

PUBLIC MANAGEMENT AND ORGANIZATIONAL VALUES IN PUBLIC ADMINISTRATION OF EASTERN SLAVONIA

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Abstract

For decades public administration has been considered a public issue in its own right, or even a causal factor of public issues. It is perceived as an inert and inflexible system that operates in a way that neither its practices nor its effects are transparent. With the aim of enhancing the effectiveness of public administration attempts have been made to redefine the role of the state and reform public administration and public management in accordance with that new role of the state, which needs to be efficient, proactive and inexpensive. This paper focuses on organizational values as an important tool used by public management in achieving public administration goals. We investigated organizational values in the public administration of Eastern Slavonia, in particular, in the Vukovar-Syrmia County and Osijek-Baranja County. The actual organizational values that were identified and classified into categories constitute the results of our research. The classification of values proposed in this paper can serve as a tool for public managers in improving the effectiveness of public administration of their respective counties.

JEL Classification: H83

Keywords: public management, organizational values, public administration, organizational effectiveness.

1. Introduction

Public administration is generally understood as an administrative body that has political authority as well as the means for fulfilling common interests. Taking into consideration that public administration is funded by the government, the question of its effectiveness has been gaining importance. With the aim of enhancing the effectiveness of their public administration, some countries are attempting to redefine the role of the state and reform the public administration and public management in accordance with that new role of the state, which needs to be efficient, proactive and inexpensive. A state that manifests those attributes can be achieved by the managerial conception of activity, which primarily implies a vision, mission, goals and strategy that encompass the government itself, as well as the smallest administration organizations or another form of public administration bodies.

Management is the process of obtaining desired results through efficient use of human and material resources (Bedeian & Glueck; 1983, 6). Public management represents the orientation of public administration toward effectiveness in accordance with criteria similar to those in business organizations that include: constant reconsideration of the mission, vision, goals and strategy on the one hand, and orientedness toward the result rather than toward the procedure on the other. In concrete terms, this means that the execution of public jobs needs to be governed by professionalism, predefined standards and performance criteria, monitoring of results (rather than of the procedure), organizing work in smaller organizational units focused on concrete goals, developed competitive approach between organizational units within public administration, management practices typically found in the private sector as well as by work discipline and frugality.

Public administration is responsible for performing public affairs in society. The mission of public administration is most commonly defined by laws, codes and regulations. The duty of public managers (i.e. persons in charge at all levels of public jobs) is to translate the organizational mission of a concrete public body into various jobs that provide services to citizens. These jobs need to be strictly focused on the goals to be attained by a concrete service, so that all the employees in that service can recognize their contribution to achieving that goal. In such circumstances the satisfaction of users of public services will increase, and organizational values of public administration gain recognisability (Brčić & Vuković; 2008).

In striving to realize the predefined goals, each organization will be guided by certain fundamental beliefs in its operations. It is those beliefs, translated into a

relatively constant business practice, that can be termed organizational values (Padaki; 2000). Organizational values provide a rationale for the primary reasons of existence of every organization, define the relationship between the organization and its environment, facilitate the execution of tasks and generally contribute to the attainment of the organization's predefined goals. Within the research in this paper we examined the issue of representation of organizational values in the public administration system on the example of public administration of Eastern Slavonia, in particular, in the Vukovar-Syrmia County and Osijek-Baranja County.

2. Some perspectives on organizational values

In the Merriam-Webster dictionary, value is defined as a principle or quality that is intrinsically valuable or desirable (Parker; 2008). The English word '*value*' originates from the Latin word '*valor*', which means strength. Jaffe & Scott (2009) suggest that values are a source of strength since they empower people to move in the right direction; they are deep and emotionally driven and are often extremely hard to change. Such values, which are called personal values, are not static and are susceptible to change over time in the same way in which organizational values need to change. The values of the organization that determine its business success are: mission, vision, goals and strategy. Organizational values are not rules that dictate what we are allowed to do or forbidden to do; on the contrary, values have an energizing and motivating effect and act as inspiration for the individual. Indeed, breakthroughs are most likely to occur when organizations and individuals are inspired to attain a goal that is in accordance with their personal values (Jaffe & Scott; 2009).

Rokeach (1973), who initiated the scientific approach to investigating the organizational values concept, suggested that the following two sets of values need to be differentiated: terminal values, which refer to the goal to be attained by the organization and as such serve as the basis for defining the organization's mission and vision, and instrumental values, which provide guidance in development and implementation of the defined goals, which means that they determine the way in which the organization desires its members to behave. On the other hand, Barrett (2006) distinguishes core values from operational values. Core values are the ones of vital importance for the organization and its success that also have a major impact on the organization's identity. Collins and Porras (1996, 66) claim that such values are so clear that they are self-evident. Unlike core values, which are

long-term and hard to change, operational values are interpreted as a manner in which employees get along with other persons, which is also relevant for business and should be constantly taken into consideration (Barret, 2006). Although any healthy organization will not disregard operational values, each of them will still pay a much greater attention to nourishing and developing its core values. Ebener (2005, 4) maintains that core values direct the organization and allow for the right priorities to be set. As such they provide a source of inspiration for all employees. Core organizational values are the basis for proper implementation of the vision, mission and strategy as well as for the establishment of the organizational structure (Jaffe & Scott; 2009).

2.1. Values as the basis for organizational success

Some managers find instrumental ('soft') values to be of utmost importance and therefore give them priority over all the other aspects of activity. In situations in which organizations have not developed some key values that they would support and strive to promote, confidence, that is, connectedness between the individual and the organization is likely to be gradually diminished. In such circumstances the individual will not feel motivated for additional efforts that would help the organization to achieve significant improvements. Therefore recently an increasing tendency in organizations to approach values as a core that acts as unifying force for employees has been noted. Organizational values can thus become a cornerstone that will lead to the enhancement of organizational performance and motivate the employees (Jaffe & Scott; 2009).

Having clearly defined values is of pivotal importance for an organization. Dedication to common values will naturally emerge in a context in which humans cooperate in order to reach an agreement on their life and work priorities (Jaffe & Scott; 2009).

Every organization (both profit and non-profit) needs to engage itself in determining a vision of their own future as well as its mission, that is, a formal statement of its reason for existence. However, a vision and a mission are not sufficient in their own right since they strictly determine only the most important external task focus. In addition to its mission and vision, every organization therefore needs to define rules on the mode of cooperation and interaction as well as inherent mutual inter-relationships. It is not uncommon for conflicts to arise in a group that has agreed on the mission and vision, owing to differences in values concerning the realization of the defined mission and vision that are maintained by group members (Jaffe &

Scott; 2009). In such cases organizational values serve as guidance for directing employees' behavior. They represent a collective understanding of the mode of cooperation and treatment of associates on the one hand, and the organization's priorities on the other. In the organization, values substitute various rules and procedures. Major organizational changes cannot be executed without a reconsideration of key values since they form the basis for all organizational processes, behaviours and structures. When organizational values are not related to the employees' personal values, only minor progress is possible. The alignment between personal and organizational values is therefore an important determinant of organizational success. In order to attain the planned business success, it is indispensable to constantly reconsider organizational values and employees' commitment.

3. Methodology

The key instrument used in this research was a survey questionnaire that consists of a general section (respondents' information) and a specific section. The specific section of the questionnaire was designed to measure the respondents' perception of organizational values by means of 43 items or statements that represent respondents' beliefs regarding particular value dimensions of the public administration system. The respondents were required to assess the degree of agreement with a particular item in the questionnaire using a five-degree Likert scale (1 = I absolutely disagree; 2 = I mostly disagree; 3 = I neither agree nor disagree; 4 = I mostly agree; 5 = I completely agree). To avoid unidirectional phrasing of items, certain items in the questionnaire were inverted that subsequently needed to be re-coded in data processing. The following methods were used in the processing of data: analysis, synthesis, descriptive statistical methods and factor analysis.

4. Results

4.1. Distribution of respondents by several criteria

The research was conducted on a sample of employees in the public administration system in the Vukovar-Syrmia County and Osijek-Baranja County. All respondents were provided with the explanation of the purpose of the research and were given instructions for completing the questionnaire as well as the assurance of confidentiality. A total of 256 respondents participated in the survey, 233 of whom completed the entire questionnaire correctly (control questions were used to check the validity of respondents' answers). In further data processing and analysis

only those questionnaires were taken into consideration. 174 (74.7%) of the respondents were female, and 59 (25.3%) male. The distribution of respondents by gender indicates the prevalence of women over men, which on the whole reflects the actual gender distribution in public administration. However, for correct interpretation of research results distribution of respondents according to some other criteria needs to be presented, including the distribution of respondents by age (*Figure 1*), by total seniority as well as by seniority in public administration (*Figure 2*), and by qualifications (*Figure 3*).

Figure 1. Distribution of respondents by age

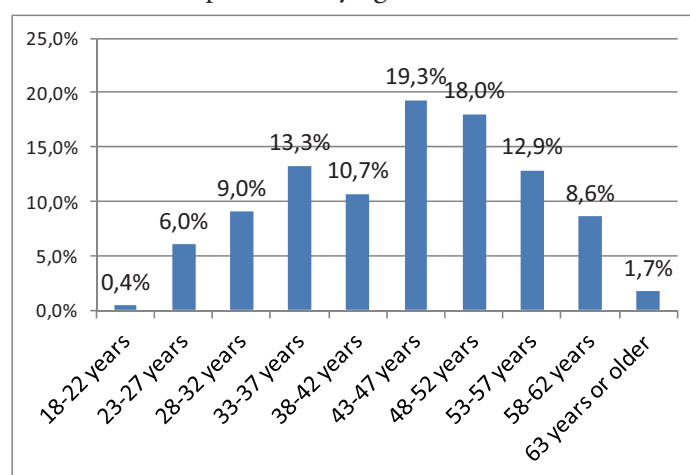


Figure 2. Distribution of respondents by seniority

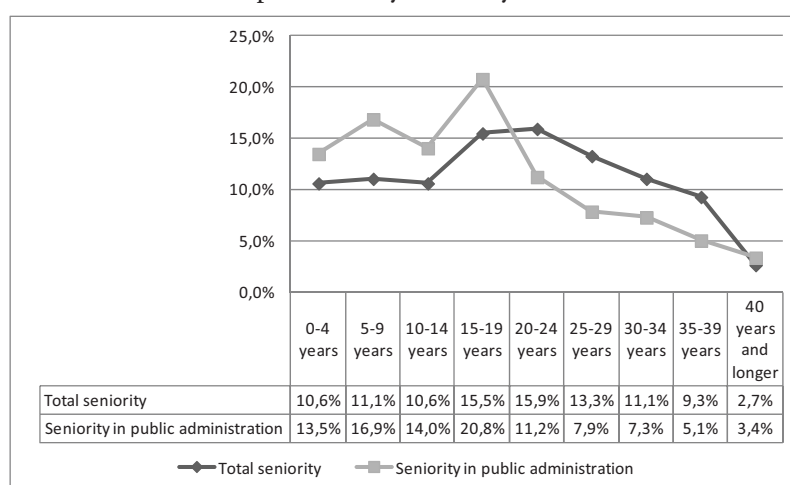
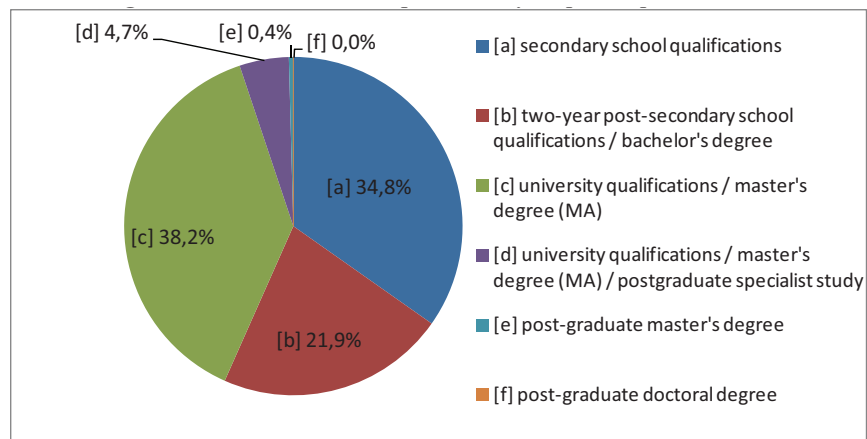


Figure 3. Distribution of respondents by acquired qualifications



From the distribution of respondents by age it is evident that the majority of respondents are middle-aged and elderly. In comparing total seniority and seniority in public administration it has to be noted that the employees have adequate work experience in public administration, which speaks in favour of their thorough understanding of specific issues investigated by the survey. In terms of distribution by qualifications, two-year post-secondary school qualifications and university qualifications are predominant (60.1%).

4.2. Determining key groups of organizational values

In order to identify key value orientations in the selected sample the method of exploratory factor analysis was used. The main purpose of that method is the reduction of the number of initial variables and determination of key dimensions, that is, factors, in a particular area (Mejovšek; 2008, 231). Tests that had been performed prior to conducting main steps in factor analysis (i.e. analysis of correlation matrix of source variables, calculation of the Keiser-Meyer-Olkin measure and Bartlett's sphericity test) confirmed that using factor analysis in this research would be adequate.

By analyzing the data gathered in the special section of the questionnaire that refers to organizational values using factor analysis we determined six basic value orientations that were labeled as follows: (a) *leadership and management (target orientation)*, (b) *customer satisfaction*, (c) *transparency of practices*, (d) *evaluation and rewarding of employees*, (e) *organizational climate*, and (f) *professionalism*. The inter-

nal consistency coefficient (Cronbach alpha) was acceptable for all the six extracted value orientations, ranging from (in most cases) good to very good internal consistency (0.909; 0.862; 0.857; 0.831; 0.743), with only one value orientation for which a barely acceptable internal consistency was obtained (0.641).

Having identified value dimensions in the public administration of Eastern Slavonia, we determined the actual representation of the organizational values pertaining to each of those value dimensions. For that purpose we used a procedure that included the following stages:

- a) for each item (statement) in the questionnaire that refers to a single concrete organizational value the mean value was determined;
- b) for each factor (value dimension) extracted by factor analysis the mean values of the items pertaining to each factor that were obtained in the previous step were added up;
- c) the total sum for each extracted factor that was obtained in the previous step was divided with the total number of items (questions) that constitute each extracted factor.

The three-step procedure described above did not only result in the identification of key organizational values dimensions, but also enabled their ranking by representation in the selected set of organizations. The representation of organizational values grouped in corresponding value dimensions along with their ranking by representation in the public administration of Eastern Slavonia, is shown in *Table 1*.

Table 1. Organizational values in the public administration of Eastern Slavonia ordered by rank of representation (on a 1-5 scale)

Value dimension	Rank
Customer satisfaction	3.939
Transparency of practices	3.726
Leadership and management	3.560
Organizational climate	3.313
Professionalism	2.843
Evaluation and rewarding of employees	2.778

In *Table 1*, it is evident that *customer satisfaction* is the highest-ranked value dimension. This implies that citizens as well as business organizations acting as public services users are satisfied with the provided services, helpfulness and communication of public administration employees. *Transparency of practices* comes second in the ranking order. Variables that determine this value dimension are: clear vertical and horizontal communication in problem-solving, organizational competence of superiors, and the knowledge about the allocation of duties. The third highest-ranked value dimension is *leadership and management* in public administration. This value dimension is determined by the following variables: strategy, goals, plans, competence of those to whom employees are directly subordinate to and the availability of in- and out-service professional training. *Organizational climate* is the fourth-ranked value orientation, as shown in *Table 1*. Variables that determine this value dimension are: conflicts in organization, comradeship and mutual respect among employees. The fifth-ranked value dimension is *professionalism*. This value dimension does not concern reconsideration of the acquired (formal) professionalism of employees, but instead comprises the need for professional competences, initiative and organizational changes (in a professional sense), along with the impact of politics on the functioning and decision-making in a concrete service. The lowest-ranked value dimension is *evaluation and rewarding of employees*, which occupies the sixth rank. Variables that determine this value dimension are: rewarding the best public administration officers by assigning them to new positions, proportionality in salary and commitment to work as well as the possibility of professional promotion.

5. Conclusions

Considering the qualitative structure of respondents, we believe that our research into public management and organizational values in public administration of Eastern Slavonia is highly relevant. Namely, the respondents have adequate work experience in the public administration system as well as adequate qualifications (60% of them acquired two-year post-secondary school or university qualifications), which makes them equipped with the knowledge of the specificity of public administration functioning.

Results generally indicate that there is great managerial and value potential for the improvement of work and efficiency in the public administration system that has not been sufficiently exploited.

In the value dimension of functioning of the observed public administration the employees' high perception of satisfaction of users of their services on the one hand and transparency of practices on the other is noteworthy. However, the acknowledged transparency primarily refers to the understanding of public administration jobs and the way they are executed, rather than to the citizens' insight into the public administration officers' actual work and decisions.

Leadership and management (public management) obtained fairly adequate rating (3.5 on a 1-5 scale). When organizational climate as a value dimension that to a great extent ensues from the implementation of a particular management style is concerned, it should be concluded that untapped potential exists for the improvement of public management in the public administration of Eastern Slavonia.

Professionalism and employee promotion in particular are the two lowest-ranked value dimensions in the observed list of values. Previous research into professionalism and rewarding of employees in public administration (Brčić, 2002) yielded almost identical results. They can be interpreted as a severe neglect of the human dimension in the public administration system. The impact of politics diminishes the need for professional execution of jobs so in practice the employees often demonstrate higher professionalism than that required from them by their organization. Such circumstances result in a totally inappropriate evaluation and assessment of employees, which generally characterizes public administration in the Republic of Croatia.

On the whole, the present research, in correspondence with the previous studies on this topic, demonstrates that opportunities exist for significant improvements of managerial practice in terms of exploiting organizational values, which may lead to rationalization or reduction of budgetary funds allocated for the functioning of public administration of Eastern Slavonia.

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