

QUALITY ASSESSMENT IN PUBLIC SECTOR: A VIEW FROM PUBLIC SECTOR MANAGEMENT QUALITY AWARD

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Abstract

In the contexts of changes and severe competitions, the public sector has to revise its direction in response to current situation. Public administration must be more flexible, adaptive and responsive to the needs of citizens. Thai government has encouraged public sectors to improve their quality management to respond this situation. In order to improve quality and productivity, the Public Sector Management Quality Award (PMQA) was launched by the Office of the Public Sector Development Commission in 2005. The PMQA comprises a quality standard of seven categories which is a framework of quality management. The PMQA criteria can be used as a guideline for the self-assessment of an organization, and as a standard of its own performance monitoring and evaluation processes. The organization has to answer the questions in these seven categories so as to find its strengths and the opportunities for improvement. In order to strengthen the organization performance, an appropriate management tool is then selected for the organizational improvement plan so that organization development is systematically and continuously enhanced, leading to a learning organization and a high performance organization at the same time. Supplementing empirical evidence from applications of the PMQA criteria in the public sector, the paper reviews the experience of the Office of the Permanent Secretary for Labour with its quality management on overall dimensions.

Keywords: Public Sector Management Quality Award, Total Quality Management, Thailand

1. INTRODUCTION

In the contexts of changes and severe competitions, Thailand needs to develop itself in economic, social and political aspects so that benefits are appropriately distributed to every social group in the country. Since each social group has different expectations and needs, the public sector must take care and provide suitable services to them. Such a delicate, sensitive and complicated task requires a highly competent public sector. Public administration must be more flexible, adaptive and responsive to the needs of the citizens. Strengthening the capability of public sector is one of the key elements to increase national competitiveness. It is essential to improve efficiency and effectiveness of the public sector management (OPDC, 2008).

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Since the Office of the Public Sector Development Commission (OPDC) initiated Thai Public Sector Development Strategic Plan, the public sectors acquired the concept of New Public Management (NPM) by applying the Public Sector Management Quality Awards (PMQA) framework. The PMQA was launched by the OPDC in 2005 to ensure that the public sector has criteria for organizational quality assessment and improvement. The OPDC has applied the ideas and criteria from the Malcolm Baldrige National Quality Award (MBNQA) and the Thailand Quality Award (TQA) into the PMQA criteria which are a public sector management approach in accordance with the Royal Decree of Principles and Guidelines on Good Governance (OPDC, 2006). The PMQA Criteria can be used as a tool for self-assessment, and are widely accepted as an integrated framework for organization development. During the implementation, various quality approaches have been adopted in public sector across the country and quality management has become an important organizational trend in the context of change management. The PMQA is the main target of public sector development that aimed at lifting the working level of all aspects to the High Performance Organization (HPO).

The quality movement by the PMQA initiative is examined in the context of public management. The paper reviews the experience of the Office of the Permanent Secretary for Labour (OPSL) in Thailand with its quality management on overall dimensions. Its primary focus is on the utility of quality management approaches in the rapidly changing public organizational environment today.

2. LITERATURE REVIEW

Recent development of national quality awards such as the Malcolm Baldrige National Quality Award (MBNQA) and the Thailand Quality Award (TQA) serve as Total Quality Management (TQM) frameworks for self-assessment or benchmarking. TQM is being regarded as a strategy or holistic philosophy to achieve and maintain excellent organizational performance (Hunt, 1993). It is an integrated management philosophy and set of practices that emphasize continuous improvement, long-range planning, meeting customer requirements, process redesign, increased employee involvement and teamwork (Whitney and Pavett, 1998).

First, the OPDC introduced TQM to public sectors by using the quality circle which derives from the concept of PDCA (Plan, Do, Check, Act), so government agencies focused on effecting a seamless integration of planning, implementation, measurement, and extension. To encourage continuous TQM implementation in the public sector, the OPDC created the Public Sector Management Quality Award (PMQA) which promotes understanding of the requirements for performance excellence, competitiveness improvement, and sharing of learning of successful performance strategies (OPDC, 2008).

The Cabinet of Thailand approved that every public sector should implement the PMQA criteria in June 2005 as guidelines and criteria that can be used by organizations to evaluate their own quality improvement efforts. The PMQA criteria are built upon a set of core values and concepts viz visionary leadership, client-centered excellence, organizational and personal learning, valuing staff and stakeholder, agility, focus on the future, managing for innovation, management by facts, social responsibility, focus on results and creating value, and systems perspective (OPDC, 2009). If they were used properly, the criteria and guidelines would help organizations to assess their current levels of quality performance (Pun et al., 1999). The merit of self-assessment is that it involves people in a regular and systematic review of their inputs (leadership, strategic planning, and client and stakeholder focus), processes (human resource focus and process management), and outputs (performance results) as shown in Figure 1.

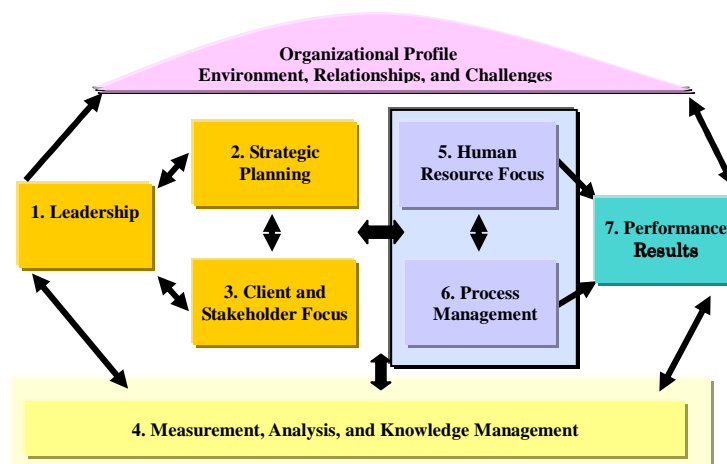


Figure 1: Interrelationships among various categories of PMQA criteria.

Top of the figure 1, organizational profile, gives a snapshot of the context for the way the organization operates. It is to examine two issues: The first, organization profile, was the general characteristic such as vision, mission, service offering and key working relationships, whereas the second, organization challenges, explore competitive condition, strategic challenges, and improvement system. The PMQA criteria provide a system perspective for managing organizations and achieving performance excellence. The system perspective represents synthesis and alignment. Synthesis means determining organization as a whole and concentrating on crucial issue. Alignment includes linking the key strategies with the key processes and aligning the resources to improve overall performance and satisfy clients and stakeholders' needs (BNQP, 2005).

The PMQA criteria had been used as guideline for self-assessment of the OPSL and as a standard of its own performance monitoring and evaluation processes since 2007. The OPSL has to answer the questions in each of the seven categories so as to find its strengths and

opportunities for improvement itself. In order to strengthen the quality management, an appropriate management tool is then selected so that organization development is systematically and continuously enhanced, leading to standardized management. Once it is equipped with qualified management, the OPSL may apply for an award determined through a comprehensive process. Not only can the process be used to examine an organization for the award but it can also help make discoveries in areas that need improvement regardless of the application status. For all applicants, a detailed report is then prepared to provide feedback on their strengths and opportunities for improvement. This is where the application process appears to offer the greatest return on investment to organizations who apply. Figure 2 illustrates the whole application process

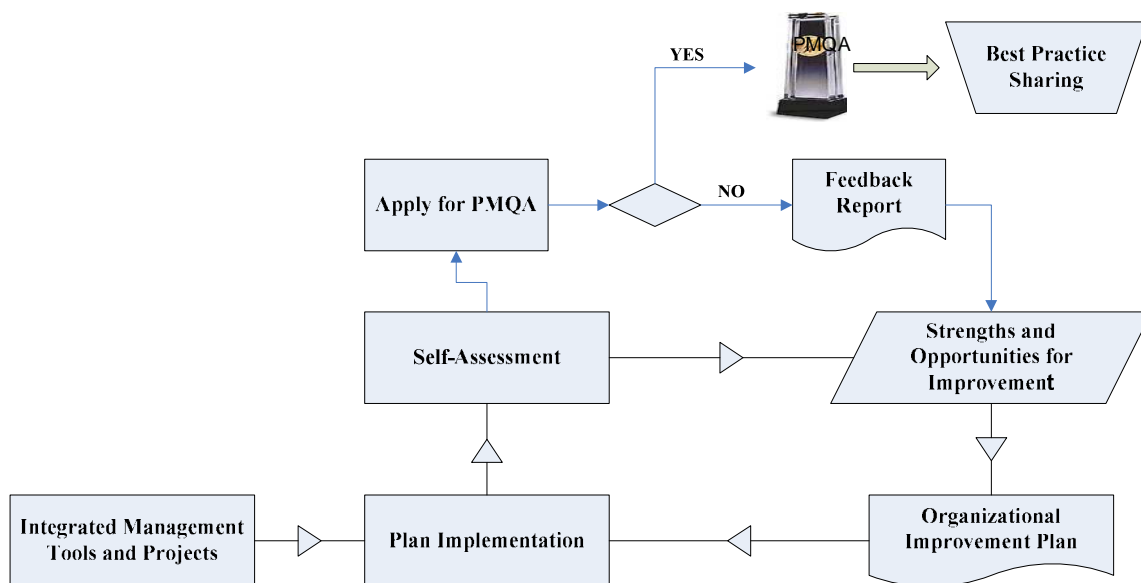


Figure 2 PMQA application process

3. RESEARCH METHODOLOGY

Data for this research were drawn from the case study of the OPSL, which has its functions in relation to the development of strategies, the translation of Ministerial policies into action plans, the allocation of resources and the administration of routine Ministerial functions with a view to meet the goals and achieve results effectively.

Both primary data and secondary data were used in this research. While the secondary data were firstly accessed from recent reports, journals, online resources and others, they were useful in supporting the primary data collection process, and were also used to cross check the findings. Document review was an important element of qualitative research within the primary mode of interviews included primary and secondary material (Merriam, 2002). The primary data was conducted using a qualitative exploratory study. Qualitative research as an

empirical strategy posed questions through many methods for the collection of individual opinions. Therefore, the qualitative method was appropriate to show different perspectives (Creswell, 1998).

Qualitative methods were conducted via interviewing, focus group and observation. Interviews utilized semi-structured as well as open-ended questions designed to elicit the participants' views and opinions. Focus group interview technique, known to be efficient in eliciting underlying thinking in participants' mind, was performed (Morgan, 1988). Implementing the procedure for observations, the researcher completed field notes on the behaviour and activities of the workforce at the research site (Creswell, 2003). The qualitative approach combines observation of behaviour with observation of attitudes and perceptions. Data analysis in this study was to calculate average scores of self-assessment for each of the seven categories. The results will identify opportunities for improvement, and then formulate for the organizational improvement plan.

4. RESULTS AND DISCUSSION

To assess and compare the current status of quality management, respondents were requested to provide a rating for these criteria on a ten-point Likert scale, ranging from '1 = lowest score' to '10 = highest score'. Figure 3 presents the self-assessment score of the OPSL according to seven PMQA criteria. This graph indicates that four categories out of seven (leadership, strategic planning, measurement, analysis and knowledge management, and performance results) are between 7.0 – 8.5 units, while the other three categories (client and stakeholder focus, human resource focus, and process management) are below 6.5 units, which shows that there are weaknesses in these categories. The OPSL have performed an in-depth analysis to find out the reasons behind this perception of weakness in these categories, and to develop an organizational improvement plan. In the following, we discuss the self-assessment score in seven categories of criteria.

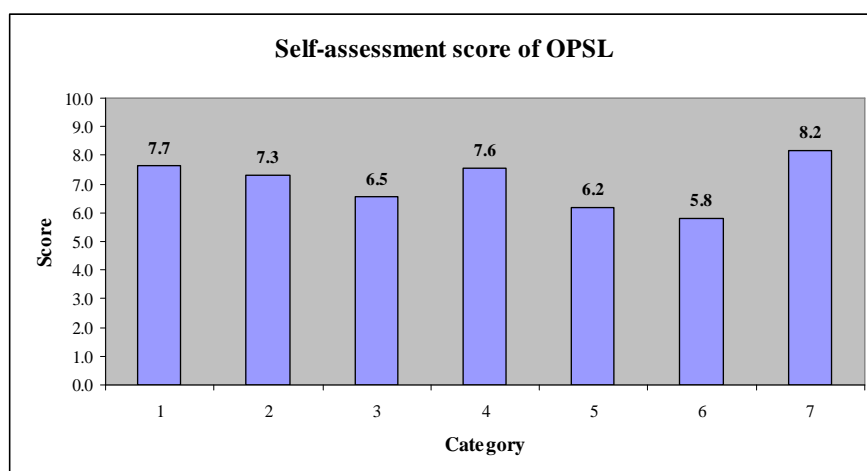


Figure 3: Self-assessment score of the OPSL.

4.1 Leadership

Leadership was about understanding of human behavior. It was about inspiring and influencing individuals. Quality leader set clear goal, defined objective and ensured that all organizational levels understood these goals and objectives. This category addresses how executives guide and sustain the organization, address direction, values, and performance expectations. It focuses on executives' actions to create and sustain an environment that is conducive for empowerment, innovation, and learning. This also examines how the organization addresses the good governance and public responsibilities. The score of this category has been assessed significantly high score compare to overall. This is apparently because it is very impressed with the commitment and enthusiasm of the executives in leading the OPSL to achieving its mission and goals, and in inculcating the proactive, service mind, and learning culture. Moreover, executives realize in not only developing the goals of an organization, but also effectively communicating these ideas to all officials.

4.2 Strategic Planning

Strategic planning is important to the public sector's ability to fulfil missions. This category stresses the key strategic issues that need to be integral parts of the organization's overall planning. The category examines how the organization sets strategic directions, determines strategic objectives and develops action plans. This category also examines how chosen strategic objectives and action plans are deployed and how progress is measured. This category also has received high score compared to overall. The OPSL operates a robust and systematic planning process that enables visionary long-term planning as illustrated by the consistent use of four-year operation plan in supporting the strategic management.

Moreover, the OPSL implemented Balanced Scorecard with Strategy Map to develop the performance management system. Balanced Scorecard is a management tool that translates the OPSL's mission and strategy into a comprehensive set of performance measures that provide a framework for a strategic management and measurement system (Kaplan and Norton, 1996). A strategy map is a logical and comprehensive tool for describing strategy by identifying the critical elements and their linkages within an organization's strategy (Kaplan and Norton, 2001). The graphic presentation of the strategy map may contribute to rapid adoption and implementation of the balanced scorecard through its flexibility, rationalizing management processes and empowering management action (Free and Qu, 2011).

4.3 Client and Stakeholder Focus

This category addresses how the organization determines the requirements, expectations, and preferences of the clients and stakeholders. Therefore, the category examines how the organization builds relationships with clients and stakeholders and determines the key factors that lead to client and stakeholder satisfaction. This category has received moderate score

compared to overall, so campaign will be introduced to inculcate a culture of care for clients and stakeholders. The OPSL will create processes that are geared to better communicate to, and receive communication from clients and stakeholders, so their satisfaction feedback will be translated in organizational improvement plan and service will meet their demands and provide satisfaction. In addition, the service awareness program will be introduced as part of the training package to create greater awareness of service.

Public service is considered to be one of the touch point where client can perceive how good and efficient of the government service system. To increase the level of service quality, the OPSL should advocates integration of elementary techniques (e.g., Process Flow Diagrams), empowerment of staff, and service innovation, all of which are essential for sustaining future improvements in service delivery (Foley, 2008). Service innovation, especially Open Innovation, is service that allows the client to specify the type of service, and the channels and times to receive the service. The Open Innovation concept focuses on developing new services and new ways of working, including the use of information technology to create the new service innovation which provides benefits for clients in terms of speed and convenience, and for the government agency in terms of system efficiency (Chesbrough, 2006).

4.4 Measurement, Analysis, and Knowledge Management

The aim of measurement and analysis is to guide the organization's process management toward the fact-based and knowledge-driven approach. The category examines how the organization selects, gathers, analyzes, manages, and improves its data, information, and knowledge assets. This category also addresses the path from knowledge management to learning organization. This category has received high score compared to overall. The OPSL has leveraged on technological advancements to introduce many information and communication technologies covering a wide spectrum of operation. Data, information and knowledge are to be organized for further application to create faster, more accurate and updated work methods.

Moreover, the knowledge management (KM) framework was established based on Nonaka's foundational work on knowledge creation process since it considers not only individual and organizational knowledge, but also tacit and explicit knowledge (Nonaka, 1994). Knowledge management initiatives support the organization to embed knowledge into organizational processes so that it can continuously improve its quality practices. Therefore, the OPSL could gradually become a learning organization. Establishing learning organization through knowledge creation and sharing is incrementally developed and therefore requires an evaluation of existing situation and identify areas where learning is needed. Knowledge management is a key to learning organization as it creates an environment of trust and

commitment; this continuous change in the organizations fosters a learning environment through knowledge management (Maqsood et al., 2007).

4.5 Human Resource Focus

A common characteristic of successful organizations is talented and motivated workforces that have to be aligned with the organization objectives and strive to meet the requirements. This addresses key human resource practices which directed toward creating and maintaining work environment. In particular, the category examines the organization's compensation package, career path, employee performance management, recognition, and employee's education and training. This category has received almost the lowest score; therefore, the OPSL determines to focus on leveraging human capital development as the first priority. Human Resource Scorecard (HR scorecard), created by Office of the Civil Service Commission (OCSC), will be one of the tools adopted for improving the efficiency of human resource management (HRM). The aspects in the scorecards include strategic HR alignment, HR operational efficiency, HRM program effectiveness, HR accountability, and quality of work-life (OCSC, 2004). Creating a high-performance workplace and developing employees are important responsibilities of HRM which should be integrated with the operations of the organization and align with strategic objective of the organization.

4.6 Process Management

This category examines the organization's value creation processes for mission accomplished, with the aim of creating value for clients and other key stakeholders. This category also examines the organization's support processes, with the aim of improving overall operational performance. Therefore, the category assesses how valuation creation and support processes are designed, managed, and improved. From the self-assessment, this category has received the lowest score, so it is necessary to reorganize all the process for better performance by redesigning work process integrated with information technology to eliminate non-valued added activities (Hammer and Champy, 1993).

The OPDC has encouraged public sector to continually integrate process-oriented concept and information technology to improve their processes and procedures and supported the initiation of a blueprint for change in public sector focusing on improvement of work efficiency and quality of service. In improving work efficiency and quality of service, the public sector must reflect its internal situation. Current work processes must, therefore, be analyzed to see whether there is a strategic gap or not and which processes need to be improved or redesigned. This then will lead to changes in different aspects such as work processes, technology, tasks allocation and personnel. The results will be reflected in terms of simple and shortened procedures for service delivery and time reduction.

4.7 Performance Results

Public sectors exist in order to provide public service for citizens. The performance results from organizations play an important role in their success. This category examines the organization's actual performance including four dimensions in the balanced scorecard: effectiveness, service quality, efficiency of operation, and organization development (Kaplan and Norton, 2001). In other words, this category seeks early results on the organization's performance in the above areas. This category has received the highest score according to quality standard for the performance of public sector. The OPSL implemented results-based management (RBM) integrated with performance agreement and measurement from which a series of key performance indicators were used to set target goals (Col et al, 2006).

5. CONCLUSIONS

PMQA was established in an effort to promote quality management of public sector in Thailand. The PMQA criteria are embodied in seven categories: leadership, strategic planning, client and stakeholder focus, measurement, analysis and knowledge management, human resource focus, process management, and performance results. Not only can this tool be used to prepare an organization for the award process but it can also help make discoveries in areas that need improvement for further organization development.

OPSL's journey towards high performance organization formally started with the adoption of the PMQA criteria providing a focused, systematic and sustainable approach in striving for quality management. Indeed, the ultimate goal in quality management journey are not marked by achievement any award, but more meaningfully, the realization of the journey itself. For this reason, the OPSL has understood the necessity for relentless development being the true spirit of the never-ending quality management journey.

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