

# **CLEAR RULE AND REGULATION IN STATE DEPARTMENT BASIC FOR EFFECTIVENESS PUBLIC ADMINISTRATION**

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## **Abstract**

*The process of changing and redefinition of the state's role in society is particularly emphasized in countries in transition, where oversized functions, particularly command and control functions of the state, should be replaced with the regulatory functions of monitoring that are more consistent in a market economy. The purpose of this paper is to understand how the effectiveness of the administration in Republic of Macedonia is measured. To obtain information on the effectiveness of public administration, a qualitative analysis of interviews of state departments, on issues relevant to the subject of the research, has been made.*

*Hence, the subject of this paper is to identify the situation in state departments, in the aspect of managing efficacy of administration.*

*For this purpose, topics investigated are: the organizational structure, assignment of tasks in the administration, measurement of accomplishments, indicators of efficacy inside and outside the organization, assessment and motivation of the administration. The emphasis of this paper is on the working processes in the organization, the method of assignment of tasks, the measurement of accomplishments and the indicators for measurement of the accomplishments.*

*Thus, the assumption is that the administration cannot be realistically evaluated, if it does not rely on both internal and external indicators of effectiveness. Also, a precisely measured individual performance of administrative staff should be the principal pointer towards rewards, punishments, salaries and other forms of motivation of the administration.*

*The conjoint conclusions from this study are as follows: 1. Administrative workers are not involved in establishing the organization's objectives; 2. A quantifiable system that could, by precise indicators, determine individual efficacy of administrative workers has not been conceived; 3. No comparative analysis of the efficacy of state organs concerning the needs of citizens exists; 4. A system of external evaluation (by citizens), to indicate the satisfaction with services provided by administrative workers has not been developed.*

**Keywords:** efficacy, indicators, administration, rewards

**JEL Classification:** K4

**Paper type:** Research paper

### **Introduction**

The process of public administration reform is conditioned by the need to establish an effective public administration that would, in a fast, transparent and accountable manner, fulfill the needs of citizens. For this purpose, in order to create an effective public administration, the administration in Republic of Macedonia is in a constant process of transformation. It is impossible to know how effectively the administration performs its tasks unless clear rules for monitoring the results and accomplishments are set. To get a clearer image, the citizens' satisfaction with services provided by the administration should be assessed. To obtain feedback on the effectiveness of public administration, an in-depth analysis of the overall situation, i.e. on all indicators relevant to the subject of this research, should be performed. Hence, the subject of this paper is to identify the situation in state departments, in the realization of effective administration. For this purpose, questions investigated will be the organizational structure, assignment of tasks in the administration, measurement of accomplishments, indicators of efficacy inside and outside the organization, assessment and motivation of the administration.

Strategic commitment to professional, depoliticized, effective, accountable and service-oriented government service in the Republic of Macedonia is incorporated in the Law on Civil Servants, adopted in 2000<sup>8</sup>, and is aimed at a continuous and consistent application of established principles and standards in the fields of selection, recruitment, responsibility and assessment of civil servants. The Law on Civil Servants stipulates that civil servants, in accordance with the Constitution and the law, perform activities linked with the functions of the state, in a professional, politically neutral and impartial manner. The idea of promoting the rules and the processes for accomplishing the administration's function in Macedonia has been demonstrated by the enactment of two new laws. The Law on Administrative Officers<sup>9</sup> contained innovations concerning the status, employment, promotion, professional training and

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<sup>8</sup> Such an arrangement of public administration is defined by Article 2 and 3 of the Law on Civil Servants, ("Official Gazette of the Republic of Macedonia" No. 59/2000, 112/2000, 34/2001, 103/2001, 43/2002, 98/2002, 17/2003, 40/2003, 85/2003, 17/2004, 69/2004, 81/2005, 61/2006, 36/2007, 161/2008, 06/2009 и 114/2009)

<sup>9</sup> "Official Gazette of the Republic of Macedonia" No.27/2014

measuring the efficacy of administrative officers. The Law for Public Sector<sup>10</sup> is the first law that regulates issues regarding employment of public personnel, concerning the classification of jobs, records, types of employment, rights, duties and responsibilities, as well as the mobility from the state to the public service and vice versa. The paper will answer the questions whether public administration is effective and whether there exist procedures and other indicators through which the efficacy of administrative workers in the country can be measured. The paper will focus on internal relations in the organization in the direction of authority figures, assigning tasks, measurement of outcomes, indicators for measuring achievement, external indicators aimed at evaluating the administrative workers' accomplishments, the assessment, and appeals and complaints from citizens. Comparison of internal and external indicators to get an average value for the time period during which the assessment is performed. Identifying whether the individual achievements of administrative workers are one of the elements that impact on rewarding, punishment, wages and other forms of motivation of administration.

The effectiveness of administrative workers cannot be considered unless the effectiveness of the entire organization is assessed. In order to identify this, it is necessary to establish the objectives of the organization through plans. Mandatory indicators for the effectiveness of the organization are the systematic use of indicators of efficacy through analysis of best practices, as well as a systematic comparison of operating characteristics between or within the organization itself. Evaluation of the efficacy of individuals is a necessity to help achieve organizational objectives. In order to identify the individual and group efficacy of the organization, control must be established. Through this function it can be recognized whether administrative workers have achieved the objectives of the organization, and external evaluation by customers will direct where corrections are needed. If the goals of the organization do not meet the needs of the citizens, the existence of this administrative organization cannot be said to be justified.

#### **THE ROLE OF LEGISLATION IN INCREASING THE EFFICACY OF STATE BODIES**

The analysis of this paper is based on analysis of the laws and regulations of state departments concerning the efficacy of administrative employees, as well as on interviews of state departments with management and other administrative workers. If the legal documents on the subject of the efficacy of state authorities expressed through efficacy of administrative workers are considered, strict rules that indicate expression of the efficacy in positive or negative direction cannot be distinguished. Mostly, the reform of public administration refers to the organizational approach of

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<sup>10</sup>“ Official Gazette of the Republic of Macedonia“ No.27/2014

the state administration, the titles of administrative workers and other general rules that describe public service employment and the achievement of employment rights. The Government is trying, in a transparent way, to perform its policy and for the first time it introduced an instrument of strategic planning and analysis and coordination of policies. By developing strategic planning, as well as process integration for determining priorities in the budget process, the ability of the government to fulfill its functions and allocate available resources for their implementation significantly increases. The legal framework which regulates the system for planning and policy-making is consists of the Law on Government of Republic of Macedonia<sup>11</sup> and the Rules of Procedure<sup>12</sup> in which are established the foundations for the process of strategic planning and analysis of policy and coordination. Methodology for policy and coordination analysis establishes the basic principles for policy and, together with the published Manual for Design of Policies, represent the basis for continuous training in state administration<sup>13</sup>.

Ensuring the complete consistency of the established mechanisms of strategic planning, including the budget process, with the mechanisms and instruments, is one of the key objectives set by the Government. This implies compliance and consistent implementation of established administrative procedures, supported by the electronic operating system of the Government, as well as strengthening the capacities, both at the central level of government and in the bodies of state administration. Exactly these policies should be part of the goals of civil authorities; administrative workers are the ones who need to realize them. Measuring the effectiveness of the state departments will show how effectively the policy is implemented, and, thus, will demonstrate the efficacy of administrative workers. Through indicators and clear rules for the lower levels of administration, which is an extended arm of the implementation of government policy, it is easy to determine the efficacy of the state departments and administrative workers. Hence, how much a civil servant, participant in the implementation of the policy, clearly knows their authority and

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<sup>11</sup>In Article 4 of the Law on Government ("Official Gazette" no. 59/2000, 12/2003, 55/2005 and 37/2006), the government determines the economic and development policy, establishes measures for its realization and proposes measures to the Parliament for the exercise of policies is its jurisdiction, determines the policy of enforcement of laws and other regulations of the Assembly, monitors their execution and performs other duties prescribed by law; Within its rights and duties stipulated by the Constitution and law, the government and every member answer for their work before Parliament

<sup>12</sup>Protocol of the Government enacted on April 18, 2001, consolidation ("Official Gazette" no. 36/08).

<sup>13</sup>Handbook for the creation of policies issued by the General Secretariat of the Government, developed and funded by project NORMAK, Norway's support of the Republic of Macedonia in the field of European integration and public administration reform, with the contribution of SIGMA, Skopje, 1997.

responsibilities, how they act performing their tasks, particularly when these tasks are associated with providing services to citizens, which demonstrates their expertise, competence, confidentiality and responsibility. In other words, all of the above should be clearly set so as to provide an easy way to determine the efficacy of the state administration. For this purpose, it is necessary to establish a clear system of monitoring the performance of the same participants in implementing the set goals.

Participation of civil society organizations in the process of policy-making is one of the strategic objectives contained in the Strategy for Cooperation between the Government and Civil Society. In addition, the Government establishes the three basic principles of its operation: honesty, transparency and accountability<sup>14</sup>. In order to achieve transparency and to improve services to citizens, the Civil Journal was introduced as an innovative and effective tool for improving public services and fight against bureaucracy and corruption. A Questionnaire has also been introduced for the evaluation of services by users, which is a simple questionnaire that asks citizen-users of certain services about the manner, the duration, the speed for obtaining the particular service, as well as giving the opportunity to propose a method for improving the services. As a tool for informing the Government, quarterly reports on the results of the completed forms are predicted; on the basis of which measures will be proposed for organs that did not show improvement over two consecutive quarters and appropriate measures for the responsible parties will be taken. In practice, the application of this instrument is not yet in coordination with the institutions, but it is still an initiative to improve the effectiveness of state organs.

All these legal documents do not provide clear guidance that can direct to organizational procedures related to the efficacy of the organization as a whole, as well as the efficacy of administrative workers.

#### **ANALYSIS OF INDICATORS OF THE EFFICACY OF THE ADMINISTRATION**

From qualitative analysis in this paper and the realized interview over various categories of titles of administrative workers (21), the necessity of establishing rules and procedures that will produce effective administrative workers has been identified. If the organizational structures of public authorities are observed, it can be identified that there is no established organizational unit which has the role of monitoring and analyzing the efficacy of state institutions and administrative workers individually, which means that procedures for monitoring efficacy are not present in state departments. If the overall work process according to the

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<sup>14</sup>According to the Program for the Work of the Government for the period 2006-2010 regarding good governance and the fight against corruption.

organization acts is considered, as a rule, tasks are assigned according to the hierarchy of responsibilities; managerial workers assign the duties to the employees in the unit or department. However, in practice this rule is often violated. Employees often receive assignments directly from the minister or secretary of state, rather than the direct head of the department or sector, or heads of departments receive assignments directly from responsible persons in authority within the organ or other heads of departments who are not their immediate superiors. It is interesting that state secretaries are skipped also, i.e. ministers directly assign tasks to employees. Another very important issue that indicates the efficacy of the administration is the method of measuring what is achieved.

Indicators that point to whether an individual is an effective are the number of completed cases, the time period in which they are completed, and the complexity of the implemented activities. From the interview it can be concluded that these indicators are not established. Many of the respondents (9) stated that annual strategic plans translated into annual work programs are taken as a basic indicator for monitoring the activities of the state departments. These operational plans include set goals, deadlines and organizational units responsible for implementation of the specific activity of the strategic plan. This type of monitoring only applies to a group effectiveness of organizational units within the organ.

Another mechanism to monitor the performance of departments in government agencies, led by managers, is faculties. Maintaining faculties is not provided as an obligation under the law, so that each body has its own way to define the time and manner of their actualization. The only way to monitor individual work of administrative professionals is archive book. According to Law of the Archive Material<sup>15</sup>, in all state departments only this book records: where a received case has come from, what is the nature of the case, to which administrative worker the case is entrusted, the date of receipt of the case and the date of completion of the case. However, these data serve only to record, not for measuring the effectiveness of administration.

Some state departments (5) have introduced an independent monitoring self-system, expressed by preparing monthly reports for all actualized regular and emergency activities and all documents. Reports are prepared by the heads of organizational units, departments. Such monitoring is conducted with forms prepared by the head of department. On a monthly basis, these reports are reviewed at the departmental level, in order for everybody to be able to recognize what the other employees have been working. Picture no. 1.

In all state departments, responsible individuals form teams for complex tasks, with defined mandatory deadlines for implementation. Additionally, an important

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<sup>15</sup> The Law of archival material ("Official Gazette of the Republic of Macedonia" No. 36/90, 36/95, 86/08).

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finding is that frequent changes to the Regulation on jobs systematization in the body directly reflects the ability to continuously monitor performance, and it largely affects the monitoring of the efficacy of administrative workers.

**Picture no. 1. Ways of monitoring the operation of the civil servant in state departments**



Also, research has shown that the assessment of administrative workers is already established procedure in all state departments. This procedure is implemented according to the hierarchy of authorities; superiors evaluate subordinates, but this process is not based on measurable indicators that show the individual and group efficacy of the organization.

The state departments have not established a system of monitoring the pointers of appeals and complaints from citizens as an indicator of individual employees' efficacy. Despite the establishing Civil Journal as an obligation of every state departments to receive complaints and complaints from citizens about the services of administrative workers, there is no analysis of the same data which would lead to the information becoming indicators of individual efficacy of administrative workers and group effectiveness of state departments

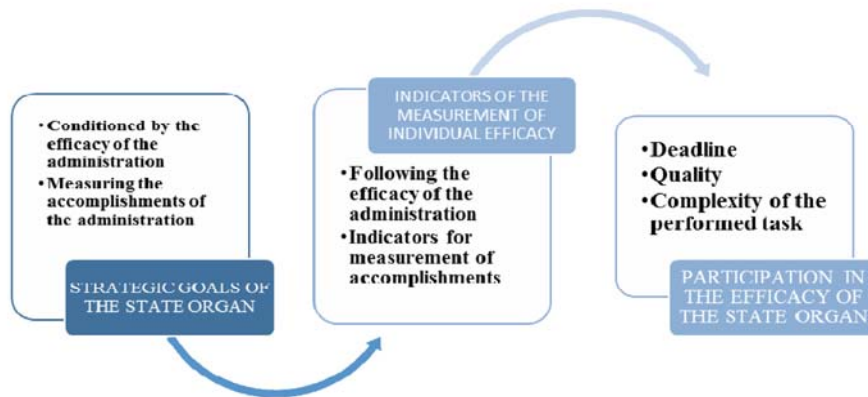
### **CONCLUSIONS AND RECOMMENDATIONS**

This paper has made an attempt to give a modest contribution to the efficacy of government administration expressed through efficacy of administration. The results of this study suggest the need to change the laws and regulations to be aimed at

establishing precise rules concerning efficacy of administration. The conjoint conclusions from this study are as follows: 1. Administrative workers are not involved in establishing the organization's objectives; 2. A quantifiable system that could, by precise indicators, determine individual efficacy of administrative workers has not been conceived; 3. No comparative analysis of the efficacy of state organs concerning the needs of citizens exists; 4. A system of external evaluation (by citizens), to indicate the satisfaction with services provided by administrative workers has not been developed.

The previous analysis showed that the state departments create strategic plans, but these are not analyzed by measuring the accomplishments of the organization as a whole, as well as by measuring in what percentage individuals participate in the overall accomplishment of the state organ. Hence, the measurement of achievement should be set in coordination with the strategic goals of the state organ, which means monitoring the overall work process through indicators to measure efficacy, deadline, quality and complexity of the performed task. Picture No. 2

**Picture No. 2**



Measuring the efficacy of the administration, the organization can predict, for certain periods of time including: daily, monthly, quarterly, twice-yearly, nine-monthly, and thereby to compare individual achievements of the employees, as well as to determine the percentage of their participation in group efficacy.

To obtain results for the realized activities of administrative workers in a fast, quality and impartial manner, the existence of an electronic system that will connect workflows of all employees in the organization, and which will contain all the



indicators for monitoring efficacy is necessary. So, the head of department, with one click on the computer, could get a clear picture of the achievements of administrative workers, i.e. what is their efficacy. Currently, in all state organs, employment cases are assigned to one quarter of the total number of employees, although all receive equal pay; no established system of rewarding exists.

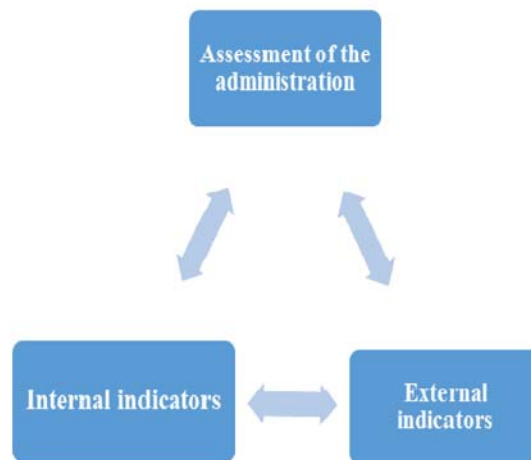
This way of measuring the efficacy will be a real basis for rewarding or punishing the administration. When each employee will receive a reward or punishment based on real quantifiable indicators, it will have an effect on motivation and on those that are ineffective. Hence, the percentage of participation of the individual in that realization should be measured; from this the salary will arise. Picture No.3.

**Picture No.3**



The evaluation as process has been established in state organs under the hierarchy of authorities, but this process is not based on quantifiable indicators that show the individual and group efficacy of the organization. Thus, the establishing of quantifiable indicators is the most important tool for unbiased and fair assessment. In this way, the impact of the human factor for biased assessment can be reduced. In order to receive complete information about the efficacy of administrative workers, it is mandatory to introduce an external assessment by the users of the service – the citizens. This external evaluation should be compared with indicators of employee accomplishments obtained by the indicators established within the organization. Through comparative analysis, the superior will evaluate the administrative worker, taking into consideration all the indicators that point to the efficacy of a worker. If there is a difference in the comparative analysis in the opposite direction, the internal results are positive and the external negative or vice versa, then reasons for this state of affairs should be sought individually. Picture No. 4

**Picture No. 4**



In terms of external indicators for assessing the effectiveness, the results indicate on the need for analysis of complaints and objections from citizens about the quality of services provided by the administrative workers. Such analysis is an important external indicator for competence of administrative workers. Such analysis mandatorily should be compared with indicators of efficacy shown by quantifiable indicators. Therefore, although one administrative worker is measured with greater efficacy in terms of speed and complexity of the implementation of the cases', but through analysis of complaints errors in terms of his expertise are noticed, one cannot speak of an effective worker.

Hence, all the indicators in the current analysis suggest the necessity of a detailed elaboration of administrative processes in state organs to calculate individual and group efficacy. Therefore, a new approach of managing the efficacy of the state organs should be established, considering the aforementioned recommendations of this paper.

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