Never Enough Public Sector Resources

Yves Van Nuland and Grace L. Duffy

Abstract

Effective planning and measurement allow public sector leaders to maximize the use of resources and slow the rapid rise in government spending and national debt. The Society and Active Citizenship (SAC) Model[1] and the SEE-Principle[2] assist public service leaders to achieve results based on national and global standards. This paper focuses on the issue of ever-increasing spending on the part of public sector organizations. Citizens need a proscribed vehicle for giving constructive feedback to both elected and appointed public service leaders. Transparency of action and open communication with citizens provides a cycle of key performance indicators that drive value-added results for the benefit of all country, state, regional, or municipal communities.

Introduction

Ask lobbying groups what they want; their spontaneous reaction is always "more'. There is never enough for them. Ask doctors how much high-performance health care they want, and they will always want more. Ask unions how much more money they want, and they'll say that they have already had to make too many concessions. It is the same with government organizations. They will never spontaneously say that they can do with two percent less budget next year. Government agencies continue the way they always have, and each year find a more expensive series of products and services than anticipated. They want new and additional activities requiring more resources. Finally, they demand a budget increase. Interestingly, the same lobbying groups won't show their *results* from the past five or ten years. They rarely give evidence of productivity increases in their activities.

This paper addresses the need for a citizen-based feedback system tied directly to the management of every organization in the public sector. Most public service organizations are a combination of elected, appointed, and hired administrators. The intent is to provide feedback to administrators who manage services that are required independent of any political structure. Budgets still must be planned for city and state taxes, driver licensing, water and sewer services, street maintenance, etc. An important question arises: how well has that organization been managed over the last decade? What concrete *results* can they show? Although these are obvious questions, this information is rarely reported publicly.

AOPS

The focus of the SAC-Model is the management of the complete public sector of a country, state, or region. This sector is described as "*All Organizations of the Public Sector*" or AOPS. There are two categories included in AOPS. One is the general government, agencies that report directly to politicians.

Examples include governmental entities such as ministries, agencies, and departments, and regional and local organizations such as counties, cities, fire departments, and police stations. The second category includes public service organizations, such as public schools and universities, not-for-profit organizations, public-private partnerships, and government contractors (such as defense and social service suppliers). The latter category consists of organizations that depend on taxpayer funding for at least 50% of their budget through (in)direct payments or grants. When the public sector is referred to in this paper, it refers to both categories.

This paper is one in a series of publications. We encourage the reader to read the first paper of this series for a better understanding of SAC-Model[3].

Activity and results

An AOPS not only has to manage its core activities and strategic goals, but it also must consider several other subjects.

AOPS priorities should be *aligned* with the *long-term objectives* of the country they serve and *objectives of general interest*. So, many possible subjects might be treated. A limited list of possible subjects follows:

- UN Sustainable Development Goals[4] . For a list of the SDGs: see exhibit 1. Each AOPS will manage one or more SDG's.
- Climate change. How does the AOPS positively contribute to the Paris and Glasgow accords? To what extent does the AOPS take preventive measures? To what extent does the AOPS implement a series of initiatives to decrease the CO_2 and methane emissions as suggested by the IPCC[5]   reports? How are transformation initiatives (insulation of buildings, installation of heat pumps instead of burning fossil fuels, less meat consumption, more public transport, etc.) implemented and monitored?
- Reforestation. The easiest and cheapest way to capture CO_2 is to reforest. Initiatives such as Entrepreneurs without Frontiers Foundation (EwF)[6] demonstrate what the positive impact is of reforestation of the Sahel[7]. EwF restores life and prosperity to regions affected by desertification. To what extent are such initiatives supported by the AOPS? How is progress monitored?
- European Green deal[8]. How are such initiatives implemented? How are these results monitored?
- Economic growth in GDP. This expansion can't continue forever. Assume that all 7 billion people in the world would have the same standard of living. We will face tremendous problems in the availability of resources (raw materials), emission of an excessive amount of carbon dioxide, a shortage of land for agriculture, living places, a place for industry, transport, etc. What are possible solutions? A circular economy? Sustainable growth? How is this all monitored by competent AOPS?

- Equity and poverty. How is this monitored[9]? Are the GIN[10] coefficient or other metrics used and monitored?
- Public debt. Due to Covid-19 and the war in Ukraine, the debt in many countries has increased. How is this monitored and are actions taken to reduce the debt? One of the most efficient ways is to reduce AOPS budgets. Is that feasible? How would this reduction be monitored? How would services be prioritized for the most effective use of reduced resources?
- Refugees. Many people have already immigrated to Western countries over the past several years. These people are not only political and economic refugees, but they are also war refugees. Today, there is a massive emigration of war refugees (5.5 million people) from Ukraine to Poland and other European countries[11]. How are these people cared for? How are they integrated into the countries to which they have immigrated? How is education for the children and health care for these people arranged? How is this all monitored and improved?

This is an incomplete list of considerations. It only illustrates that AOPS leaders need to think and behave strategically, for the general interest of the community it serves and take preventive measures to anticipate severe disruptions (e.g., consider problems caused due to a lack of prevention in the case of hurricane Katrina in New Orleans, United States in August 2005).

Monitoring a process means a systematic (monthly or bimonthly) follow-up through the application of KPIs (Key Performance Indicators) [12]. KPIs are measurements that directly relate to the attainment of strategic organizational goals. Many organizations gather statistics, but not all statistics can be considered KPIs that show progress to results against strategic organizational goals.

Be alert for a common pitfall. Sometimes people are so idealistic that they attempt to address subjects that are *out of their area of influence*. A leader can only manage a subject over which he or she has influence and impact. This is easily illustrated through the management of KPIs. If the subject is outside of their control, they will not be able to establish or manage a KPI or achieve results. The application of the Results Based Management method[13] allows the leader to manage KPIs and achieve measurable results.

Asking the Obvious

Once an AOPS exists, its leadership expects to get more the next year. But before asking for more budget, it would be worthwhile for the AOPS leader to ask the following questions:
- How many productivity improvements have we achieved in the past year?
- How much muda[14] (Japanese word for "non-added" value from the customer, end-users point of view) has been scrapped in the past year?
- Should we continue to perform all these activities? What is the real added value of each activity and service?
- What are the *end customers*' expectations and requirements? Do our activities match these expectations?
- To what real added and sustainable results have our subsidies led? Is there a systematic follow-up to maintain these results?
- To what extent are the statistics we have produced useful and necessary? What new added value have these led to? What would society miss should these statistics, reports, and analyses be stopped?
- Do our activities and services overlap with other government departments or AOPS?
- Do we monitor that no harm comes to others with our activities?

How many questions from this list do AOPS leaders regularly examine? In many cases, the reader will find little evidence of tracking performance based on these above lists.

It will be interesting to see what explanation is given for the following activities:
- Organizing yet another survey.
- Awarding subsidies (again) to all kinds of initiatives and groups.
- Keeping track of and refining all kinds of statistics.
- Having the service examined by a third party.
- Having a (new) study done by a university or consultant.

A lot of money and resources can be saved If the AOPS leaders[15] take these questions seriously. We can do this by focusing on the primary areas of Quality Science, such as lean, Six Sigma, kaizen, etc.

Don't think that this will happen spontaneously. No reduction in expenditure will be made unless it is mandatory.

Let's be very clear: this is not a plea for the abolition or minimization of government organizations. These organizations are useful and necessary for the proper functioning of a society and country. But society and country must be and remain livable. We know there is a limit to the world's resources. That is the point.

The question remains: how to pragmatically solve this situation? The SAC-Model provides the answer. The abbreviation SAC stands for Society & Active Citizenship. This model allows a country or region to manage[16] all its activities pragmatically. In addition, every AOPS benefits from the knowledge, know-how, and experience present among the country's citizens. The latter provides regular feedback on the results of the government organization's managers. The whole approach is low-cost, fast, reasonable, user-friendly, customer-oriented, and efficient. What else can be asked for?

Although we live in the information age of the 21st century, it is remarkable that government organizations, political parties, and pressure groups demand more money, but fail to offer concrete data to prove that this expenditure provides real added value. Very few results from the past ten years are provided. The very little positive impact is shown from the copious money that has been spent on these AOPS in recent years.

The basis of the SAC-Model is the monthly publication by *each AOPS leader* of two indicators (results obtained and decisions taken, and action plans in progress) on the AOPS website. Every citizen can formulate feedback (no criticism, not even "constructive criticism") on the AOPS website. The consequence of this transparency is that those who create real added value for society receive funding, not those who shout the loudest or have the most efficient network.

SEE principle

We have listed many possible subjects that an AOPS leader can manage. How does the leader come to a realistic and manageable number of KPIs? Of course, you can set priorities, apply the Pareto principle[17] , and look for objectives that lead to results for the long term and the general interest. But a leader can also make use of the SEE tool[18] . SEE is an abbreviation for:

*   **Self-reliance**. To what extent is a business decision contributing to the increased self-reliance of the citizens and organizations, therefore only rarely resulting in subsidies?
*   **Essence.** To what extent are the business activities and corresponding key performance indicators (KPI) essential to and within the scope of the AOPS?
*   **Economy.** To what extent are all business activities executed economically? Is the procedure or process too complex? Can it be simplified? For example, has kaizen been applied systematically?

If the answer to any of these areas is negative, the leader should redesign or delete that activity or KPI. The active application of the SEE tool will lead to affordable budgets.

If AOPS leaders apply all the above ideas, they will be able to save 2% or more yearly. It could be insightful to apply the kaizen concept if not convinced.

Learning

If the AOPS leaders are not familiar with systematic and structured improvement, then a learning process along a timeline can be helpful. Take all the reports from years 2007 to 2017, i.e., 10 subsequent years respectively 15 years ago and examine *in detail* what you can learn from these old reports. Were all activities truly adding value? Have these reports been used effectively during the past years? Were the reports overly complex (too many statistics and too many pages)? Were the AOPS objectives aligned with the SDG (the United Nations Sustainable Development Goals), strategic plans, long-term objectives, and objectives of general interest? Do the leaders see a clear and positive evolution of the KPIs used? Was there an overlap with the activities of other AOPS? Or have some essential activities never been completed? The answers to all these questions will allow the leaders to learn through experience and take corrective action for the coming year.

Scope

The SAC-Model is an operational model, i.e., it answers the question "To what extent is the country, state, or region *well managed*?" Hence, AOPS leaders systematically apply methods such as Pareto, SEE-principle, kaizen, etc., and show their results through KPIs. This application allows leaders to work more economically. The model does not answer the question: "Can the country be better *organized*?" Although this is a valid question, this requires political decisions which are taken by the Government and Parliament. This is beyond the scope of the SAC-Model.

Conclusion

If AOPS executives apply the basic ideas described in this paper, our communities can change the expression from "never enough" to "we have enough."

Exhibit 1 Overview of the 17 UN Sustainable Development Goals (SDG)

SDG Goals	Description
SDG 1 No Poverty	Goal 1. End poverty in all its forms everywhere
SDG 2 Zero hunger	Goal 2. End hunger, achieve food security and improved nutrition, and promote sustainable agriculture
SDG 3 Good health and well-being	Goal 3. Ensure healthy lives and promote well-being for all ages
SDG 4 Quality education	Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
SDG 5 Gender equality	Goal 5. Achieve gender equality and empower all women and girls
SDG 6 Clean water and sanitation	Goal 6. Ensure availability and sustainable management of water and sanitation for all
SDG 7 Affordable and clean energy	Goal 7. Ensure access to affordable, reliable, sustainable, and modern energy for all
SDG 8 Decent work and economic work	Goal 8. Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all
SDG 9 Industry, innovation, and infrastructure	Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation
SDG 10 Reduced inequalities	Goal 10. Reduce inequality within and among countries
SDG 11 Sustainable cities and communities	Goal 11. Make cities and human settlements inclusive, safe, resilient, and sustainable
SDG 12 Responsible consumption and production	Goal 12. Ensure sustainable consumption and production patterns
SDG 13 Climate action	Goal 13. Take urgent action to combat climate change and its impacts
SDG 14 Life below water	Goal 14. Conserve and sustainably use the oceans, seas, and marine resources for sustainable development
SDG 15 Life on land	Goal 15. Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
SDG 16 Peace, justice, and strong institutions	Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels
SDG 17 Partnerships for the goals	Goal 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development

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Authors:

Yves Van Nuland PhD
After his Ph.D. in Chemistry at the University of Leuven (Belgium) (1977), Yves worked at the Belgian FDA (1978). Next, he was laboratory and quality manager at PRB (chemical industry) (1979-1988) and quality manager at UCB Chemicals in Brussels (1989-1994). As a self-employed consultant-trainer, he supports his customers on subjects such as excellence models (EFQM and MBA), Business Process Management, KPI, and company culture. He is co-author and editor of the book "*Excellent, A guide for the implementation of the EFQM Excellence model*" and "Validating a Best Practice."

Grace L. Duffy, MBA, LSSMBB
Grace has over 45 years of experience in successful business and process management in corporate, government, education, and healthcare. Grace uses her experience as President, CEO, and senior manager to help organizations improve. She has authored 18 texts and many papers and articles. She is a frequent speaker and trainer. Grace holds an MBA from Georgia State University. She is an ASQ CMQ/OE, CQA, CQIA, and SSGB. She is also an LSS Master Black Belt, ASQ Fellow, and Distinguished Service Medalist. Grace is a member of the ISO TAG 304 Healthcare Quality Management Systems Committee.

1   Yves Van Nuland and Grace L. Duffy, *How to Successfully Develop and Manage a Sustainable Country or Region*, The Quality Management Forum, Fall 2021, volume 47 number 3 (14 pages)
2   Yves Van Nuland and Grace L. Duffy, *Eyes Wide Open*, Quality Progress, Vol 55, Number 4 (April 2022), p 32
3   Yves Van Nuland and Grace L. Duffy, *How to Successfully Develop and Manage a Sustainable Country or Region*, The Quality Management Forum, Fall 2021, volume 47 number 3 (14 pages)
4   https://sdgs.un.org/goals
5   International Panel on Climate Control: United Nations body for assessing the science related to climate change.
6   Entrepreneurs without Frontiers Foundation, *Let's make the desert green*! https://www.ozg.be/en/
7   The Sahel is the ecoclimatic and biogeographic realm of transition in Africa between the Sahara to the north and the Sudanian savanna to the south. Having a semi-arid climate, it stretches across the south-central latitudes of Northern Africa between the Atlantic Ocean and the Red Sea.
    The Sahel part of Africa includes from west to east parts of northern Senegal, southern Mauritania, central Mali, northern Burkina Faso, the extreme south of Algeria, Niger, the extreme north of Nigeria, Cameroon and Central African Republic, central Chad, central and southern Sudan, the extreme north of South Sudan, Eritrea, and Ethiopia
    https://en.wikipedia.org/wiki/Sahel
8   European Green deal, https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en
9   *OECD Income inequality*, https://data.oecd.org/inequality/income-inequality.htm
10 The Gini coefficient is a single number that demonstrates a degree of inequality in a distribution of income/wealth. It is used to estimate how far a country's wealth or income distribution deviates from a totally equal distribution.
11 https://data.unhcr.org/en/situations/ukraine
12 Yves Van Nuland and Grace L. Duffy, *(PM)2-method*, Quality Magazine, Vol 61, Number 3, page 22
13 Yves Van Nuland and Grace L. Duffy, *KPI Management*, www.comatech.be (2021) (24 pages)
14 Masaaki Imai, Kaizen*, the Key to Japan's Competitive Success*, McGraw Hill Publishing Company (New York), (1986) p 231 ISBN 0 07 554332 X
15 AOPS leaders mean every member of the management team of each AOPS
16 Manage means a systematic application of planning, monitoring, and improving activities
17 Richard Koch, *The 80/20 Principle: The Secret to Achieving More with Less*, Doubleday, Random House New York (1998) ISBN 978-0-385-49174-7
18 Yves Van Nuland and Grace L. Duffy, *Eyes Wide Open*, Quality Progress, Vol 55, Number 4 (April 2022), p 32

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