. These are:

- **Authority** – It is defined as the decision making power which in turn guides the actions of other people. This kind of relational transaction happens in case of a superior and a subordinate in the organization.
- **Communication** – It comprises of both the formal and informal communication in an organization.
- **Training** – This is to enable individuals to reach satisfactory decisions without constant authority and guidance. This can be both pre service (educational qualification) and in service (day to day supervision at work).
- **The Criterion of Efficiency** – This basically suggests that out of two alternatives which would bear same cost, the one which shall attain more organizational goals should be chosen and if the two alternatives are achieving the same degree of organizational objectives, then the one which does so in lesser cost should be chosen.
- **Organizational Identification and Loyalty** – An organization consists of several groups and a person

thinks himself to be part of group when in the process of evaluating alternatives, he/she weighs the option in terms of its consequences on the entire group.

Therefore, the decision making within an organization is a complex process which is influenced by several factors. It is advisable to the readers to study more about Herbert Simon and his work on decision making to be able to appreciate the vastness and complexity of the decision making process in administrative organizations and economy.



Philosophies of Public administration

Philosophies of Public administration fall broadly in to four classes:

1. Intuitionism
2. Perfectionism
3. Utilitarianism
4. Theory of Justice

Intuitionism

The administrator Choose an alternative by intuition- a solution which seems to him the right Course of action under the given Circumstance.

Perfectionism

The administrator views Public interest from the standpoint of promotion of excellence in all spheres of Social activities. Public resource should be spent in such a way that the best members of the Society benefit most from the expenditure. Thus seen Perfectionism is an elitist Philosophy and anti-egalitarian and is not compatible with democratic society.

Utilitarianism

According to Utilitarian Philosophy the Public interest is served When a Public policy makes as many as possible better-off even though it may render a few worse-off. Public interest is judged by the augmentation of the net balance of social satisfaction.

Theory of Justice

This theory has two principles. The first principle is that each person is to have an equal right to the most extensive basic liberty compatible with a similar liberty for others. The other principle postulates that Public Policies are reasonably expected to be to everyone's advantage and public position and offices are open to all. In case of Conflict between these Principles, the second Principle is expected to prevail and give way to the first. These principles provide an operating logic for the determination of public interest by the decision- makers.

Philosophies of Public administration- A Review:

Of all the major ethical frameworks for public administration, the intuitionist Philosophy justifies the Status quo and is of very little help in actual administrative

situation. The Perfectionism philosophy favors excellence at the expense of social equality. It is antidemocratic. Utilitarian Calculus has the merit of emphasizing total social good, but it also accepts the Position that a few may be worse-off. Compared to all these Philosophical positions, the theory of justice seems much more balanced and represents a workable way for determining the public interest by public administrators.

Classical Theory of Public Administration

There have been several discussions and arguments regarding whether public administration can be categorized as a Science or as an Art.

Urwick edited the most important work, Papers on the Science of Administration presented by Gulick in 1937. Both of these thinkers were greatly influenced by Fayol and Taylor and the idea of machine model of the man. All this combined with their respective military and industrial background led them to propose the Classical Theory of Management or the Administrative Management Theory. The classical theory projects public administration

as a science. Both these authors argued that like the stream of engineering became science through methods of empirical observation, systematic finding, and recordings over a period of time similarly, public administrators can create the science of administration.

Both the authors also stressed on the importance of the structure of the organization. Urwick wrote that lack of structure can lead to a lot of inefficiencies and confusion within an organization and Gulick went ahead to identify 10 principles on which the organizational structure can be designed. Below are the 10 principles as listed by Gulick:

- Division of labor or what we call specialization
- Departmental Organization
- Hierarchical coordination
- Deliberate coordination
- Creating coordination committees
- Decentralization
- Unity of command
- Staff and Line
- Delegation and Span of Control

The last principle regarding the span of control of a senior executive or a leader, acted as a stimulant for other authors on writing about leadership. According to this last principle, the executive should have less number of people directly reporting to him to increase his efficiency.

Urwick believed that there are 8 principles on which an organization can function, the important points being:

- The objective of the organization
- Authority and responsibility
- The principle of span of control
- Coordination
- The principle of definition amongst other principles

And lastly, we can end the discussion without writing about Gulick's POSDCORB, each word signifying the various executive functions:

- P – Planning
- P – Organizing
- S – Staffing
- D – Directing
- CO – Coordination
- R – Reporting

- B – Budgeting

Management students shall find the above terms quite familiar, relevant and of everyday use. In the next section, we shall be talking about the Human Relations Theory. The reader is now getting a chance to understand in individuality and detail that how the progresses made in other streams had an influence on the thinkers of public administration.

Chapter 2
Public
Administration:
Goals, Importance
and Challenges

Chapter 2

Public Administration, Goals, Importance and Challenges

Public Administration – in Developed Society

The developed countries are identified by certain parameters like highly developed economy, greater technical infrastructure, high GDP and net income per capita, level of industrialization and also the standard of living of the people. Development and modernization of a state has an obvious and significant impact on its politics, culture and society. Subsequently, these changes find their ways in several other important institutions like judiciary, executive and legislative. USA has been one of the nations, which have witnessed vast changes and reforms in its administrative history owing to the industrialization, two world wars and the various academic and experimental studies carried out in the areas of social and behavioral sciences.

Let us also look at the general features of the public administration in developed countries before we proceed to study about the challenges they face.

- The government organizations are significantly differentiated and functionally specific. The bureaucracies are large and perform a myriad of specialized functions and are of the Weberian type
- There is a lot of internal specialization within the roles and the selection of people is based on merit
- The decision- and law-making process is largely rational
- The government institutions are present in all spheres of the life of the citizens
- Since there is popular interest in public affairs, there is a direct relationship between political power and legitimacy

Now, the problems that the public administration of developed countries faces are also complex. The first problem which is kind of basic is the lack of coherence between numerous service providing agencies and regulatory bodies. The problem especially surfaces at the local levels where the authorities design their own programs and also run the programs funded by the national authorities.

The other example can be dominance of politicians in the matters of specialized domains of bureaucracy.

Most of the developed states, especially of Europe are called Administrative States and their bureaucracies perform certain specific functions. According to Rumki Basu, the public administration in these countries performs regulatory functions while ensuring the enforcement of law and order, collection of revenues and the national defense against aggression.

The public administration provides a range of services like education, health, cultural, insurance, housing, unemployment benefits and communication and transport. They also play an important role in bringing about the economic growth of the country by operating industries, giving loans etc.

The present day challenges in the developed countries are primarily economic. The economic depression has put immense pressures on the services provided by the government.

A lot of reforms have been proposed in which the state resources are being closely administered. The withdrawal of

certain benefits has left the public administration of the countries exposed to a lot of criticism and flag from the common people. The regulatory role of public bodies has also come under scrutiny for their failure to prevent major upheavals from taking place. As things improve, the role and challenges of public administration shall change once again.

Public Administration in Developing Society

The developing countries of the world are concentrated in the regions of Asia, Africa and Latin America. The developing nations are characterized by an economy which is transitioning from agrarian to industrial. You may recall Fred Riggs and his famous Prismatic Model from the earlier article, according to Riggs, the developing nations are the prismatic societies. There are a few characteristic features of these developing economies:

- They have all been an Imperial nation's colony at some point in their history
- The subsequent exploitation by these colonial masters has driven their economies into a state of deep national debts
- The national income as well as the per capita income is very low
- The social development in these countries are in early stages
- The main problems are poverty, population explosion, illiteracy, poor sanitation, insufficient infrastructure and in a rapidly developing economy like India, the

problem of inequitable distribution of this economic prosperity between rural Bharat and urban India

- The conflicting interests and diversities based on caste, creed, language, regions etc
- There are constant conflicts between the traditional and the modern
- The public administration plays a crucial role in achieving inclusive developmental goals

Now, having understood the general scenario prevalent in these developing countries, we can take a step forward and try to understand the nature of public administration in these economies.

- The public administration system of these nations are often than not an imitation of that of their colonial masters
- The imitative system seems divorced and distant from the people and their problems
- There is an acute shortage of skilled manpower with technical and managerial competencies

- Also, there is a kind of monopoly of bureaucracies in these nations because of which they enjoy vast amount of autonomy however the goals intended to achieve by them often gets lost amidst all this
- An interesting phenomenon coined by Riggs called Formalism is common place in these economies. According to it, the bureaucratic officers and public servants insist on following law, rules etc and tenaciously hold on to them while providing services to the people however their own professional behavior is far removed from the laid down laws, rules and regulations

The problems plaguing the bureaucracies of these countries are that they are ill equipped to carry out developmental goals. Since they came into existence to serve the goals and objectives of their colonial masters; they seem to be in disharmony with the changing needs and aspirations of the natives.

In developing countries, the major challenge is development and modernization. The public institutions have the enormous developmental tasks in their hands;

combined with rapid economic development due to the growth in the private sector and the economically wealthy young population, the demand for delivery of services is increasing. Finally, the rural areas have not kept up with the rapidly growing urban areas, whether in Brazil or in India, they look upon Government, public administration and public servants as their only hope.

Chapter 3
Theories of Public
Administration



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Chapter 3

The Bureaucratic Theory of Public Administration

The bureaucratic theory of public administration owes its existence to Max Weber and his magnum opus *Economy and Society* published in 1922. It was Weber who popularized the term and, in his book, gave a glimpse of the extensive research he had carried out by studying ancient and modern states to understand the working of the bureaucracies in different eras. Before we dive into the details regarding Weber's ideas of bureaucracy, it would be interesting to understand his background and education to appreciate his philosophy and thoughts that run like a common thread all through his work.

Max Weber was a German political economist, philosopher and a social scientist who along with Emile Durkheim and Karl Marx is considered to be one of the three founding pillars of sociology. Weber was a student of law and history throughout his career and later joined the Berlin University as a faculty and lectured and consulted for the Government. Weber was greatly influenced by the Neo-Kantianism wave that swept Germany during the 1860s.

Heinrich Rickert the foremost scholars of Neo-Kantianism in Germany was a professional colleague of Weber in the University of Freiburg.

The Neo-Kantianism or the Back to Kant movement of 1860s was to revisit the theories of Immanuel Kant the most important and influential of German philosophers and scholars of the 18th century. The scope of this article is limited to throw light on Kant and his philosophies however it is advisable to the readers to read a little about Kant and his work to get a better understanding regarding Neo-Kantianism.

Influenced by Heinrich Rickert and Kant, Weber came to a central core of his theories and that was Rationalization. Weber promulgated rationalization in all areas of life like economy, politics, society, culture and even religion. He went on further to say that Rationalization was the basis of the modern western society. Having said that, let us now make an effort to understand Weber's work in the areas of social sciences.

In his seminal work *Economy and Society*, Weber goes to extreme lengths to trace the evolution of bureaucracy

and the State and their relations with each other. He cites the Chinese and the African empires that degenerated because of the lack of bureaucracy and methods of administration and the ancient Roman Empire which disintegrated because of increasing bureaucratization.

According to Weber, the need for bureaucratization in the ancient empire state arises from the maintenance of armies, public finances and most importantly power and politics. In the modern times however, the complexity within the civilization is ever increasing and therefore the demands from the administration are also getting complex.

Weber also emphasizes the importance of communication in running the bureaucracy of a State and adds that they act as pacemakers and are the prerequisites of the possibility of bureaucratic administration.

Trained bureaucracy is superior to other kinds of administration in many ways like efficiency, accuracy or precision, unity, discretion, continuation, cost and reducing overall friction in the government functioning. Weber went on to characterize a bureaucratic state by certain behavioral and structural features like:

- Division of Labor
- Hierarchy
- Rules and Rationality
- Impersonality
- Rules Orientation
- Neutrality

Weber also came up with the term called Rational-Legal authority which characterizes the modern liberal states. The tripartite classification of authority proposed by Weber explains that the states travel from Charismatic Authority to Traditional Authority and finally arrive at Rational-Legal Authority. The Rational-Legal Authority upholds that an individual or an institution has powers emanating from the legal offices that they hold. Once they leave, the power is lost as the power is associated with the office and not the office holder.

The above Rational-Legal power lies at the core of the modern bureaucracies and is practiced widely across the world. The writing of constitutions and documents, establishing offices and institutions and holding elections are

all in conformity to this kind of authority practiced by political systems in mature states.

Max Weber and Bureaucracy

Weber identified in bureaucracies a rational-legal authority in which legitimacy is seen as coming from a legal order

Weberian bureaucracy was a term coined by Max Weber, a notable German sociologist, political economist, and administrative scholar, who contributed to the study of bureaucracy, administrative dialogues, and literature during the mid-1800s and early 1900s.

In his 1922 masterpiece, *Economy and Society*, Weber described many ideal types of public administration and governance. His critical study of the bureaucratization of society was one of the most enduring parts of this work. It was Weber who began the study of bureaucracy and whose works led to the popularization of this term. Many aspects of modern public administration date back to him. This is epitomized in the fact that a classic, hierarchically-organized civil service is still called a "Weberian civil service."

Weber listed the following as preconditions for the emergence of bureaucracy:

- The growth in size and density of the population being administered, the growth in complexity of the administrative tasks being carried out, and the existence of a monetary economy requiring a more efficient administrative system.
- As a result of the development of communication and transportation technologies, like telegraphs and automobiles, a more efficient administration became not only possible but demanded by the public.
- Accompanying this shift was an increasing democratization and rationalization of culture. This resulted in public demands for a new administrative system that treated all humans equally.

Weber's ideal bureaucracy is characterized by the following:

- Hierarchical organization
- Defined lines of authority with fixed areas of activity
- Action taken on the basis of, and recorded in, written rules

- Bureaucratic officials with expert training
- Rules implemented by neutral officials
- And career advancement depending on technical qualifications judged by organization, not individuals

Rational-Legal Authority

Weber identified in bureaucracies a rational-legal authority in which legitimacy is seen as coming from a legal order. The majority of modern bureaucratic officials and political leaders represent this type of authority. However, while recognizing bureaucracy as the most efficient form of organization, and perhaps indispensable for the modern state, Weber also saw it as a threat to individual freedoms. For Weber, the implementation of bureaucracies in government was a kind of rationalization, in which traditional motivators for behavior were cast aside. Instead of utilizing traditions, emotions, or values to motivate behavior, in a bureaucracy, people used rational calculation.

Regarding Western societies, Weber called this increasing rationalization an "iron cage" that trapped individuals in systems based solely on efficiency, rational

calculation, and control. In his theory, the "iron cage" is the one set of rules and laws that we are all subjected to. According to Weber, the shift from old forms of mobility, like kinship, to new forms, like strict, legal rules, was a direct result of the growth of bureaucracy and capitalism.

Post Weberian Models of Public Administration

In the previous section we read about the Weberian Model of Bureaucracy and its various aspects, however like all models this one too has its share of criticism and dissection performed by scholars and subject matter experts. The critics of the Weber model said that his theories of bureaucracy heavily discounted the human aspect in theories and that it could work only in a controlled and ideal environment and was removed from reality.

The standard structures and code of ethics which were the characteristic of the public administration studies carried out in the beginning of the last century underwent major changes after the Second World War. The Weberian models and the change in attitude towards the public administration had brought many welcome changes in the bureaucracy in

the early half of the century. The authoritative, corrupt and unresponsive bureaucracy was made to turn around.

As Warren Bennis the social scientist had emphatically prophesized that every age evolves its own administration and bureaucratic functions in accordance with its needs, customs and traditions and which remains relevant for them and for only that time. When a new age arrives, the systems, traditions, administrations and bureaucracies are recreated, realigned and reorganized to suit the changes. A very good example was Riggs approach to the Weber model, he was aware of the fact that the Weber model shall not work for the developing countries which came up after the Second World War. The administrative structures in the developing countries did not enjoy the autonomy assumed in the Weberian model. Also, that in developing country, the realm of the work of public administration extended much beyond mere administration and involved a lot of work in the areas of development of the society. The Governments were now working more as the Welfare state which cannot fit within the limitations of the Weberian model.

In the present times with the advent of technology in all realms of life, it has become a commodity which can be exchanged for tangible goods. The shrinking time and distance ensures that the information travels around the globe within seconds and the organizations both Government and private, across the globe do not live in rigid walls anymore. The technical and managerial skills and expertise required at various level of public administration and bureaucracy has changed manifolds. The increasing education, the internet and the social media, the globalization has ensured that everything is transparent and under spotlight for all times.

Bureaucracy is becoming more and more efficient with lesser response time despite of being added with array of responsibilities and duties. The organizations are restructured to ensure greater autonomy and mobilization within organizations. The inter-departmental transactions; coordination and cooperation are being improved using technologies like ERP or Enterprise Resource Planning.

The way the government functions in many modern democracies has also changed. The structures and roles have become flexible; the democratic administration has found its

way into public institutions and organizations, the inclusion of people and their opinions and ideas etc are some of the new developments.

Chapter 4
Some Organizing
Issues of Public
Administration



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Chapter 4

Some Organizing Issues of Public Administration

The Difference Between Business and Public Administration

The Private Sector

The private sector is usually composed of organizations that are privately owned and not part of the government. These usually includes corporations (both profit and non-profit) and partnerships. An easier way to think of the private sector is by thinking of organizations that are *not* owned or operated by the government. For example, retail stores, credit unions, and local businesses will operate in the private sector.

The Public Sector

The public sector is usually composed of organizations that are owned and operated by the government. This includes federal, provincial, state, or municipal governments, depending on where you live. Privacy legislation usually calls organizations in the public sector a *public body* or a *public authority*. The Public Sector

is usually comprised of organizations that are owned and operated by the government and exist to provide services for its citizens. Similar to the voluntary sector, organizations in the public sector do not seek to generate a profit. The composition of the public sector varies by country, but in most countries, the public sector includes such services as the military, police, infrastructure (public roads, bridges, tunnels, water supply, sewers, electrical grids, telecommunications, etc.), public transit, public education, along with health care and those working for the government itself, such as elected officials. The public sector might provide services that a non-payer cannot be excluded from (such as street lighting), services which benefit all of society rather than just the individual who uses the service

Funding for public services are usually raised through a variety of methods, including taxes, fees, and through financial transfers from other levels of government (e.g. from a federal to a provincial or state government). Different governments from around the world may employ their own unique method of funding for public services.

Sometimes the public sector will partner with an organization in the private sector to create a public-private partnership. These hybrid organizations (named *P3s*) work together to jointly deliver a service or business venture to a community.

Through the process of outsourcing, public sector organizations will often engage private enterprises to deliver goods and services to its citizens.

Examples of the Public Sector

Examples of organizations in the public sector include:

- Education (Schools, Libraries)
- Electricity
- Emergency Services
- Fire Service
- Gas and Oil
- Healthcare
- Infrastructure
- Law Enforcement

- Police Services
- Postal Service
- Public Transit
- Social Services
- Waste Management.

Levels of Government

Public sector organizations usually exist at three levels:

- Federal or National
- Regional (State or Provincial)
- Local (Municipal or County)

Organization

The organization of the public sector (public ownership) can take several forms, including:

- Direct administration funded through taxation; the delivering organization generally has no specific requirement to meet commercial success criteria, and production decisions are determined by government.
- Publicly owned corporations (in some contexts, especially manufacturing, "state-owned enterprises");

which differ from direct administration in that they have greater commercial freedoms and are expected to operate according to commercial criteria, and production decisions are not generally taken by government (although goals may be set for them by government).

- Partial outsourcing (of the scale many businesses do, e.g. for IT services), is considered a public sector model.

A borderline form is as follows**

- Complete outsourcing or contracting out, with a privately owned corporation delivering the entire service on behalf of government. This may be considered a mixture of private sector operations with public ownership of assets, although in some forms the private sector's control and/or risk is so great that the service may no longer be considered part of the public sector (Barlow et al., 2010).

State-owned enterprise (SOE)

SOEs are also called state-owned company, state-owned entity, state enterprise, publicly owned corporation,

government business enterprise, crown corporation, government-owned corporation, government-sponsored enterprises, commercial government agency, public sector undertaking, or parastatal.

A state-owned enterprise (SOE) is a legal entity that undertakes commercial activities on behalf of the state, its owner. The legal status of SOEs varies from being a part of the government to being stock companies with the state as a regular stockholder. The defining characteristics of SOEs are that they have a distinct legal form and are established to operate in commercial affairs and commercial activities. While they may also have public policy objectives (e.g., a state railway company may aim to make transportation more accessible), SOEs should be differentiated from other forms of government agencies or state entities established to pursue purely nonfinancial objectives.

SOEs can be fully owned or partially owned by government. As a definitional issue, it is difficult to determine categorically what level of state ownership would qualify an entity to be considered as state-owned since governments can also own regular stock, without implying any special interference. As an example, the China

Investment Corporation agreed in 2007 to acquire a 10% interest in the global investment bank Morgan Stanley, but it is unlikely that it would qualify the latter as a government-owned corporation. Government-owned or state-run enterprises are often the result of corporatization, a process in which government agencies and departments are reorganized as semiautonomous corporate entities, sometimes with partial shares listed on stock exchanges.

The term '**government-linked company**' (GLC) is sometimes used to refer to corporate entities that may be private or public (listed on a stock exchange) where an existing government owns a stake using a holding company. There are two main definitions of GLCs are dependent on the proportion of the corporate entity a government owns. One definition purports that a company is classified as a GLC if a government owns an effective controlling interest (more than 50%), while the second definition suggests that any corporate entity that has a government as a shareholder is a GLC.

In the Commonwealth realms, particularly Australia, Canada, New Zealand, and the United Kingdom, country-wide SOEs often use the style "Crown corporation", or

"Crown entities". Examples of Crown corporations include the Canadian Broadcasting Corporation and Air Canada before the latter underwent privatization. Cabinet ministers (ministers of the Crown) often control the shares in such public corporations.

At the level of local government, territorial or other authorities may set up similar enterprises which are sometimes referred to as "local authority trading enterprises" (LATEs). Many local authorities establish services, such as water supply as separate corporations or as a business unit of the authority.

SOEs often operate in sectors in which there is a natural monopoly, or the government has a strategic interest. However, government ownership of industry corporations is common.

Nationalization also forcibly converts a private corporation into a state-owned enterprise.

In most OPEC countries, the governments own the oil companies operating on their soil. A notable example is the Saudi national oil company, Saudi Aramco, which the Saudi government bought in 1988, changing its name from

Arabian American Oil Company to Saudi Arabian Oil Company. The Saudi government also owns and operates Saudi Arabian Airlines, and owns 70% of SABIC as well as many other companies. They are, however, being privatized gradually.

Government-owned corporations are common with natural monopolies and infrastructure, such as railways and telecommunications, strategic goods and services (mail, weapons), natural resources and energy, politically sensitive business, broadcasting, demerit goods (e.g. alcoholic beverages), and merit goods (healthcare).

Public Versus Private sector

It's become a cliché that government would be better if it were only run by private-sector managers using standard business practices. But Jan Mares, who has been in both environments, says it is not the same. Mares, who worked in the private sector in the chemical and manufacturing industries, and was the fossil energy chief in the Reagan administration's Department of Energy, offers 25 reasons why government management and business management are not the same.

1. The size, dollar value, and complexity of many government programs exceed that in the private sector.
2. The government has fewer measures of progress or success than the private sector, although that is changing as a result of the Government Performance Reform Act requirements. Spending on a program is not equivalent to progress. The private sector has profit as a clear-cut measure.
3. Most individuals join private sector organizations with the expectation and hope that they will have an opportunity either to earn significant amounts of money or to be trained such that the opportunity to earn significant amounts of money could occur in a later job. The individuals who join governments do so knowing that high compensation rates are not possible; they join for other reasons such as providing for others and/or having more power/responsibility than in the private sector. Managing these two dramatically differently motivated groups is significantly different for each group.

4. The civil service and compensation rules of the government make it more difficult to encourage outstanding performance and discourage poor performance.
5. There is very little personal gain in the government for taking risks on policy or programs and being successful in achieving the goals more effectively. However, there is potential for substantial criticism and other personal loss if the innovative attempt fails.
6. The key reality to the private sector is market-driven competition, whereas the same in the government is almost always a legislated monopoly.
7. Private sector managers worry about creating added value, i.e. a product or service that can be sold competitively to the public. This requires the ability and skill to change, evolve, adapt and improve constantly. Government is frequently quite different. Managers in the government often know what needs to be done and desire to do it but are facing restrictions of laws, regulations, policies, often made years earlier for other circumstances, that prevent prompt action.

8. Authority and responsibility in the government tends to be asymmetric while authority and responsibility in the private sector are more clearly balanced. Responsibility in the government can be enormous while authority is frequently quite limited.
9. Authority in government may be ambiguous and unclear in some circumstances. In other cases it is very clear and tightly restricted through laws, regulations, policies and directives that leave little, if any room for individual initiative.
10. In most outstanding private sector organizations there are clear, well-understood, job-by-job, top-to-bottom goals and objectives. In government, goals and objectives have been ill-formed, fuzzy and soft. The Government Performance Reform Act and individual departments are striving to change this. Goals in the government are often divergent which may lead to confusion.
11. The senior/political leadership in Departments and Agencies turns over more frequently and to a larger extent than occurs in the private sector. Cabinet

Secretaries do not stay longer than three years on average; Assistant Secretary tenure is less than 24 months. New Cabinet Secretaries frequently replace significant numbers of senior leadership in their first year. This causes starts and stops in direction of Departments or Agencies. The only similar private sector situation is a hostile takeover.

12. The average years of experience either on the substantive matters for which they are responsible or in management generally for political leadership is much, much less than their counterparts in the private sector. This is particularly true for individuals below level of Cabinet Secretary.

13. The main goal of most political appointees is to promote the policies of the Administration and/or change the policies of the previous Administration. Few political appointees focus on organizational management issues because they have no experience; will not be in government long; and desire to focus on policy issues, not management issues. Political appointees receive little encouragement to focus on management issues.

14. The various forms of control on a government agency versus the few on the private sector are staggering. A government agency has at least three different leadership groups to which it is responsible. One has 100 CEOs (the Senate); one has 435 CEOs (the House) and one has one CEO (the President) and at least 435 assistants (the White House staff including OMB, CEA, OSTP, NSC, HSC [Homeland Security Council] and others). The result is that there is confusion and potential delay on most significant issues or decisions. Furthermore many of these “CEO’s” and/or their staffs require reports about actions and/or their approval or clearance for actions sought to be taken by the agency in accordance with existing laws and policies.

15. The staff of the Appropriations, Authorizing and Government Oversight committees are very powerful and can directly or through their members direct government agency actions. The Executive Branch disregards such staff at its peril. No similar institution affects the private sector.

16. The norm in the Executive Branch is for Secretaries to have multiple Special Assistants with even Assistant Secretaries having from one to three. Unless these assistants are experienced and/or wise, which is not normal, they can cause confusion to the subordinate officials about what is desired by their principal. In the private sector special assistant positions are rare.
17. The oversight of an Executive Branch agency is much greater than of an organization in the private sector. That oversight is by both governmental and non-governmental entities.
18. Governmental Oversight. (a) Each Department has an Inspector General who is charged with evaluating the Department for waste, fraud and abuse, and poor management. The IG has access to any aspect of the agency business and reports its findings simultaneously to the Congress and the Secretary. (b) The Appropriations, Authorizing and Government Reform committees in each chamber have periodic hearings or other forms of oversight over the agency. (c) Congress itself has the General Accountability Office, the Congressional Budget Office, and the

Congressional Research Service, which investigate, to varying extents, and write reports on the Executive Branch agencies.

19. Non-governmental oversight. This is also more extensive than that of the private sector. The national press, general media, and trade press cover the Executive Branch extensively. There are multiple “think tanks” concerning almost every aspect of the Executive Branch, which write reports criticizing Executive Branch actions. The affected private or public sector stakeholders will provide information and leads to the press and the Congress. These stakeholders are frequently organized through trade associations or non-governmental organizations, which know how to influence government action.

20. “Whistle blowers” receive more encouragement and protection in the government than the private sector and are thus more active. They provide insights and information to the Congress, the media, and/or the affected stakeholders because of policy differences with the Administration, anger with their employer, or for other reasons.

21. The government is much slower in action than the private sector; there is little sense of urgency or time; the analogy of the time and distance involved with turning an oil tanker is apt.

22. Career, and on occasion political, staff in the Executive Branch have the ability to slow down and/or derail actions of the Secretary or President by very slow compliance or “apparent” compliance with decisions and/or orders. Those who wish to slow or delay action may provide information to individuals in other parts of the Executive Branch or more often to those outside the Executive Branch in the private sector or the Legislative Branch with the expectation that they will challenge or question the action being directed by the Secretary or the President. Such lack of support of the organization’s leader and/or loyalty to the organization would rarely occur in the private sector.

23. Since political appointees know that their job tenure is very finite, they frequently spend a disproportionate amount of time considering or working towards their next private sector activity. This distraction, with its

implications for the performance of the individual and those organizationally above or below the individual, does not occur in the private sector.

24. In government, issues are rarely “permanently” decided with little chance of modification or reversal. Changes in control of the White House or one or both Houses of Congress can frequently lead to reconsideration of previous firm decisions, whether or not the external fact situation has significantly changed.

25. Because the tenure of political employees is limited compared to career employees and the relevant experience of the political employees is likely to be less than that of the career employees, there are significant opportunities for conflicts between the “B Company”, i.e. the career employees who “B there before and B there after” the political employees. The career employees recognize that the Congress or the private sector may react negatively to changes being proposed or implemented by political employees who will be departed by the time the negative reaction affects the government organization.

Formal and Informal structure

Formal structure of an organization or group includes a fixed set of rules for intra-organization procedures and structures.

The informal organization is the aggregate of behaviors, interactions, norms, and personal/professional connections.

Learning objectives

- Compare and contrast formal with informal organizations
- Explain the function of informal groups within a formal organizational structure

KEY POINTS

- A formal organization has its own set of distinct characteristics, including well-defined rules and regulations, an organizational structure, and determined objectives and policies, among other characteristics.
- Formal rules are often adapted to subjective interests, giving the practical everyday life of an organization more informality.

- The deviation from rulemaking on a higher level was documented for the first time in the Hawthorne studies in 1924. This deviation was referred to as informal organization.
- Keith Davis suggests that informal groups serve at least four major functions within the formal organizational structure.
- Informal groups perpetuate the cultural and social values that the group holds dear.
- Informal groups provide social status and satisfaction that may not be obtained from the formal organization.
- Informal groups develop a communication channel to keep its members informed about what management actions will affect them in various ways.
- Informal groups provide social control by influencing and regulating behavior inside and outside the group.

TERMS

- **Formal organization**

It is a fixed set of rules of intra-organization procedures and structures.

- **Procedure**

A particular method for performing a task.

- **Informal organizations**

It consists of a dynamic set of personal relationships, social networks, communities of common interest, and emotional sources of motivation. The informal organization evolves organically and spontaneously in response to changes in the work environment, the change of people through its porous boundaries, and the complex social dynamics of its members.

EXAMPLE

- The 1924 Hawthorne studies led to the Human Relations Movement—the researchers of organizational development who study the behavior of people in groups, in particular workplace groups.
- Certain values are usually already held in common among informal group members. Day-to-day interaction reinforces these values that perpetuate a particular lifestyle and preserve group unity and integrity. For example, a college management class of 50 students may contain several

informal groups that constitute the informal organization within the formal structure of the class.

What are Formal Organizations?

The formal structure of a group or organization includes a fixed set of rules of procedures and structures, usually set out in writing, with a language of rules that apparently leave little discretion for interpretation. In some societies and organizations, such rules may be strictly followed; in others, they may be little more than an empty formalism.

Characteristics of Formal Organization

A formal organization has its own set of distinct characteristics:

These include well-defined rules and regulation, and organizational structure, and determined objectives and policies, among other characteristics.

Distinction from Informal Organization

- Formal rules are often adapted to subjective interests giving the practical everyday life of an organization more informality. Practical experience shows no organization is ever completely rule-bound: all real

organizations represent some mix of formal and informal characteristics.

- When attempting to create a formal structure for an organization, it is necessary to recognize informal organization in order to create workable structures.
- Tended effectively, the informal organization complements the more explicit structures, plans, and processes of the formal organization.
- Informal organization can accelerate and enhance responses to unanticipated events, foster innovation, enable people to solve problems that require collaboration across boundaries, and create paths where the formal organization may someday need to pave a way.

The Hawthorne Studies

The deviation from rulemaking on a higher level was documented for the first time in the Hawthorne studies in 1924. This deviation was referred to as informal organization. At first this discovery was ignored and dismissed as the product of avoidable errors, until these unwritten laws were recognized to have more influence on the fate of the enterprise than those conceived on organizational charts of the executive level.

Numerous empirical studies in sociological organization research followed, particularly during the Human Relations Movement—the researchers of organizational development who study the behavior of people in groups, in particular workplace groups.

The informal organization is the interlocking social structure that governs how people work together in practice.

It is the aggregate of behaviors, interactions, norms, and personal/professional connections through which work gets done and relationships are built among people. It consists of a dynamic set of personal relationships, social networks, communities of common interest, and emotional sources of motivation.

The informal organization evolves organically in response to changes in the work environment, the flux of people through its porous boundaries, and the complex social dynamics of its members.

Key Characteristics of Informal Organizations

The nature of the informal organization becomes more distinct when its key characteristics are contrasted with those of the formal organization.

The informal organization is characterized by: constant evolution; grass roots; being dynamic and responsive; requiring insider knowledge to be seen; treating people as individuals; being flat and fluid; being covered by trust and mutuality; and being difficult to pin down.

Functions of Informal Organizations

Keith Davis suggests that informal groups serve at least four major functions within the formal organizational structure.

- First, they perpetuate (preserve) the cultural and social values that the group holds dear. Certain values are usually already commonly held among informal group members. Day-to-day interaction reinforces these values that perpetuate a particular lifestyle and preserve group unity and integrity. For example, a college management class of 50 students may contain several informal groups that constitute the informal organization within the formal structure of the class.
- Second, they provide social status and satisfaction that may not be obtained from the formal organization. In a large organization, a worker may feel like an anonymous number rather than a unique individual.

Members of informal groups share jokes and gripes, eat together, play and work together, and are friends—contributing to personal esteem, satisfaction, and a feeling of worth.

- Third, the informal group develops a communication channel to keep its members informed about what management actions will affect them in various ways. Many wise managers use the grapevine to "informally" convey certain information about company actions and rumors.
- Finally, they provide social control by influencing and regulating behavior inside and outside the group. Internal control persuades members of the group to conform to its lifestyle. For example, if a student starts to wear a coat and tie to class, informal group members may convince the student that such dress is not acceptable and therefore to return to sandals, jeans, and T-shirts.

Business Approaches

Under rapid growth business approach, Starbucks, which grew from 100 employees to over 100,000 in just over a decade, provides structures to support improvisation. Under the Learning Organization model, following a four-year

study of the Toyota Production System, Steven J. Spear and H. Kent Bowen concluded in Harvard Business Review that the legendary flexibility of Toyota's operations is due to the way the scientific method is ingrained in its workers—not through formal training or manuals but through **unwritten principles** that govern how workers work, interact, construct, and learn.

Bureaucracies and Formal Groups

A bureaucracy is an organization of non-elected officials who implements the rules, laws, and functions of their institution.

Learning objectives

- Explain the function of bureaucrats

KEY POINTS

- A bureaucrat is a member of a bureaucracy and can comprise the administration of any organization of any size, though the term usually connotes someone within an institution of government.
- Public administration houses the implementation of government policy and an academic discipline that studies this implementation and that prepares civil servants for this work.

- Red tape is excessive regulation or rigid conformity to formal rules that is considered redundant and hinders or prevents action or decision-making. Examples include filling out paperwork, obtaining licenses, having multiple people or committees approve a decision and various low-level rules.
- Street-level bureaucracy is the subset of a public agency or government institution containing the individuals who carry out and enforce the actions required by laws and public policies.
- Street-level bureaucrats include police officers, firefighters, and other individuals, who on a daily basis interact with regular citizens and provide the force behind the given rules and laws in their areas of expertise.

TERMS

- Public administration

It houses the implementation of government policy and an academic discipline that studies this implementation and that prepares civil servants for this work.

- Red tape

A derisive term for regulations or bureaucratic procedures that are considered excessive or excessively time- and effort-consuming.

- Street-level bureaucracy

It is the subset of a public agency or government institution containing the individuals who carry out and enforce the actions required by laws and public policies

EXAMPLE

The European Commission has a competition that offers an award for the "Best Idea for Red Tape Reduction". The competition is "aimed at identifying innovative suggestions for reducing unnecessary bureaucracy stemming from European law". In 2008, the European Commission held a conference entitled 'Cutting Red Tape for Europe'. The goal of the conference was "reducing red tape and overbearing bureaucracy" to help "business people and entrepreneurs improve competitiveness. "

A bureaucracy is an organization of non-elected officials of a government or organization who implements the rules, laws, and functions of their institution. A bureaucrat is a member of a bureaucracy and can comprise the administration of any organization of any size, though the

term usually connotes someone within an institution of government. Bureaucrat jobs were historically often "desk jobs," though the modern bureaucrat may be found "in the field" as well as in an office. Public administration houses the implementation of government policy and an academic discipline that studies this implementation and that prepares civil servants for this work. In the US, civil servants and academics such as Woodrow Wilson promoted American civil service reform in the 1880s, moving public administration into academia.

Red tape is excessive regulation or rigid conformity to formal rules that is considered redundant or bureaucratic and hinders or prevents action or decision-making. It is usually applied to governments, corporations and other large organizations. Red tape generally includes filling out paperwork, obtaining licenses, having multiple people or committees approve a decision and various low-level rules that make conducting one's affairs slower, more difficult, or both. Red tape can also include "filing and certification requirements, reporting, investigation, inspection and enforcement practices, and procedures". The "cutting of red tape" is a popular electoral and policy promise. In the United States, a number of committees have discussed and

debated Red Tape Reduction Acts. Across the Atlantic, the European Commission has a competition that offers an award for the "Best Idea for Red Tape Reduction". The competition is "aimed at identifying innovative suggestions for reducing unnecessary bureaucracy stemming from European law". In 2008, the European Commission held a conference entitled 'Cutting Red Tape for Europe'. The goal of the conference was "reducing red tape and overbearing bureaucracy" to help "business people and entrepreneurs improve competitiveness".

As opposed to bureaucrats carrying out "desk jobs," street-level bureaucracy is the subset of a public agency or government institution containing the individuals who carry out and enforce the actions required by laws and public policies. Street-level bureaucracy is accompanied by the idea that these individuals vary the extents to which they enforce the rules and laws assigned to them. The concept of street-level bureaucracy was first coined by Michael Lipsky in 1980, who argued that "policy implementation in the end comes down to the people who actually implement it". He argued that state employees such as police and social workers should be seen as part of the "policy-making community" and as exercisers of political power. Street-

level bureaucrats include police officers, firefighters, and other individuals, who on a daily basis interact with regular citizens and provide the force behind the given rules and laws in their areas of expertise.

Chapter 5

Some Financial Issues of Public Administration

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Some Financial Issues of Public Administration

Significance and Concept of Budget in Public Administration

The budget in its elementary form had been part of almost all monarchies of the history. There have been written documents regarding the existence of the state treasury, accountants and auditors who were employed by the monarchs to protect the royal treasury. The modern democracies have the legislatures playing an important role in the managing of public finances. The taxes that are collected and the revenues that are generated by the government through several means are to be used for the development and welfare of the society. The emergence of the Welfare State made it important that the government money is being judiciously used to better the living conditions of society in general and the marginalized sections in particular.

The process of budgets fulfills important functions in the economy of the nation. They act as a means to carry out

several objectives of the public organization. Some of the important roles of budget in the national economy are:

- Prioritization of the allocation of the public resources
- Achieving policy goals through prudent financial planning
- Establishing accountability regarding the usage of the tax payers money
- Financial controls also ensure compliance to rules and increase in efficiency

In some countries, the executive part of the government also plays an important part regarding the revenues and expenditures of the government and the legislative is reduced to just an approving and reviewing authority, e.g. in UK where the budget process is primarily dominated by the executive (the House of Commons). A more balanced approach of distributing power is practiced in the USA where the legislature can review and make changes to the budget presented by the President and the President finally approves it after satisfactory checks and balances are concluded.

The dominance of executive or legislature in the budgeting process is a matter of debate as many consider the

legislative to be an obstacle in the fast paced globalized economy where foreign direct investment and monetary funding from organizations like IMF and World Bank is of crucial importance to several democracies. There are several measures suggested to expedite the decision making process from fixing the term of the legislatures, introducing citizen panels, attaching funding power at local levels to bringing in two year budgetary cycle and special legislation regarding expenditure management.

The government expenditure is funded by a common pool of tax payer's money and the policies that are formed with this money are further used to fund projects. The catch here lies in the fact that the people who actually are paying for these policies are the larger group while the people who benefit from these policies might be a much smaller group, which translates that one might not be enjoying the benefits for which one is paying money. Such scenario leads to an excessive spending of public money on policies which are not beneficial to the society as a whole. Such situations are prevalent in democracies which are multi-lingual, multi-ethnic and divided on the basis of regions, religions and other factors.

Budgetary Process in Different Countries

We have read earlier regarding the relevance of budget in the economies of the nations. Apart from the prioritization and allocation of resources and being an account of political compromises, victory and losses, budgets play one another important role. They are a mirror into the future; they create a picture of what the future consequences of current actions shall be, desirable or miserable. Budgets therefore have to be well thought out plans which should not aim at only short term benefits but also look at long term gains.

According to author Aaron B. Wildavsky, in the book, *Budgeting: A comparative theory of budgeting processes*, a very pertinent question which arises are:

- Who will plan the budgetary process, a central authority, decentralized or delegated authority or non-centralized independent authorities
- How will the planning occur, through a central body which will form regulations or a price system acting through non-centralized units

The budgeting process has a lot to do with the available resources and wealth of a country. If the country is poor but the environmental conditions are stable and certain, the most commonly found budgeting method is revenue budgeting. When the wealth is absent i.e. a country is poor as well as the environment is uncertain, the budgeting process is that of repetitive budgeting. Repetitive budgeting is a common phenomenon for the poor countries where the budgeting happens several times over the year due to changing scenarios, limited funds and misplaced strategies.

The rich countries which have certain environments go for incremental budgeting and in case there are uncertainties, the incremental budget is alternated with repetitive budget. The difference in the budgeting process amongst different nations also happens because of their respective taxing system and the how and choice of programs they spend money on. So while, Japan has an electoral party, the Liberal Democratic Party which plays an important role in the budgeting process, France has a mixed Presidential-Parliamentary system, the USA has an independent legislature and executive and the cabinet in UK

is responsible for important decisions regarding revenues, taxes and expenditure.

In the USA, The Office of Management and Budget steer the President in realizing the budget goals. The respective government agencies put their request for funds which are reviewed. The House Appropriations Committee decides how much money should be given for each purpose however the final deciding power lies with the Congress. After the budget reforms of 1974, many sub committees gave up their guardianship and the role played by them was taken over by the higher House bodies.

In India, the Union Budget is presented by the Finance Minister every year in February. The process begins with a budget speech in the parliament which has two parts, one outlining the general economic scenario and the second part which contains details of the proposed taxations for the next financial year. A general discussion on the budget happens after few days of its presentation and a voting happens on the request for grants.

An important aspect of this process is the Cut Motions which allows the members of the upper house to question the

policies and programs of the government where the money is being spent. These cut motions are of three types namely:

- Policy cut where the amount for demand is reduced by a meager Rs1 which also implies that the mover disapproves of the policy
- Economic cut where the demand is reduced by a specific sum
- Token cut is when the demand amount is reduced by Rs.100

The Parliamentary Committee plays a significant role only when the limited time of the parliament leads to the Guillotine situation where not all demands are discussed. In this situation the department related standing committees and financial committees undertake the task to scrutinize in details, the government spending, expenditures and performance.

The budgetary process in UK is lengthy too, where the departments submit their funding requests or Main Supply Estimates to the HM or the Her Majesty's Treasury. The government then releases a consolidated document called the Central Government Supply Estimates for the year. Agencies have respective oversight committee in parliament which oversees the changes if any made in the requests

submitted. The UK parliament does not take a decision upon the new budget until summer and therefore the funding for the respective agencies continue up until the new budget is enacted.

In the rapidly developing economy like China, the central agency that control budget is Ministry of Finance (MoF). The National Auditing Committee audits the MoF and the most common discrepancy cited by them was the over allocation than the budgeted amount or not allocating the sum mentioned in the budget requests. The Chinese legislature the National People's Congress lacks any substantial control over the budgeting process which is often cited as the root of the budgetary problems in China.

It would be interesting to learn more about the budget processes of other nations as well however, it lies beyond the scope of this particular article. However, it is recommended to the readers and students that they try to explore the budgetary process of nations like France and Germany and the contrasting countries like Somalia and Zimbabwe in Africa, Afghanistan as well as Pakistan, Bangladesh and Thailand in Asia.

Importance of Audit in Public Sector Organizations

Audit is an instrument, a tool of financial control, which is employed by the public or private sector or an individual to safeguard itself against fraud, extravagance and more importantly to bring credibility to the audited. According to International Organization of Supreme Audit Institutions audit is defined as “Evaluation or examination of systems, operations and activities of a specific entity, to ascertain they are executed or they function within the framework of certain budget, objectives, rules and requirements.” This is a modern definition of audit in Public sector and does not constrict itself with only cash audit, which was the case originally.

For sound and effective functioning of government and to ascertain that the benefit of public funds being used, reach the lowest strata of society and to every individual, audit is an indispensable tool. It helps secure accountability of the executive to the Parliament and towards the public in general. The legislature can exercise control over the executives and verify that the public resources have been utilized responsibly, for the purpose intended and funds

raised through various sources like taxes reach government fully.

There are a few International bodies which recommends agreed upon auditing practices, reports and requirements. They are:

1. INTOSAI: International Organization of Supreme Audit Institutions
2. IFAC: International Federation of Accountants
3. IGAE: Intervencion General de la Administracion del Estado

In accordance with the target objective several kinds of audit can be defined in Public Sector.

1. **Financial Audit:** Intended to verify financial statements, accounts and balances as per generally accepted accounting principles. Also, to verify money expended has been applied to the same purpose and premise for which it was obtained and within the boundaries of acceptable vagaries.
2. **Audit of Legality Concordance:** Intended to verify all transactions, processes are in full accordance with

the law of the land and do not in any case harm or influence an organization or an individual for its own means.

3. **Audit of efficacy or of programs:** Intends to verify the result obtained from a plan for which money was employed is in conformance with the objective for which program was made.
4. **Audit of Economy and efficiency:** Intends to verify the way resources have been managed. Whether resources have been acquired at minimum cost and employed for maximum benefit.
5. **Audit of Systems and Procedures:** It is important for every organization which follows rules and laid down principles to verify its system and processes for improvement and quality conformance.

Financial and Audit of Legality concordance were originally grouped together to form Audit of Regularity and rest other audits were termed as Operational Audit.

After audit is complete it is necessary to file a report which has adequate representation of facts and figures, adequate content, adequate preparation, adequate opinion for

the target audience to understand it better and enough publicity for the report.

Audit must be treated as an instrument for exercising control over processes, systems, finances and individuals to make governments and governing bodies more responsible towards the public and its resources, but it cannot be considered as an end unto itself.

Chapter 6

Personnel

Administration

Chapter 6

Personnel Administration

What is Personnel Administration?

Employees form the core and the backbone of any organization and public organizations are no different. According to authors William Mosher and J. Donald Kingsley, the key to better governance lies in effective personnel management.

Personnel Administration is also popularly known as Human Resources Management. Just as people of a country are its whole and sole the same way personnel (employees) are for an organisation to make it successful. However, manpower (raw labour/people who are able to do work) itself does not contribute to the success/development of the organisation, it has to be converted into human resources through systematic planning, adequate training and proper education. Human resource is converted to human capital through adequate administration and human resources are the most important and valuable asset and part of an organisation as over time their value never depreciates, in

fact it only increases with the passage of time unlike other assets and resources of an organisation. Adequate usage of human resources/personnel automatically ensures optimum utilisation of financial, physical and technological resources.

With the emergence of democratic institutions and the welfare state, government as well as corporates' tasks are on a steep increase and so there is an increased demand for personnel at every level in terms of efficient discharge of their duties, and it is the job of the Personnel Administration department to assure that this demand is met at the right time with the suitable candidates.

Personnel Administration does not have a standard definition but still there is unanimity among writers on one that is as put by Flippo" Personnel function is concerned with the procurement, development, compensation, integration and maintenance of the personnel and their inter-relationships in an organisation for the purpose of contributing toward the accomplishment of that organisation's major goals and objectives.

Thus, Personnel Administration deals with recruitment, placement, training, disciplinary measures,

curbing nepotism and favouritism, monetary and non-monetary incentives and retirement benefits of the personnel within an organisation as well as handle the nature of personnel relationships in the organisation as well as assisting the top management in negotiating with labour unions. Personnel administration also includes all those activities and functions relating to policy formulation, planning, policy implementation, social change and modernisation, administrative reforms and public relations in an organisation.

Personnel Administration is affected by the socio-economic-political environment as well. For example, in the era of welfare and developmental programmes, personnel/employees are now expected to be more efficient, effective, sympathetic and competent. People's involvement in administration is also increasing via NGOs, NPOs, Civil Society and other policies and programs of the government. Personnel are to perform 'line' and 'staff' functions, line functions refer to those activities related to the primary activity of the organization and the staff functions are those which facilitate and assist the performance of line work. Like staff perform the functions of processing and supplying

required number of personnel and training and development of personnel whereas those personnel perform the field and executory works of the organizations goals and objectives.

It is not a simple area of management in today's times as Personnel management/administration has to keep the motivation and morale of the personnel high every time for them to whole heartedly perform the humongous tasks they have at hand efficiently and competently as well as sympathetically.

Thus we can see that without an efficient personnel management/administration or more popularly as it is called Human Resources management contributing to Human Resources/Personnel Development, it is impossible to achieve organizational goals and become a successful organization.

For effective personnel administration there are certain criteria that need to be fulfilled like:

- Highly qualified workforce of civil servants
- Fair and equitable wages
- Rights of representation

- Work conditions to be decided taking the employee choices and needs in consideration
- Establishing the prestige of civil service employment

Steps of Personnel Management

Classification is the first step in personnel management wherein similar kinds of posts are grouped together based on their duties and responsibilities. A formal classification plan shows all the classes with each existing job and position suitably placed with respect to each other in an orderly manner. This in turn is supplemented by rules, regulations for their administration, interpretation and amendment.

The second step becomes position classification which explains the individual position of that role within the public administration machinery. It also defines the duties and responsibilities for which the individual holding the position shall be accountable for.

The third step is the process of recruitment. Recruitment in government organization is all about finding the right people for the right job. It involves having good

public relations, employment campaigns and effective systems of selection of the people.

The next step is the **training**. Training develops skills and habits and also develops the requisite mental attitude and morale of the civil servants. Training helps the civil servants to carry out their day to day job related transactions with precision, adapt to the changing socio-economic needs, and understand the larger and broader picture of administration and also to make their job interesting and be able to take newer responsibilities.

Next comes, the **promotion or the increase in rank or status**. It is essential that the employees are provided with timely promotion to develop their talent and increase their morale and motivation levels. While the process means increase in pay grade and responsibilities for the employees, the same process allows the management to select and pick the best suitable person from an available pool to fulfill higher responsibilities.

The last step is the **pay and service of the civil servants**. The salary scales of civil servants are based on several factors like:

- Cost of living
- Equal pay for equal work
- Man-power availability which means that if the manpower for a particular job is in abundance then everybody gets low wages which maintains parity
- Legislation like minimum wages act or the Pay Commission's directives in India
- Social considerations of accepted difference between the high and the low salaries
- Relativity with respect to similar positions in other organization and countries
- Regional variation

The service conditions include leave, holidays, hours of work, accommodation, healthcare, working conditions and other miscellaneous aspects.

One of the oldest problems that plague the personnel administration in all countries is the liberal seepage of politics in all its aspects. Despite of the attempts of the scholars to separate politics and administration, the divorce exists only in textbooks and on paper. The personnel

administration of the public organization has emerged as a triumph of technique over purpose. While the civil servants are selected through rigorous methods of written examination, personal interviews, scores, the rule of three, split-digit ranking etc, but the question remains whether they actually serve the objectives of the organization.

The system which cites itself as based on merit degenerates into a protectionist system. The entrance exams are designed to test competence for jobs at junior levels only and later there is no system of objective evaluation of desired competence level for senior and complex roles. For most parts, these exams rarely test the attitude and seem outdated and redundant to meet the challenges of the current needs. The career growth as well, within the system is based on patronage and politics rather than qualification and merit. The disqualification based on incompetence is rarely ever heard in public organizations and even when it happens, the government bears heavy expenditure for the same. The presence of an unnecessarily large workforce also is a problem with the government organizations. A lean structure in these organizations would mean efficient and timely performance.

Evolution and theoretical development of personnel administration

Though the concept and theory of Personnel Administration has its germination in the West, in India the scene developed via motivation by governmental efforts and managerial preoccupation with welfare concept and frustration with unsystematic recruitment practices, loss making Public Service Undertakings, growing labour unrest, loss of production, etc. It led to establishments of posts like Labour Welfare Officer/Personnel Officer in public as well as private organisations that have evolved over time since the early 1930's.

Taylor's Scientific Management was the foundation stone for the development of this field through his principle of scientific selection and systematic training and development of the worker and Gantt later emphasised on it by adding that together with the above there was also a need for obtaining the willing cooperation of the worker. The same was also emphasised by M.P Follett.

The biggest watershed came with the advent of the Human Relations revolution which made the study/theory of

this field interdisciplinary by integrating sociology, psychology, industrial psychology, social psychology, etc that brought in the approach of motivation and morale.

Also a lot of events led to its growth in the practical sense like the shortage of labour and labour issues during the world wars, the Great Depression of 1930's warranted efficient personnel administration for elimination of wastage and maximum utilization of resources for maximum benefit.

Functions of Personnel Administration

Manpower Planning

Before the process of Recruitment begins, Manpower Planning precedes it. Now first let us understand what is Manpower Planning. Manpower planning as one of the functions of Personnel Administration is of utmost importance. It is the process of assessment of an organisation's requirements in terms of number of personnel needed for a job, job definition/description, skills and specialisation it incorporates, duration for which the personnel is required, nature of work, objectives of the job in line with the objectives and goals of the organisation, etc. It is a sound manpower planning that gives adequate time for

recruitment, selection and training of such personnel, in short it lays down a full blueprint/chart of processes to follow and the time period it should follow.

Recruitment

Once Manpower Planning is done, the process of recruitment begins. Recruitment is the process that entails the search for prospective workers and stimulating them to apply for the jobs put up by the personnel administration on behalf of the organisation. It is based on selection of the best principle where a number applicants are invited for a single job opening and then the unwanted are eliminated selecting the one for the job who suits all the prerequisites suitably. Recruitment can make a break an organisation because even a brilliant training module cannot repair a faulty recruitment.

The recruitment process consists of attractive recruitment literature and publicity, finding out target sector and people, usage of scientific tests for ability and aptitude testing of prospective candidates, tapping right candidates from within the organisation as well as outside as the requirement be (sometimes only one way or combined), placement of the right man for the right job and

effective probation period process and proper induction into the organisation.

Training

Training is the continuous process of imparting and upgrading/developing professional knowledge, broader vision, correct, ethical and novel patterns of behaviour, habits and aptitudes, awareness of organisational as well as societal objectives, increasing morale and motivation and the employee's potential contribution to the same. It is an ongoing process of response to a need.

Types of Training:

There are two types of training - Formal and Informal.

a) Informal Training - Trial and error method is used and lessons are learnt from the mistakes by employees. The success of this technique of training lies on the experience and seniority of the senior officer and his/her interest in the new entrant.

b) Formal Training - It is the inculcation of administrative skills in the personnel through well-defined courses. Examples are - Pre entry training, orientation training, in-service training, vocational training, etc.

Informal training helps in improving the quality of administration whereas formal training helps in the broadening the faculty of the personnel.

Other methods of training can be the lecture method, case-study method, syndicate method (group of individuals or organisations combined or making joint effort to undertake some specific duty/transaction, in this case training purpose), etc.

Every organisation and system of personnel administration must pay immense and minute attention to the training needs of employees of the organisation as it is the heart of the system.

Career Advancement

Career advancement as a function of personnel administration is concerned with the activities that promote job growth or expansion of job roles/responsibilities. It is how an individual /employee manages his/her career within the organization (promotion, internal job postings, etc) and between different organisations(shifting jobs, changing organisations for career growth and development/advancement) as well as providing refinement

of skills opportunities and knowledge to the employees together with identifying options of growth for them. It is an ongoing and dynamic process.

The Personnel Administration department/Human Resources management department has the responsibility to encouraging and supporting in reviewing and re-assessing their goals and activities as well as to provide valuable feedback and learning activities or resources and can contribute significantly to the staff member's career development by supporting career development activities within the department.

The support for career development via the Personnel/Human Resource dept.is important because:

- Current information about the organization and future trends helps employees create more realistic career development goals.
- Focus on skill development contributes to learning opportunities.
- Opportunities for promotion and/or lateral moves contribute to the employee's career satisfaction.

- A greater sense of responsibility for managing one's own career contributes to self-confidence
- Career planning and development clarifies the match between organizational and individual employee goals .
- It's cost-effective to use the HRD(Human Resource dept./Personnel Administration) staff talent to provide career development opportunities within your department .
- Career development increases employee motivation and productivity
- Attention to career development helps the HRD attract top staff and retain valued employees
- Supporting career development and growth of employees is mandated by the Philosophy of Human Resources Management.

Career development can be supported by:

- Referring to the Employee Development & Training catalog for the career development course listings.
- Annually, conduct an individual development plan and career discussion with employees and require

other supervisors in the concerned department to do the same.

- Hold supervisors in the respective department accountable for supporting employee development efforts.
- Create programs and activities to provide skill development, such as job rotation, cross-training, mentoring, internships, coaching, and career strategy groups.
- Recognize that HRD's role includes providing support and/or release time for staff members' development beyond their current jobs. Refer to the Education and Development Leave policy and the Flextime Scheduling: Guidelines and Procedures policy.
- Support requests for alternate work schedules from staff members.
- HRD should serve as a role model by participating in career and professional development opportunities.
- See staff members' applications for other positions as a healthy sign of a dynamic workplace.
- Support lateral moves within the organization.

- Refer employees to the Staff Internship Program to explore opportunities to apply for career development internships or self-initiate an internship in an area of special interest.
- Create job vacancy listings that allow for the most diverse applicant pool while honoring transferable skills.

Roles the department can play to attain the goal of career development/advancement of employees:

COACH:

Helps employees identify strengths, weaknesses, interests, and values by maintaining open, effective communication and ongoing encouragement. Coaching can be improved by:

- Encouraging two-way dialogue
- Showing employees how to identify their skills, interests, and values
- Scheduling uninterrupted career development discussions

ADVISOR:

Provides organizational information, realities, and resources to employees. Can improve advising by:

- Helping employees develop realistic career goals based on HRD department's needs and their individual development plans
- Helping employees understand the current opportunities and limitations on the campus
- Advising employees on the feasibility of various career options

APPRAISER:

Evaluates employees' performance in an open, candid way and relates this to potential opportunities. Can improve the appraisal skills by:

- Providing frequent feedback in a way that fosters development
- Conducting performance appraisals that define strengths, weaknesses, and career development needs
- Relating current performance to future potential in realistic ways

- Using an individual development plan as a tool for continual feedback and development

REFERRAL AGENT:

Helps employees meet their goals through contacts with people and resources. You can improve your referral agent skills by:

- Helping employees formulate development plans and consulting on strategies
- Providing opportunities for experience, exposure, and visibility, such as committees and task forces)
- Using personal resources who HRD would know and what the dept. knows to create opportunities
- Assisting in seeking employees' placement lateral or vertical

Position Classification:

In Personnel administration position classification means grouping of various positions on the basis of the commonality of responsibilities and duties. It started with the movement of equal pay for equal work. It brings orderliness into the system and makes treatment uniform to people irrespective of their caste, status, birth, age, gender,

etc. It also is handy as a functional tool since it makes clear even to the incumbent about his responsibilities and duties as well as hierarchical systems formally associated with his/her position.

A set of similar/identical positions and having identical qualifications, functional and salary structure when put together form a 'class'. In India classes are further grouped into broader occupational groups called 'services' like All India Service, Central and State Services.

The Grade system of position classification is used to denote all 'classes' of positions which (though different in subject matter or kind of work) are sufficiently similar as to the level of difficulty and responsibility and level of qualifications for the job like civil engineer, accountant, geologist, etc.

Each position classification is placed under a 'class' and each class should be placed in the appropriate 'Grade'.

Advantages of position classification:

- a) Facilitates Division of work.
- b) Removes arbitrary standards.

- c) Promotes employee equality and motivation.
- d) Ensures effective Manpower planning and utilisation.
- e) Lays down uniform work standards.
- f) Speeds up recruitment process and indicates training needs.
- g) Helps in maintaining updated personnel records.

Disadvantages of position classification:

- a) Introduces element of rigidity in personnel system.
- b) Under it, it is difficult to shift an employee from one position to another in the interest of the administration.
- c) Tends to get stale rather soon and a lot of effort is needed to keep it up to date.
- d) Constant pressure from employees to upgrade their positions.

Discipline

Discipline in simple terms can be stated as the force that prompts individuals, organisations, nations, etc to observe rules and regulations and policies stipulated by the

above mentioned which are deemed necessary for the effective running of the same.

How discipline is instilled in an organisation:

- a) Clearly stated rules, regulations, objectives and code of conduct of the organisation which are constantly updated and reviewed.
- b) No discrimination in enforcing the above.
- c) Proper communication among all levels.
- d) Strong disciplinary action so that indiscipline is not committed the second time.
- e) Practices that breed indiscipline should be discouraged and prevented like favoritism, lack of communication, lack of leadership, low morale and motivation among staff, irregularity and non-punctuality.

Disciplinary actions to be taken and sequence of actions followed from trivial offences to serious:

- a) Oral warning.
- b) Loss of entitlement/incentive.
- c) Suspension.
- d) Demotion.

e) Appointment termination.

f) Dismissal.

Performance Appraisal

A **performance appraisal** (PA) or **performance evaluation** is a systematic and periodic process conducted by the human resource/personnel administration that assesses an individual employee's job performance and productivity in relation to certain pre-established criteria and organizational objectives.

It happens annually in most organisations. It also considers other factors as well like behaviour, potential for future improvement, strengths and weaknesses, etc. That is it looks into professional as well as personal accomplishments within the organisation but the focus being on the former more.

It uses a number of techniques to do so like forms to fill in and rate the criteria mentioned on it, one is done by the employee of himself and what he thinks of his management and the other is filled in by the manager or superior officer of the concerned employee which then is followed by an interview with the human resource/personnel administration

and the higher management. It can lead to promotions, higher pay and job responsibilities, etc.

It helps in establishing clear communication and also informs and updates both parties of factors that can be improved upon, goal setting, performance improvement and determination of training needs of the employees.

The personnel administration should ensure a fair, transparent and just performance appraisal system to get out the positive effects of it and promote morale and motivation by excluding arbitrary actions of higher management.

Promotion

Promotion is derived from the Latin word meaning 'to move forward'. It can be a horizontal (same level) promotion or vertical (higher position) promotion along with higher emoluments and responsibilities.

It is necessary for rewarding an employee for accomplishments and boosting morale and motivation and retain his/her services.

It should be just, fair and equal for the true spirit and benefits of the same to be yielded for the organisation.

The standard specifications should be made clear to all employees of the organisation setting forth the duties, qualifications, merit factors and ways of determining the same should be clearly outlined and specified beforehand so that there is no ambiguity regarding the same in any body's mind.

Promotion as a process is required because from time to time there are vacancies that need to be filled up in an organisation and the best are to be selected for the same from within. There are few posts and many contenders therefore the personnel administration has to be very careful and alert while carrying out the same as a bad promotion policy has major negative ramifications for the whole organisation.

Principles of promotion are:

- **Seniority principle** - The employee having the maximum length of service should be promoted once the senior officer retires/leaves. The merits are that it is easy to follow, promotes equity, filters out nepotism and favouritism, reduces unhealthy rivalry. Its drawbacks are that it does not necessarily select the best and most deserving, it leads to demoralisation of employees in matters of work and initiatives because

all they will be concerned about is maximising their tenure and nothing else, etc.

It has been agreed by many that for promotion to higher posts the principle of merit should be followed, in promotion to secondary posts there should be merit first and secondary should be seniority and in promotion in lower level positions the principle of seniority works well because higher positions need qualities more than age to be carried out.

- **Merit Principle:** It is the opposite or counter view to the seniority principle and advocates the technique of tests like aptitude and personality, etc and specific criteria to determine the best candidate for promotion amongst the respective class/grade/service/rank, etc. There are various methods used to determine merit which are Written exams, Direction of the head of department (like the recent appointment of Cyrus Mistry as head of Tata group on the methods prescribed by the owner Mr. Ratan Tata), Efficiency ratings like production/work records and personality potential, etc. And the last is the interview method that brings out the personal as well as professional

characteristics of the person spontaneously in front of distinguished panelists.

For a sound promotion system there should be a sound and just promotion policy outlined and clearly communicated to the employees and they should be provided with all the opportunities to bring them on equal footing with the other contenders as well as there should be a promotion grievance board setup with a representative if the head of organisation presiding over to hear appeals against the same.

Pay and Service Conditions:

Pay is one of the mainsprings of motivation in a society and together with appropriate working conditions it is the base of a sound organizational system and it's functioning.

A salary scale should be determined on the basis of the current and expected cost of living of an individual and his family. There should be equal pay for equal work with no discrimination at all in the same. The minimum wages benchmark should be religiously followed. Public and private jobs should have less salary disparity as possible between each other as well as within their respective same

sectors. A sound and attractive incentive scheme to boost efficiency and production.

Service Conditions:

Proper leave structure, holidays list and hours of work, rest periods, staff welfare and office accommodation conditions, health care policy and housing policy should be clearly defined and communicated to the employee. The hygiene factors that affect the productivity of the employee like proper ventilation, lighting and noise reduction premises as well as proper sanitation should be taken good care of. Drawbacks like unnecessary documentation, complex policies and delay due to the same should be checked and avoided for it to function properly and keep the employees charged.

There should also be a neutral and just board/system set up for grievance redressal regarding the same in the organisation for the above process and function so that it is kept up to date and relevant with the current needs and changing times and does not become redundant leading to employee dissatisfaction and attrition at times.

Employer Employee Relations

Employer employee relations can be amplified and made better through the following mechanisms that are already being followed:

A) Employee Unions:

From private organisations right to civil servants there have always been associations of all co-workers who come together for collective bargaining and negotiations on their behalf where an individual voice could be drowned out.

This is encouraged by the govt. as well a employers in other organisations as it helps maintain that they have a concern for the employees with a view for transparency and open communication and that team work and relations are bettered leading to better quality of work and efficiency.

As civil servants under the civil services rules and regulations have been denied the right to strike and participate in political activities given their sensitive positions and tremendous importance in the service of the country, therefore this is the recourse they have taken to protect themselves and make the govt. hear their grievances and solve the same. These associations have been recognised

by the government officially under central Civil service (Recognition of service association) rules,1959.

B) Joint consultative machinery:

It consists of representatives from both sides of parties, that is, from the employer side as well as from the employees' side who sit across to get a means of clear communication between the two and work towards a solution unitedly and in the benefit of both. Staff councils at various ministries of government, departmental councils in various departments are examples of the same.

It is a voluntary machinery where on a particular subject of disagreement the both parties sign a joint intent agreement and enter into a joint discussion machinery mode. Sometimes the respective parties also form committees to study the matter and advise them or arbitrate on their behalf if the final authority which is the cabinet rejects the joint declaration and sends back for reconsideration. Most of the times the arbitration is done by a Compulsory Arbitration board consisting of three members where one is drawn from a panel of five names submitted by the official side that is the parties concerned, second from similar panel submitted

by staff side of the National council(apex body of all joint councils in all ministries and departments in the nation consisting of 85 members, 25 of whom are nominated by the govt. and rest by the staff of various associations/unions/federations, etc), and the chairman is an independent, just and neutral candidate having no connection with anyone. All of them are selected by the Ministry of Labour and the first board was set up in 1968. It adjudicates in matter relating only to pay and allowance, weekly hours of work and leave of a class or grade of employees. No individual cases are taken. Its guidelines are binding on both parties for five years until repealed by parliament on grounds of national economy or social justice.

Code of Conduct:

A right code of conduct should be prescribed by organisations to put the employees/personnel on the right track and get the goals of the organisation realised because if left to the employees to do the same each one will have

their own way of doing so and that will lead only to disharmony and chaos.

Code of conduct of civil servants:

- a) restrictions on political activities.
- b) Political neutrality.
- c) Restrictions on relation with mass media, outsiders and indulging in criticism of government as well as public demonstrations and accepting gifts/presents.
- d) Restrictions on matter of private business/employment, property apart from government sanctioned ones, and investments speculation that he is privy to that could cause him or any private organisation undue benefit (like stock market trading, etc).
- e) No disclosure of Official documents/information to anyone not authorised to receive the same.

Any deviation from the above will invite strict disciplinary action which has been discussed above under the sub title of " Discipline".

Administrative Ethics:

Manipulation and lack of ethics lead to humongous negative effects and reduce efficiency in an organisation.

Therefore, the enforcement and development of administrative ethics in public servants in today's welfare state times as well as the sensitive position they occupy is of utmost priority and urgency.

The essentials to ensure the practice of ethics in administration are:

- a) Faith, determination towards pursuit of excellence of service in their professional activities via methods of training and sensitisation.
- b) Infusion of ethics into politics through trainings, etc so that it is passed on to their sub ordinates that are the civil servants.
- c) Relations between citizens and personnel to create favourable opinion of society and people towards public services and servants.
- d) Need for character building in public servants through education, adult education and functional or job responsibility literacy.
- e) Impartiality should be practiced and encouraged.
- f) Political neutrality in civil servants.

g) Education of people and society regarding their rights the work of public servants and redressal mechanisms available to the people against them and the government.

Retirement:

Retirement as a function of Personnel Administration as well as from an organizational point of view is extremely necessary as it helps increase efficiency of public services and organizations by eliminating employees from services due to old age, infirmity, inability to perform duties anymore, etc. It is essential to maintain the system of promotion as the employees have to retire at a certain age and also this policy helps bring in new and fresh blood and ideas. A sound system of pension and retirement benefits help attract and retain the best talents as they do not have to worry about their future. The basic guidelines, rules and regulations of the same have been laid down and prescribed by the state/govt. and updated from time to time and proper adherence is mandatory.

Chapter 7
Performance
Management in
Public
Administration

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Performance Management in Public Administration

Introduction

The tradition of public sectors in both developed and developing countries has been to focus on the 'budget' as the key instrument of public sector management. While this has some justification, the emphasis on the budget has generally skewed management focus in public sectors to financial processes and to the timely disbursements of funds for budgeted activities. The result is often inadequate attention to the 'results' (and impacts) which such budgets should be supporting.

While undoubtedly important in terms of ensuring public goods and services are duly funded, the value of the budget as a tool of public sector management ultimately depends on how budget monies are used and managed. The issue is as much the budget plan and allocation as it is its *efficient and effective implementation*. Unfortunately, this second aspect of public sector management is often ignored

with to-be-expected consequences. Public sectors in both developing and developed countries are often noted for their inefficiencies, incompetence, wastefulness and corruption.

This calls into focus the second tool of public sector management, an unfortunately much overlooked and ignored tool viz *performance management*. At the root of the chronic inefficiencies and the poor implementation of policies that is encountered in developing country public sectors, is the inability of senior public sector management to manage the performance of their agencies and of the public sector as a whole effectively.

An effective performance management system in the public sector typically includes the following three elements:

1. System of establishing clear goals and targets - *the performance framework*.
2. Monitoring progress against these targets - *performance monitoring*.
3. Reporting results periodically - *performance reports and accountability*.

Any organization, be it in the public or private sector, needs an effective performance management system to

ensure it is efficient, effective and accountable to its stakeholders. In the public sector this is all the more important since many of the outcomes sought by the government through its various agencies can only be achieved through collaboration and coordination between these agencies. Hence the need for a system and framework to facilitate this coordination.

The Benefits of a Performance Management System

A performance management system provides major benefits. It clarifies the organization's results and related accountability; it promotes synergy between agencies; it encourages transparency by requiring reporting of results.

Clarifies Purpose, Results, Accountability

An effective organization must be clear about what it is expected to deliver. This may seem a rather obvious management principle, but it is surprising how many public sector organizations remain fuzzy about the specific results they should be delivering. Some fundamental questions need to be answered, such as:

Why does this organization exist?

Who are its clients?

What is it supposed to deliver for these clients? What are their expectations?

What benefits are its products and services supposed to bring?

Is the organization delivering what is expected of it?

Are its services acceptable in terms of quantity and quality?

Every unit, division, department or agency in the public service should be held accountable on a continuing basis for the goals assigned to it, and the value for money it delivers from the resources entrusted to its care. Within this context, every individual, manager, and chief executive should have annual performance targets whose attainment should be enforced by appropriate combinations of incentives and sanctions.

Promotes Synergy

Every policy, regulation, service, protection provided by the state is the work of numerous individuals, organizations and institutions. It is their linking up, their coordination and the synergy of their effort that provides efficiency and quality to public service. It must be the role of the performance management framework and system to

ensure this lining up, this coordination and this synergy.

When each organization is clear about its expected results, it also realizes that some of those results can only be achieved through the support and collaboration of sister agencies within the public sector, and sometimes agencies within the private or voluntary sectors as well. The education department cannot deliver effective education services unless the department of finance provides it with adequate budgets, the department of works assists it with maintenance of schools, and non-government educational organizations collaborate in areas where government outreach is not feasible.

Government as a whole sets its priorities through the budgetary process. It is essential this is then translated into a broad performance framework for the whole-of-government. This sets the scene for individual agencies to establish their own respective performance frameworks, ensuring these align with the w-o-g framework. We thus have a cascading

set of goals and priorities from the w-o-g down to individual units within agencies.

Ensures Transparency

Private sector agencies are held accountable through their annual report to shareholders. Public sector agencies must similarly be held to transparent account for their annual results. Unfortunately, this is often not taken very seriously. And if performance reports are submitted or tabled, they are usually never publicised or audited. This reinforces inefficiencies, poor performance and sometimes corruption.

The annual performance report of each public sector agency and of government as a whole is therefore critical. It provides clear indication as to whether the budget allocated to the agency for specific goods and services has indeed been used to good purpose. It clarifies whether the agency is indeed fulfilling its assigned mandate and purpose. And whether management needs to be recognised or sanctioned for performance.

It is also essential that budgets for each consequent period learn from and are based on the performance progress of the ongoing period. If they are not, this will ensure that

budgets remain input and activity-based, rather than results-oriented.

How to Implement

a Performance Management System

Step 1: Identify the Whole-of-Government Key Performance Indicators (KPIs)

Typically, a government is elected on the basis of ‘a manifesto’ – a platform of goals and policies that it commits to achieve if elected by the people. It is this manifesto that then becomes the basis for the initial ‘whole-of-government’ (w-o-g) performance framework.

Very simply, the w-o-g performance framework is the set of strategic priorities and outcomes that the government is committed to achieving as a whole.

It is the business of the public sector bureaucracy, in particular the apex coordinating agencies such as the departments of the prime minister, treasury, finance, and the public service commission, to assist cabinet translate the new government’s manifesto into a concrete performance framework which then provides a platform for all other

agencies to link to for guidance on their respective operating priorities.

The w-o-g performance framework usually identifies the key results areas for the government eg growth and macroeconomic stability, social development (health, education etc), governance strategies (public sector efficiencies, links with the non-government sectors, combatting corruption), and international relations and security.

It also clarifies the strategies it intends to adopt to achieve the key performance indicators and related targets.

Step 2: Clarify Agency Accountabilities for W-o-G KPIs:

Each group of KPIs, be they related to economic growth, social development, or security, can only be achieved by the coordinated contributions of various agencies. The departments of treasury, finance, internal revenue, customs and infrastructure for instance would have key roles to play in supporting economic growth through their respective roles in developing economic policy, collecting revenue, allocating it productively, and establishing/maintaining essential infrastructure. The sector

departments of health and education, and the provincial and local level governments, would have key roles in ensuring essential social services reach the people.

It is critical that each agency thus clarifies the strategic focus of its operations in the context of the w-o-g performance framework. This ensures that the whole machinery of government works to unified purposes.

Step 3: Agree on the Key Performance Reports for each KPI area:

It is essential that the government knows, at any given point of time, what is the progress its administration is making on the key indicators, priorities and targets it has set itself. These targets are its commitment to the people and if it wishes to be re-elected, it needs to show results against them.

Performance monitoring is an essential aspect of performance management, as is the public reporting of progress to demonstrate that results are being achieved with public monies. Thus, it is essential that both, each individual agency, as well as the government as a whole, produce

periodic performance reports for the consideration of parliament and the public.

Such performance reports serve a number of purposes – (i) they bring pressure on agency management to ensure the agency is working to clear, pre-specified results which must be reported on to cabinet and the public, (ii) they provide the government data on progress and therefore the basis for making interim policy changes if required, or resource allocation changes if necessary, (iii) they become the basis for performance evaluation of senior management of the agency, and (iv) they provide the public with information on how public monies are being used, are they getting value for money, and is the government of the delivering to its promises.

Performance Analysis

Public sector organizations usually have their results classified into ‘outputs’ and ‘outcomes’.

Outputs signify the *concrete deliverables* expected from the organization depending on its role and mandate. They are goods, products, services.

Outcomes are the *benefits and impacts* of those outputs; they are the rationale of the outputs.

Typical outputs of public sector organizations range from policies to regulations to services. Here are some examples:

- *Policy and Legislative Outputs:* Policies by Treasury to promote competition; Legislation by the Department of Environment to influence climate change; Regulations by Foreign Affairs to control border security; Education Curriculum Policy by the Department of Education to enhance quality of education.
- *Regulatory or Oversight Outputs:* Audits by the Auditor General, Investigations by the Ombudsman,

Environmental monitoring by the Department of Environment.

- *Functional Outputs:* Delivery of the budget by Treasury, Revenue collection by Customs, Maintenance of highways by Works.
- *Service Outputs:* Health clinics management, Health patrols, School maintenance, Road upgrading etc by Sector and Provincial/District Administrations.

Typical outcomes of development organizations could range from increased investment growth (as a result of new competition policy), or improved literacy (due to improved education services) or better mortality rates (due to improved health services).

It is important to ensure that the outputs targeted are indeed those that are strategically relevant to the desired outcomes. After all, it is outcomes that we are finally after – such as improved economic growth, full employment, quicker travel times, safer transport, and healthier environments. Public sector agencies need to continually check whether the outputs (policies, regulations, services)

they are providing do indeed help their clients and the community at large achieves these beneficial outcomes.

Performance Reports

The integration of output and outcome indicators into an organization's performance management assumes a relatively sophisticated *performance management and information system*. This includes the careful development of pertinent output and outcome indicators which indeed represent the mandate of the organization. It also assumes that these performance indicators and related targets have been tested for their achievability by the organization (if they are not achievable, they will never be taken seriously). It requires the disciplined collection and processing of performance information, and management analysis of this for implications on organizational performance.

Performance Gaps or Issues

A performance gap or issue is *the difference between the current and the desired level of performance*.

Performance here relates to the outcomes and outputs that the agency is supposed to deliver for its clients.

A performance issue does not need to have a negative connotation. It does not necessarily mean that current performance is inadequate. It is quite possible that a Department of Transport, for instance, is meeting its current goals and performance standards. However, given population growth projections of the major urban centres for instance, it is necessary for the department to seek to further enhance the efficiencies of its public transport system to meet new demands.

Evaluations of past capacity building interventions by development partners often indicate *inadequate or sloppy definition of the performance issues* or areas that need improvement. This initial sloppiness results in a poor analysis of contributory factors and compromises the consequent capacity development process.

There are typically two common mistakes made when specifying the performance issue:

- The performance issue is worded in broad and general terms. A classic example is the statement that the

‘quality of service is poor’. The term ‘quality of service’ can mean a number of things. The term ‘poor’ can mean a host of different inefficiencies and ineffectiveness. These terms may be referring to a lack of transparency. They can mean inadequate responsiveness to client complaints. They may refer to the performance of only some services and not to all of them. Hence it is advisable to avoid generalizations. Be specific about the performance issue/s to be addressed.

- The performance issue is often mistaken for the causes or factors contributing to inadequate performance. Staff absenteeism in the public service is not a performance issue. Rather, it is a possible factor contributing to poor performance (and as such is a capacity issue as we shall see later). Ineffective information systems or dysfunctional organization structures are not performance issues. They are potential contributors to poor performance. If we make them the performance issue, we have either lost sight of the results we want to improve or we have jumped to conclusions (without the benefit of a

disciplined diagnostic) on what is causing poor performance.

The cardinal principle in the capacity development process is - *never embark on the capacity development of an organization until the priority performance issues or improvement areas are clearly and precisely identified.*

The primary purpose of building capacity development is to address these issues or areas of performance improvement. If these issues are not clear in the first place, one cannot expect the capacity development intervention to result in positive outcomes.

Equally important is whether the *leadership* of the organization or team *accepts the performance issue/s as a concern, and is committed to the need to improve.* If this commitment is missing, this is a clear indication that the organization is not as yet ready to undertake the required capacity development process.

The logic of all of the above is simple. The factors responsible for underperformance cannot be identified and addressed if the organization is unclear about the performance issue in the first place. And secondly, if the

performance issue is clear but the leadership does not see the need to address it and improve, the capacity development effort will be wasted.

Using the Balanced Scorecard in the Public Sector

Why the need for a Balanced Scorecard?

Rarely will a day pass without someone commenting on the pace of change in modern organizations. In fact, it truly does seem as if change is the only constant in our turbulent world. One thing that has not changed, however, is the critical importance of crafting an effective strategy to differentiate you from rivals. While many organizations excel at creating strategies, sadly the vast majority struggle mightily to effectively execute with recent estimates suggesting upwards of 90% of organizations failing to implement their strategies. The reasons for this profound failure are many and varied, but may be summarized by a number of factors: first, in many organizations the vast majority of employees don't understand the vision and strategy, and of course it is very difficult to implement something you don't understand. Secondly, our performance measurement systems are geared primarily for measuring

past performance, chiefly financial results, when the execution of strategy demands a forward look. Finally, in today's organizational environment intangible assets are increasingly marking the difference between success and failure. Staff knowledge, stakeholder relationships, and cultures of innovation and change are the stuff of modern value creation, but their "soft" essence makes them difficult to identify, track, and fully exploit. Clearly a change is needed if organizations are to rise to the challenges awaiting them in the twenty-first century.

The Balanced Scorecard

The Balanced Scorecard (BSC) was developed to overcome many of the challenges outlined above. The framework was created in 1990 by two men: Robert Kaplan and David Norton. They realized that in order to thrive, or even compete, in the 21st century, organizations required a system that allowed them to take advantage of intangible assets, and balanced both financial and non-financial indicators of success, thereby increasing the odds of strategy execution. The basic premise behind the Balanced Scorecard is a simple, yet profound, one. Financial measures are, and

always will be important, but they must be supplemented with other indicators which predict future success.

At the center of the Balanced Scorecard you'll find the word "strategy." Unlike traditional performance measurement systems which have financial controls at their core, the Balanced Scorecard begins with an organization's strategy. We seek to translate the strategy into performance measures which can be tracked and used to gauge our success in the successful implementation of the strategy. For public sector enterprises, the Customer perspective is placed at the top of the Scorecard model. Here we measure our performance from the eyes of our customer. What do they expect or demand from us – timely service, quality, a deeper relationship, accessibility?.

By answering these questions we can derive measures that allow us to track our success from their perspective. Now we turn our gaze inward and examine our Internal Processes. To meet customer demands there are core processes at which we must excel. Every organization will have dozens if not hundreds of processes but in this

perspective we're attempting to measure our performance on those that directly impact performance for our customers.

As public sector organizations, it's critical to balance effectiveness (getting the job done for customers) with efficiency. That's where the Financial perspective comes in. Here we measure ourselves from the eyes of our financial stakeholders, and gauge their expectations for us as an organization.

Finally, the Scorecard forces us to grapple with the true value-creating mechanisms of modern organizations, intangible assets. We do so in the Employee Learning and Growth perspective. The focus here is on measuring three things: human capital (employee skills, training, etc.), information capital (access to information for example), and organizational capital – the ability to change and sustain success (culture, teamwork, etc.). Sometimes considered “soft stuff,” these measures are truly the enablers of everything else appearing on an organization's Balanced Scorecard.

Chapter 8

e-Government

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e-Government

What is eGovernment?

Electronic governance or **e-governance** is the application of information and communication technology (ICT) for delivering government services, exchange of information, communication transactions, integration of various stand-alone systems and services between government-to-customer (G2C), government-to-business (G2B), government-to-government (G2G) as well as back office processes and interactions within the entire government framework. Through e-governance, government services will be made available to citizens in a convenient, efficient and transparent manner. The three main target groups that can be distinguished in governance concepts are government, citizens and businesses/interest groups. In e-governance there are no distinct boundaries

Hence, we can define eGovernment as the use of information and communication technologies (ICTs) to improve the activities of public sector organisations. Some definitions restrict e-government to Internet-enabled

applications only, or only to interactions between government and outside groups. Here, we do not - all digital ICTs are included; all public sector activities are included.

Generally four basic models are available – government-to-citizen (customer), government-to-employees, government-to-government and government-to-business.

"E-government" is the use of the ICTs in public administration – combined with organizational change and new skills – to improve public services and democratic processes and to strengthen support to public. The problem in this definition to be congruence definition of e-governance is that there is no provision for governance of ICTs. As a matter of fact, the governance of ICTs requires most probably a substantial increase in regulation and policy-making capabilities, with all the expertise and opinion-shaping processes along the various social stakeholders of these concerns. So, the perspective of the e-governance is "the use of the technologies that both help governing and have to be governed". The public-private

partnership (PPP)-based e-governance projects are hugely successful in India.

Many countries are looking forward to a corruption-free government. E-government is one-way communication protocol whereas e-governance is two-way communication protocol. The essence of e-governance is to reach the beneficiary and ensure that the services intended to reach the desired individual has been met with. There should be an auto-response to support the essence of e-governance, whereby the Government realizes the efficacy of its governance. E-governance is by the governed, for the governed and of the governed.

Establishing the identity of the end beneficiary is a challenge in all citizen-centric services. Statistical information published by governments and world bodies does not always reveal the facts. The best form of e-governance cuts down on unwanted interference of too many layers while delivering governmental services. It depends on good infrastructural setup with the support of local processes and parameters for governments to reach their citizens or end

beneficiaries. Budget for planning, development and growth can be derived from well laid out e-governance systems.

Government to citizen

The goal of government-to-customer (G2C) e-governance is to offer a variety of ICT services to citizens in an efficient and economical manner, and to strengthen the relationship between government and citizens using technology.

There are several methods of government-to-customer e-governance. Two-way communication allows citizens to instant message directly with public administrators, and cast remote electronic votes (electronic voting) and instant opinion voting. Transactions such as payment of services, such as city utilities, can be completed online or over the phone. Mundane services such as name or address changes, applying for services or grants, or transferring existing services are more convenient and no longer have to be completed face to face.

Concerns

A full switch to government-to-customer e-governance will cost a large amount of money in

development and implementation. In addition, Government agencies do not always engage citizens in the development of their e-Gov services or accept feedback. Customers identified the following barriers to government-to-customer e-governance: not everyone has Internet access, especially in rural or low income areas, G2C technology can be problematic for citizens who lack computing skills. some G2C sites have technology requirements (such as browser requirements and plug-ins) that won't allow access to certain services, language barriers, the necessity for an e-mail address to access certain services, and a lack of privacy.

Government to employees

E-Governance to Employee partnership (G2E) Is one of four main primary interactions in the delivery model of E-Governance. It is the relationship between online tools, sources, and articles that help employees maintain communication with the government and their own companies. E-Governance relationship with Employees allows new learning technology in one simple place as the computer. Documents can now be stored and shared with other colleagues online. E-governance makes it possible for employees to become paperless and makes it easy for

employees to send important documents back and forth to colleagues all over the world instead of having to print out these records or fax. G2E services also include software for maintaining personal information and records of employees.

Some of the benefits of G2E expansion include:

- E-payroll – maintaining the online sources to view paychecks, pay stubs, pay bills, and keep records for tax information.
- E-benefits – be able to look up what benefits an employee is receiving and what benefits they have a right to.
- E-training – allows for new and current employees to regularly maintain the training they have through the development of new technology and to allow new employees to train and learn over new materials in one convenient location. E-learning is another way to keep employees informed on the important materials they need to know through the use of visuals, animation, videos, etc. It is usually a computer-based learning tool, although not always. It is also a way for

employees to learn at their own pace (distance learning), although it can be instructor-led.

- Maintaining records of personal information – Allows the system to keep all records in one easy location to update with every single bit of information that is relevant to a personal file. Examples being social security numbers, tax information, current address, and other information.

Government-to-employees (abbreviated G2E) is the online interactions through instantaneous communication tools between government units and their employees. G2E is one out of the four primary delivery models of e-Government.

G2E is an effective way to provide e-learning to the employees, bring them together and to promote knowledge sharing among them. It also gives employees the possibility of accessing information in regard to compensation and benefit policies, training and learning opportunities and civil rights laws. G2E services also includes software for

maintaining personnel information and records of employees.

Government to government

E-government

From the start of 1990s e-commerce and e-product, there has rampant integration of e-forms of government process. Governments have now tried to use their efficiencies of their techniques to cut down on waste. E-government is a fairly broad subject matter, but all relate to how the services and representation are now delivered and how they are now being implemented.

Many governments around the world have gradually turned to Information technologies (IT) in an effort to keep up with today's demands. Historically, many governments in this sphere have only been reactive but up until recently there has been a more proactive approach in developing comparable services such things as e-commerce and e-business.

Before, the structure emulated private-like business techniques. Recently that has all changed as e-government begins to make its own plan. Not only does e-government

introduce a new form of record keeping, it also continues to become more interactive to better the process of delivering services and promoting constituency participation.

The framework of such organization is now expected to increase more than ever by becoming efficient and reducing the time it takes to complete an objective. Some examples include paying utilities, tickets, and applying for permits. So far, the biggest concern is accessibility to Internet technologies for the average citizen. In an effort to help, administrations are now trying to aid those who do not have the skills to fully participate in this new medium of governance, especially now as e-government progressing to more e-governance terms

An overhaul of structure is now required as every pre-existing sub-entity must now merge under one concept of e-government. As a result, Public Policy has also seen changes due to the emerging of constituent participation and the Internet. Many governments such as Canada's have begun to invest in developing new mediums of communication of issues and information through virtual communication and participation. In practice this has led to several responses and adaptations by interest groups, activist, and lobbying groups.

This new medium has changed the way the polis interacts with government.

Municipal

The purpose to include e-governance to government is to means more efficient in various aspects. Whether it means to reduce cost by reducing paper clutter, staffing cost, or communicating with private citizens or public government.

E-government brings many advantages into play such as facilitating information delivery, application process/renewal between both business and private citizen, and participation with constituency.

There are both internal and external advantages to the emergence of IT in government, though not all municipalities are alike in size and participation.

In theory, there are currently 4 major levels of E-government in municipal governments

- the establishment of a secure and cooperative interaction among governmental agencies;
- Web-based service delivery;
- the application of e-commerce for more efficient government transactions activities,
- and digital democracy.

These, along with 5 degrees of technical integration and interaction of users include:

- simple information dissemination (one-way communication);
- two- way communication (request and response);
- service and financial transactions;
- integration (horizontal and vertical integration);
- political participation

The adoption of e-government in municipalities evokes greater innovation in e- governance by being specialized and localized. The level success and feedback depends greatly on the city size and government type. A council-manager government municipality typically works the best with this method, as opposed to mayor-

council government positions, which tend to be more political. Therefore, they have greater barriers towards its application. Council-Manager governments are also more inclined to be effective here by bringing innovation and reinvention of governance to e- governance.

The International City/County Management Association and Public Technology Inc. have done surveys over the effectiveness of this method. The results are indicating that most governments are still in either the primary stages (1 or stage 2), which revolves around public service requests. Though application of integration is now accelerating, there has been little to no instigating research to see its progression as e-governance to government. We can only theorize it's still within the primitive stages of e-governance.

Government-to-Government (abbreviated G2G) is the online non-commercial interaction between Government organisations, departments, and authorities and other Government organisations, departments, and authorities. Its use is common in the UK, along with G2C, the online non-commercial interaction of local and central Government and private individuals, and G2B the online non-commercial

interaction of local and central Government and the commercial business sector.

G2G systems generally come in one of two types: Internal facing - joining up a single Governments departments, agencies, organisations and authorities - examples include the integration aspect of the Government Gateway, and the UK NHS Connecting for Health Data SPINE. External facing - joining up multiple Governments IS systems - an example would include the integration aspect of the Schengen Information System (SIS), developed to meet the requirements of the Schengen Agreement.

Objective

The strategic objective of e-governance, or in this case G2G is to support and simplify governance for government, citizens and businesses. The use of ICT can connect all parties and support processes and activities. Other objectives are to make government administration more transparent, speedy and accountable, while addressing the society's needs and expectations through efficient public services and

effective interaction between the people, businesses and government.

Government-to-government model

Delivery model

Within every of those interaction domains, four sorts of activities take place:

Pushing data over the internet, e.g.: regulative services, general holidays, public hearing schedules, issue briefs, notifications, etc. two-way communications between one governmental department and another, users will interact in dialogue with agencies and post issues, comments, or requests to the agency. Conducting transactions, e.g.: Lodging tax returns, applying for services and grants. Governance, e.g.: To alter the national transition from passive info access to individual participation by:

- Informing the individual
- Representing an individual
- Consulting an individual
- Involving the individual

Government to business

Government-to-Business (G2B) is the online non-commercial interaction between local and central government and the commercial business sector with the purpose of providing businesses information and advice on e-business 'best practices'. G2B: Refers to the conduction through the Internet between government agencies and trading companies. B2G: Professional transactions between the company and the district, city, or federal regulatory agencies. B2G usually include recommendations to complete the measurement and evaluation of books and contracts.

Objective

The objective of G2B is to reduce difficulties for business, provide immediate information and enable digital communication by e-business (XML). In addition, the government should re-use the data in the report proper, and take advantage of commercial electronic transaction protocol. Government services are concentrated to the following groups: human services; community services; judicial services; transport services; land resources; business

services; financial services and other. Each of the components listed above for each cluster of related services to the enterprise.

Benefits for business

E-government reduce costs, carry out all companies to interact with the government. Electronic trading saves time compared to human doing business. No need for driving to government and no waiting time. If the transaction is not completed, you can use the mouse to click on the return trip rather than drive to the office. As more and more companies are doing online conduct government business, and their transaction costs will be reduced. More technology and less workers needed reduce the business cost.

E-Government provides a greater amount of information that business needed, also it makes those information more clear. A key factor in business success is the ability to plan for the future. Planning and forecasting through data-driven future. The government collected a lot of economic, demographic and other trends in the data. This

makes the data more accessible to companies which may increase the chance of economic prosperity.

In addition, E-Government can help businesses navigate through government regulations by providing an intuitive site organization with a wealth of useful applications. The electronic filings of applications for environmental permits gives an example of it. Companies often do not know how, when, and what they must apply. Therefore, failure to comply with environmental regulations up to 70%, a staggering figure most likely to confusion about the requirements, rather than the product of willful disregard of the law.

Disadvantages

The government should concern that not all people are able to access to the internet to gain on-line government services. The network reliability, as well as information on government bodies can influence public opinion and prejudice hidden agenda. There are many considerations and implementation, designing e-government, including the potential impact of government and citizens of disintermediation, the impact on economic, social and

political factors, vulnerable to cyber-attacks, and disturbances to the status quo in these areas.

G2B rises the connection between government and businesses. Once the e-government began to develop, become more sophisticated, people will be forced to interact with e-government in the larger area. This may result in a lack of privacy for businesses as their government get their more and more information. In the worst case, there is so much information in the electron transfer between the government and business, a system which is like totalitarian could be developed. As government can access more information, the loss privacy could be a cost.

The government site does not consider about "potential to reach many users including those who live in remote areas, are homebound, have low literacy levels, exist on poverty line incomes

Examples

- e-Tender Box (ETB) system – ETB system was developed by Government Logistics Department (GLD) to replace Electronic Tendering System. Users

can use ETB system to download the resources and gain the service from the GLD.

- e-Procurement Programme – e-Procurement Programme provide a simple, convenient on-line ways for suppliers of the participating bureaux/departments (B/Ds) and suppliers of Government Logistics Department and agree to provide the low-valued goods and service.
- Finance and support for your business – UK Government provide the on-line financial help for business, including grants, loans, business guide; what's more, it also offer the funding for the sunrise businesses (just start) or small-scale firms.

The Main Goal of Government to Business – is to increase productivity by giving business more access to information in a more organize manner while lowering the cost of doing business as well as the ability to cut "red tape", save time, reduce operational cost and to create a more

transparent business environment when dealing with government.

- Lowering cost of doing business – electronic transaction save time compared to conducting business in person.
- Cutting red tape – rules and regulation placed upon business normally take time and are most likely to cause a delay- in (G2B) will allow a much faster process with less delays and decreasing the number of rules and regulations
- Transparency – More information will be available, making G2B easier to communicate.

Government to business key points:

1. Reduce the burden on business by adopting a process that enables collecting data once for multiple uses and streamlining redundant data.
2. Key lines of business: regulations, economic development, trade, permits/licenses, grants/loans, and asset management.

Difference between G2B and B2G

- *Government to business (G2B)* – Refers to the conducting of transactions between government bodies and business via internet.
- *Business to government (B2G)* – Professional affairs conducted between companies and regional, municipal, or federal governing bodies. B2G typically encompasses the determination and evaluation of proposal and completion of contract.

Part 9

**The Future of Public
Administration**

Exam 1

Question: Choose the right answer from true (T) and false (F)

1. Senior civil servants are regarded as the professional advisers to those who formulate state policy.
a) true b) false
2. In some cases, pure public goods can be provided by the private sector.
a) true b) false
3. If the government provides public goods they may be able to do so more efficiently because of competition with private sector.
a) true b) false
4. The concepts Administration of Development and administrative Development have the same meaning.
a) true b) false
5. The body of public administrators is usually called the civil engineering.
a) true b) false
6. Civil servants are protected from legal controls and censure for their decision and administration acts.
a) true b) false
7. The press and media cover the private sector organizations actions extensively more than that of government organizations.
a) true b) false
8. The senior/political leadership in departments and agencies of government turns over less frequently than occurs in the private sector.
a) true b) false
9. Managers in the government often know what needs to be done and desire to do it without facing restrictions of laws, regulations or policies. A) true b) false

10. The civil service and compensation rules of the governments make it more difficult to encourage outstanding performance and discourage poor performance of employees.
a) true b) false

Choose the right answer from a, b, c and d.

1. Which of the following is not related to the non-excludability of public goods?
a) The benefits derived from pure public goods cannot be confined solely to those who have paid for it.
b) Non-payers can enjoy the benefits of consumption at no financial cost.
c) The 'free-rider' problem
d) None of the above
2. Which philosophy of public administration theories seems much more balanced and represents a workable way for determining the public interest by public administrators.
a) Intuitionism b) Perfectionism
c) utilitarianism d) Theory of Justice
3. Direct provision of a public good by the government aim to
a) sell the goods to customers. B) compete with private sector
c) make profit d) none of the above
4. Direct administration
a) is funded through taxation b) is not a kind of public administration organization.
c) is a type of outsourcing. D) none of the above
5. Individuals join government jobs because
a) of high compensation rates
b) they will be having more power/responsibility than in the private sector
c) they will be promoted quickly than in the private sector.
d) all of the above
6. Flood control systems are good examples of which characteristic of public goods?
a) Non-excludability b) Non-rival consumption
c) Non-rejected d) Non priceable.

7. The revenue budgeting method is used
 - a) If the country is poor b) if the environmental conditions are stable and certain.
 - c) If the country is poor and the environmental conditions are stable and certain.
 - d) if the country is poor and the environment is uncertain.
8. Non-rival consumption of public goods means...
 - a) Marginal cost of supplying a public good to an extra person is zero.
 - b) The benefits derived from pure public goods cannot be confined solely to those who have paid for it.
 - c) The collective supply of a public good for all means that it cannot be rejected by people.
 - d) All the above.
9. Which of the following is correct?
 - a) The rich countries which have certain environments go for incremental budgeting and in case there are uncertainties, the incremental budget is alternated with repetitive budget.
 - b) Repetitive budgeting is a common phenomenon for the poor countries where the budgeting happens several times over the year due to changing scenarios, limited funds and misplaced strategies.
 - c) all of the above.
 - d) none of the above.
10. intends to verify the result obtained from a plan for which money was employed is in conformance with the objective for which program was made.
 - a) Audit of Legality Concordance b) Audit of efficacy or of programs
 - c) Audit of Economy and efficiency
 - d) Financial Audit

Exam 2

Answer All Questions

Question One: Identify if true T or false F

(50 Marks)

1. Civil servants in every country are expected to advise, warn, and assist those responsible for state policy and, when this has been decided, to provide the organization for implementing it.
2. In some cases, pure public goods can be provided by the private sector.
3. The responsibility for policy decisions lies with the political those members who have been elected or appointed to give political direction to government and, customarily, career civil servants.
4. If the government provides public goods, they may be able to do so more efficiently because of competition with private sector.
5. It is up to the government to decide what output of public goods is appropriate for society.
6. The concepts Administration of Development and administrative Development have different meaning.
7. The body of public administrators is usually called the civil service.
8. The economic man's approach to the world is simplistic and would take into account only a few most relevant and critical factors unlike the administrative man for whom knowing all the alternatives and its consequences is a complex task.
9. In Private sector here is very little personal gain for taking risks on policy or programs and being successful in achieving the goals more effectively. However, there is potential for substantial criticism and other personal loss if the innovative attempt fails.

10. The civil service and compensation rules of the governments make it more difficult to encourage outstanding performance and discourage poor performance of employees.
11. Traditionally, in most countries, a distinction is also made between the home civil service and those persons engaged abroad on diplomatic duties.
12. Civil servants are protected from legal controls and censure for their decision and administration acts.
13. The Intuitionist Philosophy justifies the status quo and is of very little help in actual administrative situation.
14. Utilitarian philosophy has the merit of emphasizing total social good, but it also accepts the Position that a few may be worse-off.
15. Pure public goods are not normally provided by the private sector because they would be unable to supply them for a profit.
16. The size, dollar value, and complexity of many private sector exceed that in the public sector programs and organizations.
17. The free rider problem leads to under-provision of a good and thus causes market failure.
18. The free rider problem is associated with pure public goods.
19. The non-rival nature of consumption provides a strong case for the government rather than the market to provide and pay for public goods.
20. Most individuals join public sector organizations with the expectation and hope that they will have an opportunity either to earn significant amounts of money or to be trained such that the opportunity to earn significant amounts of money could occur in a later job.
21. The civil service and compensation rules of the government make it more difficult to encourage outstanding performance and discourage poor performance.

22. Direct provision of a public good by the government aim to make profit.
23. Administration of development involves development of human capital as a resource.
24. Compared to all these philosophical positions, perfectionism philosophy, seems much more balanced and represents a workable way for determining the public interest by public administrators.
25. According to Riggs, there is a socio-communicational functional requisite of a society.

Question Two: Choose the right answer from A, B, C and D (50 Marks)

1. Herbert Simon body of work focused on.....
 - a) topics from administration
 - b) topics from cognitive psychology
 - c) topics from artificial intelligence
 - d) all the above
2. If the government provides public goods, they may be able to do so more efficiently because of...
 - a) economies of scale
 - b) competition with private sector
 - c) the free rider problem.
 - d) all the above.
3. Which of the following is *not* related to the non-excludability of public goods?
 - a) The benefits derived from pure public goods cannot be confined solely to those who have paid for it.
 - b) Non-payers can enjoy the benefits of consumption at no financial cost.
 - c) The 'free-rider' problem
 - d) None of the above
4. Which of the following best describe public administration?

- a) Implementation of government policies
 - b) Public administration is regarded as including some responsibility for determining the policies and programs of governments.
 - c) Public administration specifically is the planning, organizing, directing, coordinating, and controlling of government operations.
 - d) none of the above
5. Which of the following is true about non-rival consumption of goods?
- a) Consumption by one consumer restrict consumption by other consumers.
 - b) The marginal cost of supplying a public good to an extra person is zero.
 - c) If the good is supplied to one person, it is not available to all.
 - d) The collective supply of a public good for all means that it cannot be rejected by people.
6. Which of the following is/are reason(s) for the concern for public interest?
- a) The members of the bureaucracy constitute of power elite, so the members of the bureaucracy are likely to take decisions in self-interest.
 - b) or under pressure from the Powerful interest groups.
 - c) The bureaucracy is a mindless machine that turns out decisions mechanically.
 - d) The rule- bound administration may look neat and tidy, but it may not be able to serve the wider cause of public interest.
 - D) all the above
7. Herbert Simon was awarded the Nobel Memorial Prize in Economics for his most important work.....

- a) the decision-making process of the organizations.
 - b) the bureaucracy theory
 - c) the scientific management
 - d) none of the above
- 8.** Which of the following is best describe public administration?
- a) Within nations public administration is practiced at the central, intermediate, and local levels however, the relationships between different levels of government within a single nation constitute a growing problem of public administration.
 - b) Within nations public administration is practiced at the central, intermediate, and local levels.
 - c) Within nations public administration is practiced at the central level.
 - d) Within nations public administration is practiced at the central and intermediate levels.
- 9.** Which of the following is/are correct about the entry requirement(s) for a career in the higher civil service?
- a) In all countries, qualifications in accounting and economics are required.
 - b) In all countries, qualifications in medicine and engineering are required.
 - c) In some countries no specific technical or academic discipline is required among candidates for senior posts.
 - d)) In all countries qualifications in legal training are required.
- 10.** In decision making, according to Simon, the task of the administration should be to design such an environment in

which the individual approach becomes as rational as practicably be possible. This means that

- a) in Simon's work, rationality becomes a variable in decision making process.
- b) he was aware of the limitations of human rationality.
- c) human rationality is not static but depend on the environment of the organization in which the decisions take place.
- d) all the above

11. The principle of 'span of control' means

- a) An employee should receive orders from one superior only.
- b) The number of subordinate employees that an administrator can effectively direct.
- c) The control or supervision of the superior over the subordinate
- d) The number of people being controlled

12. How many principles on which the organizational structure can be designed were propounded by Gulick?

- a) 10 b) 14 c) 5 d) 9

13. This theory has two principles. The first principle is that each person is to have an equal right to the most extensive basic liberty compatible with a similar liberty for others. The other principle suggests that Public Policies are reasonably expected to be to everyone's advantage and public position and offices are open to all. In case of Conflict between these Principles, the second Principle is expected to prevail and give way to the first. These principles provide an operating logic for the determination of public interest by the decision-makers.

- a) Theory of Justice
- b) Classical theory of public administration

- C) Political theory of public administration
 - d) utilitarianism
- 14.** The public interest is served when a Public policy makes as many as possible better-off even though it may render a few worse-off. Public interest is judged by the augmentation of the net balance of social satisfaction.
- a) Theory of Justice
 - b) Intuitionism
 - c) Perfectionism
 - d) Utilitarianism
- 15.** Direct administration
- a) is funded through taxation
 - b) is not a kind of public administration organization.
 - c) is a type of outsourcing.
 - d) none of the above
- 16.** Flood control systems are good examples of which characteristic of public goods?
- a) Non-excludability
 - b) Non-rival consumption
 - c) Non-rejectable
 - d) Non priceable.
- 17.** Non-rival consumption of public goods means...
- a) Marginal cost of supplying a public good to an extra person is high.
 - b) The benefits derived from pure public goods cannot be confined solely to those who have paid for it.
 - c) The collective supply of a public good for all means that it cannot be rejected by people.
 - d) none of the above.
- 18.** Herbert Simon, was born in Milwaukee, Wisconsin and was one of the most celebrated.....

a) political scientist b) economist c) sociologist, and a psychologist d) all the above.

19. According to Herbert Simon, which of the following statement is correct?

a) Social and psychological factors greatly influence the way decisions are taken by the decision-makers, hence, the importance of a sense of public interest as wider ethical commitment in public administration assumes significance in this context.

b) Social and psychological factors greatly do not influence the way decisions are taken by the decision-makers, hence, the importance of a sense of public interest as wider ethical commitment in public administration assumes significance in this context.

c) Social and psychological factors greatly influence the way decisions are taken by the decision-makers, hence, the importance of a sense of public interest as wider ethical commitment in public administration assumes insignificance in this context.

d) none of the above is correct.

Match Questions

20. In an organization the decisions are made on empirical and normative elements, these premises can also be called the factual or the value premises.

It is all about the ideal and rational model of decision making.

21. The administrator views Public interest from the standpoint of promotion of excellence in all spheres of

Social activities. Hence, public resource should be spent in

- a) Utilitarianism
- b) The Economic Man Concept.
- c) Intuitionism
- d) Perfectionism

such a way that the best members of the Society benefit most from the expenditure.

22. The administrator chooses an alternative by intuition-a solution which seems to him the right course of action under the given Circumstance.

23. These organization have no specific requirement to meet commercial success criteria, and production decisions are determined by government.

24. These organizations have greater commercial freedoms and are expected to operate according to commercial criteria, and production decisions are not generally taken by government (although goals may be set for them by government).

- a) The Free Rider Problem
- b) Publicly owned corporations
- c) Direct administration of public organization
- d) Private organizations

25. Because public goods are non-excludable it is difficult to charge people for benefitting from a good or service once it is provided.

End of Questions

Best Wishes

Exam 3

Question One: Choose the correct answer from A, B, C, or D.

1. When public and local government organizations undertake commercial for profit activities, they are called.....
 - A. Public agencies
 - B. Privat organizations
 - C. State enterprise
 - D. All of the above
2. Within nations public administration is practiced at
 - A. the central level. B. Intermediate level.
 - C. Local level. D. All the above.
3. The term 'government-linked company' (GLC) is.....
 - A. Only private corporate entities (listed on a stock exchange) where an existing government owns a stake using a holding company.
 - B. Only public corporate entities (listed on a stock exchange) where an existing government owns a stake using a holding company.
 - C. Corporate entities that may be private or public (listed on a stock exchange) where an existing government owns a stake using a holding company
 - D. None of the above.
4. In government organizations, few political appointees focus on organizational management issues because they
 - A. have no experience;
 - B. will not be in government long;
 - C. desire to focus on policy issues, not management issues
 - D. all the above.
5. A formal organization has its own set of distinct characteristics, including all the following except.....
 - A. well-defined rules and regulations,
 - B. an organizational structure,
 - C. a dynamic set of personal relationships

D. determined objectives and policies, among other characteristics.

6. Today public administration is often regarded as including.....

A. The implementation of government policies.

B. Some responsibility for determining the policies and programs of governments.

C. Both A and B

D. None of the above

7. A civil servant is one of a body of persons who are.....

A. directly employed in the administration of the internal affairs of the state.

B. whose role and status are not political, ministerial, military, or constabulary.

C. whose role and status are political, ministerial, military, or constabulary.

D. Both A and B

E. Both A and C

8. The responsibility for policy decisions lies with

.....

A. The political members of the executive

B. The members who have been elected to give political direction to government and career civil servants.

C. The members who have been elected to give political direction to government and career civil servants.

D. All of the above are correct.

9. Which of the following is a characteristic of the command structure of civil service?

A. Obedience to the lawful orders of a superior,

B. The hierarchy of offices is marked by fixed positions

C. well-defined duties, specific powers, and salaries and privileges objectively assessed.

D. All the above.

E. None of the above.

10. Flood control systems are considered

- A. Pure public goods
 - B. Quasi-Public Goods
 - C. Private goods
 - D. None of the above
- 11.** A quasi-public good is a
- A. Semi-non-rival
 - B. Semi- non-excludable
 - C. Non-rival
 - D. Non-excludable
 - E. A or B
- 12.** Direct provision of a public good by the government aim to
- A. sell the goods to customers.
 - B. compete with private sector.
 - C. make profit.
 - D. overcome the non-rival nature of consumption.
 - E. all the above
- 13.** If the government provides public goods they may be able to do so more efficiently because of
- A. competition.
 - B. economies of scale.
 - C. leadership.
 - D. all the above.
 - E. none of the above.
- 14.** For effective Development Administration, the structure of Administration itself must be.....
- A. empowered .
 - B. large .
 - C. capable enough to sustain the pressures by the developmental activities.
 - D. All the above.
- 15.** Of all the major ethical frameworks for public administration the intuitionist Philosophy
- A. justifies the Status quo.
 - B. is of very helpful in actual administrative situation.
 - C. favours excellence
 - D. all the above

- 16.** The Perfectionism philosophy public administration
- A. provide social equality
 - B. favours excellence at the expense of social equality.
 - C. It is democratic.
 - D. is of very helpful in actual administrative situation.
- 17.** Utilitarian Philosophy
- A. has the merit of emphasizing total social good.
 - B. accepts the Position that a few may be worse-off.
 - C. Consider public interest is judged by the augmentation of the net balance of social satisfaction.
 - D. All the above
- 18.** Which philosophy of public administration theories seems much more balanced and represents a workable way for determining the public interest by public administrators.
- A. Intuitionism
 - B. Perfectionism
 - C. Utilitarianism
 - D. Theory of Justice**

Question Two:

Indicate whether each of the following statements is true (T) or false (F),

1. In most of the world the establishment of highly trained administrative, executive, or directive classes has made public administration a distinct profession.
2. The body of public administrators is usually called the civil service
3. Senior civil servants are regarded as the professional advisers to those who formulate state policy.
4. In some countries entry requirements for a career in the higher civil service stress qualifications in technical fields such as accounting, economics, medicine, and engineering.
5. By custom, civil servants are protected from public blame or censure for their advice.

6. Although civil servants are protected from public blame, the acts of their administration may be subject to special judicial controls from which no member of the executive can defend them.
7. Efficiency in government has thus a moral tone.
8. Civil services are organized upon standard hierarchical lines, in which a command structure rises pyramid-fashion from the lowest offices to the highest.
9. In some countries, there may be direct appointment to higher office of persons not previously employed by the service, but even then a recognized system of internal promotion emphasizes the nature of the hierarchical pyramid.
10. Government-owned corporations are common with natural monopolies and infrastructure, such as railways and telecommunications.
11. Usually government has fewer measures of progress or success than the private sector.
12. The civil service and compensation rules of the government make it more difficult to encourage outstanding performance and discourage poor performance.
13. Authority and responsibility in the government tends to be asymmetric while authority and responsibility in the private sector are more clearly balanced.
14. In government, goals and objectives have been ill-formed, fuzzy and soft.
15. The senior/political leadership in Departments and Agencies of government turns over more frequently and to a larger extent than occurs in the private sector.
16. In public agencies, the average years of experience either on the substantive matters for which they are responsible or in management generally for political leadership is much, much less than their counterparts in the private sector.

17. The national press, general media, and trade press cover the government organizations actions extensively more than that of private sector organizations.
18. “Whistle blowers” receive more encouragement and protection in the government than the private sector.

Question Three

1. There are several reasons for the concern for public interest. Explain
2. Explain the main characteristics of pure public goods.
3. The organization of the public sector (public ownership) can take several forms. Discuss
4. Answer in summary, why are public goods an example of market failure?
5. What is meant by the Free Rider Problem and how to overcome it?
6. What are Quasi-Public Goods?
7. Summarize the points that a model of Development Administration must contain.
8. List the objectives of administration of development:
9. Summarize the objective of Administrative development.
10. Organization manifests its influence through five mechanisms as identified by Simon. Explain

