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Elke Löffler

THE MODERNIZATION OF THE PUBLIC SECTOR  
IN AN INTERNATIONAL COMPARATIVE  
PERSPECTIVE: CONCEPTS AND METHODS OF  
AWARDING AND ASSESSING QUALITY IN THE  
PUBLIC SECTOR IN OECD COUNTRIES

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Projektleiter: Univ.-Prof. Dr. Helmut Klages

Projektbearbeiterin: Dipl.-Volkswirtin Elke Löffler, M.A. (Econ.),  
M.A. (Pol. Sc.)

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## 1. Introduction

Quality has become one of the central topics of administrative modernization in the 1990s. In many countries such as Great Britain and Portugal, the central government has set up specialized units on Cabinet level to support quality management in the public administration. In the U.S. the Gore report has become a manifesto for quality management in the federal government. In other countries like Germany, there is no government initiative for quality management in the public administration. Nevertheless, there are some municipalities starting with TQM such as the City of Saarbrücken (Hirschfelder and Lessel, 1994).

Even though quality is global as a topic of administrative modernization, it is local in implementation. The report will show that there are many concepts and methods of awarding and assessing quality in the public sector in OECD countries. In particular, the author wants to put forward the hypothesis that the conception of quality is influenced by contextual macro-variables such as the political system (centralized or federal), political party competition and administrative culture.

This comparative study aims at documenting different concepts used to evaluate quality in different OECD countries. The particular focus will be on quality awards, which can be considered as the most important assessment instrument of quality management in the public sector. The report starts with a discussion of the 'New Public Management (NPM)'-Paradigm, which forms the normative framework of this empirical study. It will be important to understand the relations between the NPM-paradigm, administrative modernization and modernization criteria and strategies. The next chapter focuses on quality as a measurement concept. This rather theoretical part also discusses TQM in a private and public sector context. Chapter 4 describes and compares different concepts to assess quality management systems such as the ISO 9000 series, citizen's charters and quality awards. The major part of this report is dedicated to a detailed comparison of selected private and public sector quality awards, which are compared with respect to formal frame and design, assessment criteria and evaluation process. The paper concludes by pointing out potential dysfunctions of private quality awards to be used in the public sector.

The intermediate report is the preliminary result of a project carrying on "Administrative Modernization in an International Comparison – Evaluation

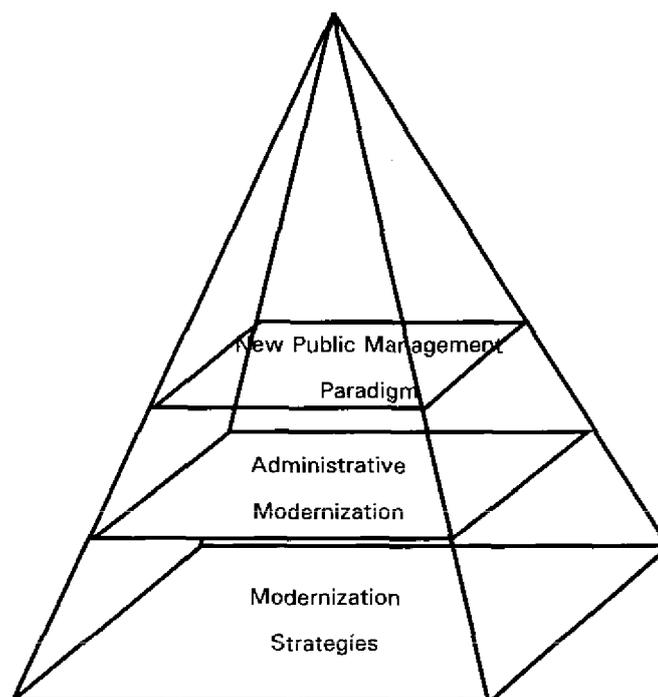
Criteria, Strategies, Success Factors”. While this intermediate report is focussing on the evaluation criteria of quality awards, the final report will examine the modernization strategies of award contenders in an international comparison.

## 2. Analytical Framework, Research Question and Purpose of the Study

### 2.1 *The New Public Management Paradigm as a Normative Framework*

The current administrative reforms in OECD countries have to be seen in the light of the new administrative paradigm “New Public Management”, which suggests a new vision for the management of the public sector. The NPM paradigm takes the function of a meta-catalogue of principles to be valid for the public sector. Administrative modernization means the transformation of those abstract principles into objectives and issues to be addressed by politicians and administrative actors. Modernization strategies that will be at the center of this study are the concretization of these still rather abstract ‘modernization’ objectives. The hierarchical relationship between the NPM paradigm, administrative modernization and modernization strategies is shown in the graph below.

Graph 1: Analytical Levels of ‘Administrative Modernization’



The major components of the NPM paradigm – customer orientation, increased managerial freedom in resource and personnel management, performance measurement, investment in human and technological resources and receptiveness to competition – prescribe a more economic view of the public administration that has mainly been dominated by legalistic thinking. Thus, the NPM paradigm implies change into a new direction, but it is too abstract to tell how far to go and how to get there. A first concretization of the NPM paradigm is effected on the level of ‘administrative modernization’ where change agents have to set goals. These goals may change over time: introducing economic and/or business-oriented principles in the public sector in the 1980s meant realizing the three “E’s” – economy, efficiency and effectiveness. In the 1990s, the focus shifted on quality and customer orientation (Carter, 1991:91). Once the goals are defined, it is still not clear how to realize them. The operationalization of those goals and their realization is done on the level of modernization strategies. This highest level of concretization of the NPM paradigm will be at the center of this study.

For the further discussion it is important to note that paradigms as defined by Thomas Kuhn are scientific achievements that “attract an enduring group of adherents away from competing modes of scientific activity ... (and are) sufficiently open-ended to leave all sorts of problems for the redefined group of practitioners to resolve” (Kuhn, 1970:10). This means that a paradigm establishes a new perspective in a research field in the sense that different questions are asked and new solutions suggested. Thomas Kuhn also stresses that paradigms come before theories (Kuhn, 1970:44). Therefore, it cannot be expected that a paradigm offers a body of theory. A paradigm rather has to be understood as “an extended family of ideas” (Barzelay, 1992:116) that are somehow interrelated, but there is no obvious hierarchy of ideas, no single key principle from which all the others can be deduced.

The NPM paradigm has its roots in the “marriage of two different streams of ideas” (Hood, 1991:5). One of the partners was the ‘new institutional economics’ which generated new administrative principles such as contestability, user choice, transparency and close concentration on incentive structures. The other partner in the ‘marriage’ was business-type managerialism recommending private-sector styles of management to the public sector.

There is a certain inconsistency in the NPM paradigm. It is basically a group of inconsistent ideas about how so-called ‘public’ goods should be allocated. In literature, NPM gives two different answers to this question:

- According to a broad definition of NPM (Budäus, 1994:46-47; Borins, 1994: 4-11), both external and internal markets should replace the political provision of public goods.
- According to a narrow definition of NPM (Hood 1991:4 f.), NPM focuses on internal markets.

In both definitions, the public sector is taken over by the market. However, in the case of external markets, the key issue of public sector allocation is “how much state”, whereas in the case of internal markets the key issue is “which state”. At first glance, the quest for privatization seems to be contradictory to the quest for management: Privatization implies that public functions are hived off the public sector, whereas public management is an attempt to reform the public sector from inside (Lane 1994:3). Indeed, if public enterprises are privatized because the public sector is considered to be inefficient per se and because only market competition is believed to bring about efficiency, then the broad definition of NPM is not consistent. If, however, privatization takes place (out of fiscal reasons) in order to close what Budäus calls the “external resource gap” (Budäus, 1994:20), the concept of external markets completes the concepts of internal markets which have the function to bridge the “internal management gap” (Budäus, 1994:21).

Since this study focuses on management concepts and later on management strategies of the public sector, the narrow definition of NPM is more adequate for the purpose of this study. It takes a micro-perspective of the public sector and takes the size of the public sector as given. The problem of this narrow understanding of NPM is that too large a public sector may be retained and tried to be made more efficient by the introduction of private sector management methods. OECD statistics reveal that 15 of the 24 current OECD member states neglect this side of NPM (OECD, 1993:13). It is also obvious that internal markets cannot solve macro-problems even though the ‘modernization’ of the public sector is often seen as the remedy of all kinds of societal problems. Ideally, the cutting-back of the size of the public sector goes hand in hand with internal public sector reforms (Löffler, 1995a).

In which way has the NPM paradigm become a normative framework of administrative modernization? It is important to note that this thesis does not state that the NPM paradigm has replaced country-specific administrative values. It merely claims that administrative or political actors pushing for administrative modernization are consciously or unconsciously driven by a managerial or economic view of the public administration.

The emergence of this new paradigm is usually explained by a set of challenges (Klages, 1992:4-11) to the public administration which can be summarized in:

- the change of the external environmental conditions from a world of stability to a dynamic, interdependent and complex world (Reinermann, 1993:12);
- the value change that challenges the public administration from inside and outside replaces traditional values of duties and acceptance by values of self-realization (Klages, 1988:56-60, Klages 1993:191-194) and
- fiscal pressures resulting from the growth of public functions and personnel while, at the same time, financial resources become scarce (Färber, 1995).

These challenges, it is argued, force certain reactions of the public administration. The NPM paradigm can be interpreted as an abstraction of appropriate reactions to the perceived challenges to the public administration. This pattern of argumentation is persuasive but somewhat tautological since the challenges posed to the public sector already give the answers. However, it is possible to react to the same challenges differently. Furthermore, this argumentation only gives the necessary but not the sufficient conditions for a change. As Zauner points out when analyzing the European challenge to the Austrian public administration, not a critical situation itself but the decision of administrative and political actors determines if change takes place (Zauner, 1994:25). Therefore, the current challenges to the public administration are rather background variables, whereas the interests of political and administrative change agents are the explanatory variable for the emergence of the NPM paradigm. The principles of the NPM paradigm promise more managerial autonomy for a new generation of ‘managerialists’ and suggest to politicians to be a panacea for all kinds of macro- and micro-problems.

The implications of the NPM paradigm (used in the narrow sense) for the management of the public sector are usually discussed in two perspectives:

- subsumed under the heading “paradigm change”, the NPM paradigm is juxtaposed to the Weberian bureaucracy model (Klages and Haubner, 1995:349 f., Reinermann, 1993:2);
- another common topic is the question of the transferability of private sector management methods to the public sector, which is basically a discussion about divergence or convergence of the private and public sector (Murray, 1975; Rainy et al., 1976).

In this study, NPM’s claim to universality will be at the center of interest. In his brilliant article “Is new public management a management for all sea-

sons?” (Hood, 1992), Hood looks at this question by focusing on the implications of the NPM paradigm to different administrative values. Here, this question will be analyzed in the following perspective: which are the implications of different administrative cultures and other macro-contextual variables to NPM? This research perspective assumes that we do not know yet what NPM is (on the implementation level) and at the same time it challenges NPM’s claim to universality on the operational level of modernization strategies.

## *2.2 The Research Perspective: A Pluralist View of ‘Administrative Modernization’*

The scientific and political debate on “administrative modernization” in the 1990s takes a rather uniform perspective of this global trend in the public sector. Different authors and commentators perceive the present modernization of the public sector in Western post-industrial countries, in Eastern Europe and East Asia as a fundamental change of the public sector introducing (private) business principles into the public administration. Also the 1990 Survey of the OECD states that “there seems to be a significant convergence in the definition of the issues to address and the objectives which government ought to pursue (OECD, 1993:13).”

Public sector modernization is usually described by lists or catalogues (Hood, 1991:4 f.; OECD, 1993:13, 15; Naschold, 1993:50-53; Klages, 1994:5-7) with characteristic elements such as:

- a move towards performance measurement with the difficult tasks of defining performance specifications and creating the appropriate incentives which are essential for the system to function correctly;
- a related tendency towards more managerial flexibility in financial management. Devolution aims at making managers take responsibility for achieving results by providing them with the incentives and flexibility necessary to achieve those results;
- a devolution of responsibility in personnel management with increasing use made of performance-related pay and personalised contracts. Other issues on the agenda of human resource management are a better career planning and an improved management development including an organisational culture;
- efforts made to achieve more responsiveness to customers/users in the public administration by paying more attention to the particular needs of users;

- decentralisation of authority and responsibility from central to lower levels of government;
- a greater recourse to the use of market-type mechanisms including the creation of internal markets and a wider introduction of user chargers, vouchers, franchising and contracting out and
- privatisation initiatives of public enterprises.

This convergence in the description of public sector modernization can be explained by the fact that conventional literature and international comparisons (OECD, 1990, 1991, 1992, 1993) tend to focus on the NPM paradigm which (explicitly or implicitly) plays an important role in the phase of policy formulation. In other cases (Siedentopf 1992), the conclusion is drawn that convergent goals of modernization programs in different countries in post-industrial Western countries also mean that modernization strategies used in the public sector go into the same direction. This single track perspective of 'administrative modernization' is also underpinned by the assumption of a common set of political, economic and societal problems in OECD countries which provides a logically compelling precondition for a uniform method of public sector modernization (Klages and Haubner, 1995:351).

Yet the commitment and initiatives of politicians and 'administrative leaders' for administrative modernization in the Western world does not imply that the implementation of 'administrative modernization' is the same in all the countries. The data pool of the first and second Speyer Quality Award in 1992 and 1994 (Hill and Klages, 1993 and 1995) and other empirical case studies (Rogers, 1990; Gastner, 1992) reveal that public agencies have developed a whole variety of 'modernization strategies' to realize 'administrative modernization'. 'Modernization strategies' as used by these authors and in this study describe actions taken by administrative actors with the goal to implement 'administrative modernization'. This definition may be misleading because 'strategy' has a rather abstract, long-term notion (Gablers Wirtschaftslexikon, 1993:3170) in the conventional terminology of business administration, whereas 'strategy' as an analytical term in this study makes reference to the operational level. Since in administrative practice the number of modernization strategies to be found comes close to infinite it will be necessary to categorize modernization strategies into classes of variables, or reaction types (Klages and Haubner, 1995:367-371). The list of 'strategic choices' and 'strategy variables' below may serve as a tool box to construct the reaction types as a combination of several strategy variables.

Table 1: 'Strategic Choices' in the Process of Realizing 'Administrative Modernization'

Analytical Level	Strategic Choices	Strategy Variables
planning decisions	theoretical foundation of modernization initiative	deductive, model-oriented procedure vs. home-made solutions
	provision of know-how for modernization project	support by experts vs. use of internal know-how
	main area of modernization efforts	internal vs. external modernization strategies
	time horizon of modernization plan	long-term vs. short-term modernization initiatives
	procedure for implementing modernization plan	holistic strategy vs. step-by-step approach vs. muddling through
executive decisions	focus on modernization efforts	structural vs. cultural modernization
	time perspective of modernization strategies	anticipating vs. repairing strategies
	importance of measurement	qualitative vs. quantitative strategies
	degree of decentralization	internal coordination vs. agency concept
	degree of adaptability of administrative unit	built-in flexibility in structures vs. discrete reforms
	assignment of middle management	flattening of hierarchies vs. functional redefinition of hierarchies
	terminology with respect to demand side of front-line offices	citizen- vs. customer-orientation
	mechanism of achieving management by results	customer/citizen-induced result-orientation vs. internal modernization

Source: Klages and Löffler, 1995:378 f., modified by the author

There are two analytical levels: the level of planning decisions made by politicians and/or 'administrative change agents' when preparing modernization projects in public agencies and the level of executive decisions giving the administrative staff indications what to do in a given modernization project. On each level, several 'strategic choices' in the process of realizing administrative modernization can be made.

### **The level of planning decisions:**

An important choice to be made in the stage of preparing a modernization project is whether to adapt a theoretical or an empirically proven model or whether to rely on more hand-made solutions. The analogous question has to be raised with regard to the provision of expert knowledge: Should external consultants be hired, or is it sufficient to rely on the knowledge of the staff-in-house? Another issue to be answered in the planning stage is whether to concentrate modernization efforts on the internal organisational structure of administrative agencies or to focus on the external dimension of administrative units, i.e. the relationship to the customer. In the planning phase the time horizon of the modernization project has also to be made explicit. Short-term projects have the advantage of showing quick results, whereas long-term projects allow for more comprehensive modernization approaches, but the pay-offs may be more uncertain. Last but not least a classical question at the planning stage is whether to use a holistic strategy for the realization stage or to pursue a step-by-step approach. In case this question is not considered, 'muddling through' will be the consequence.

### **The level of executive decisions:**

When it comes to realizing administrative modernization many choices have to be made. One choice concerns the focus on modernization strategies. Here, 'hard' strategies focusing on organizational changes contrast with 'soft' strategies which also include the cultural component of an organization. Another question is whether to rely on the internal modernization of an organization or to pay attention to external modernization, i.e. the relationship of an organization to its socio-political environment. Then choices have to be made with regard to the dynamics of modernization strategies where repairing, reactive strategies can be distinguished from anticipating, active strategies. Furthermore, measurement issues can be very important in modernization projects when the focus is on quantitative strategies or less important when qualitative modernization strategies are dominant. A more specific issue is the degree of decentralization to be realized in modernization projects. There are many flexible solutions between merely internal decentralization within an organization at the one extreme, and the (British) agency concept with the crea-

tion of new, autonomous organizational units, at the other extreme. Other strategic choices concern the role of the middle management in modernized administrative organizations: Do they become obsolete or do they get redefined jobs as project managers? Last but not least terminology plays an important role in modernization projects. A heatedly debated issue is whether to use the term customer or to keep the term citizen. Last but not least, the question for public managers and the staff in administrative agencies is how customer orientation is to be realized. There is one possibility of defining citizen/customer-oriented performance targets and publishing the results. It is also possible to rely on modernization processes from within which automatically bring about more customer orientation.

Intellectual discussions about interest policy and ideologies hiding behind administrative modernization (Politt, 1990a) and the difficulties in defining administrative results (Carter, Klein and Day, 1992; Politt, 1990b) also show that it is a preliminary task to talk a priori about "the" modernization of the public sector.

These findings gave birth to the hypothesis of "diverging strategies of public sector modernization" (Klages and Haubner, 1995:352). This does not imply that the idea of a uniform perspective of public sector modernization loses its meaning and justification as a paradigm shift in the public administration. But the different strategies and approaches that are connected with it have to be made visible. Only after the pluralistic character of public sector modernization has been analyzed the following question arises: "Is there a common road to the modernization of the public sector?" (Klages and Haubner, 1995:372).

### *2.3 Research Question and Purpose of the Study*

These preliminary findings of empirical research on divergent ways of "modernizing" the public sector are the axiom of this research. The purpose of this study is twofold: one purpose is to test the hypothesis of "divergent modernization strategies" empirically in an international comparative study; the other purpose is to extend the hypothesis of "divergent modernization strategies" to the hypotheses of "divergent methods and concepts of awarding quality". While the final report is focusing on modernization strategies as regards quality management in the public sector, the intermediate report takes a closer look at the concepts of quality and methods of assessing and awarding quality.

The aim of this intermediate report is to document different methods of evaluating quality used in the public sector in OECD countries and to analyze them in a comparative perspective. The descriptive part will mainly be endeavoured to introduce the concept of quality management into the public sector. The analytical part examines to what extent and in which way different 'societal backgrounds' have an impact on the operationalization of quality and the choice of quality assessment instruments in the public sector. This research question is based on the hypothesis that "there are differences in awarding and assessing quality (..) according to different conceptions of quality in society (...)" (Bouckaert, 1995:196). While Bouckaert derived this hypothesis from a comparison of the French, Belgian and British Citizen charters, in this study, quality awards will be the analytical unit.

This question has important implications for the legitimacy of international awards like the Carl Bertelsmann Prize and international benchmarking. If different 'administrative systems' have different conceptions of quality, this means that criteria applicable to one country are not 'valid' for another country. As a matter of fact, the Carl Bertelsmann Prize of 1993 was not a truly international quality award since the Latin area (France, Italy, Spain, Portugal and Belgium) had been excluded from the award (Bertelsmann Foundation, 1993:17). This was justified on the basis that these countries do not have the same kind of performance-orientation as the Anglo-Saxon countries (Bertelsmann Foundation, 1993:17). However, international quality awards and a European Charter of Quality that is drafted by the EU Commission at present only make sense if the public sector in the countries concerned shares the same conception of quality.

In the final report, quality awards will be considered data banks that furnish modernization strategies of administrative organizations with empirical data. The international perspective raises the question what accounts for the divergence of administrative modernization at the implementing stage. The hypothesis is that the existence of certain types of modernization strategies is not random but determined by independent, 'contextual' macro-variables such as degree of centralization of the political system (federal vs. centralized state), party competition and administrative culture. The research question of the final report that follows this hypothesis is to what extent modernization strategies (to be operationalized by 'strategy variables') are determined by 'contextual' macro-variables.

#### 2.4 A Working Definition of 'Administrative Modernization'

Since the term 'administrative modernization' takes a prominent place in this study it is necessary to have a short discussion about the more general term 'modernization' and its meaning in the context of public administration.

As a concept of system transformation, the term modernization focuses on the transition of the demographic, economic, political, communication and/or cultural sectors of a society from one stage to another. (Lerner argues that modernization has to be conceived in terms of the society as an entity, but as the term administrative modernization suggests transformation processes can also be restricted to certain segments of society; see Lerner et. al., 1958:401). This means that in contrast to development, modernization is not an open-ended process. Monte Palmer states that modernization "refers to the process of moving toward that idealized set of relationships posited as modern"(Palmer, 1980:3 f.). This is where the time and culture bound connotations of modernization enter this generic definition.

In historical terms, the English industrial revolution from 1760 to 1830 and the political French revolution from 1789 to 1794 can be considered the first type of social change to be called modernization (Bendix, 1969:506). A much more abstract, formal definition of modernization emerged during the 1950-70s when modernization described (or prescribed) the transition of 'traditional' society of developing countries to 'modern' societies in the Western world. A modern society was considered to base on social stratification, cultural legitimation, rational legal order, bureaucratic organization, a market system based on monetary transactions and democratic association (Parsons, 1964:342-356). This kind of institutions enable processes of structural change such as "differentiation, adaptive upgrading, inclusion and value generalization" (Parsons, 1971:26-28). Societies that develop those institutions would be more successful and reach higher system levels than others who do not have this institutional framework.

This structural-functional theory serves to define the elements of modern societies and their sub-systems. By doing so, it also gives a theoretical framework to test the 'modernity' of the NPM paradigm. Nevertheless, most modernization theories of the 1950s have been criticized to stick to the ideal of Western industrial societies, to perceive traditions as opposed to modernity and to underestimate the importance of asymmetries in the international trade as a barrier for the modernization of developing countries (Mansilla, 1986:203-210).

Since also the 1980s have become an era of transformation, the term modernization has become popular again. It refers to the political and societal development in Greece, Spain and Portugal as a consequence of the EC entry (Axt, 1992). Another reference is Eastern Europe which does not look any more for a third way but seeks the transfer and emulation of modern Western institution (Zapf, 1994:140-143).

Last but not least 'administrative modernization' has become a common term in Continental Europe and East-Asia to describe a process of change within the public administration. It is important to note that in Anglo-Saxon countries the same kind of phenomenon is described by the term 're-inventing' (Osborne and Gaebler, 1993). However, 're-inventing' in the American context is much more revolutionary as 'modernizing' in the European context: Whereas past administrative reform initiatives in the U.S. relied on the ideal that a minimal state was the best one, the Gore Report affirms government action and public administration. Re-inventing does not aim at reducing but at improving the public sector. For the European welfare states, there has never been the intention to cut the public sector (considerably). Thus, modernizing the public sector is consistent with the past growth of the public sector in Western Europe.

On the sub-system level of administrative modernization, the universal modernization theories of the 1960s are too abstract to furnish a practice-oriented framework. In this context, medium-range innovation theories may be very functional by delivering strategies to bring about adaptation. Social innovations may thus be defined as "strategies that create adaptation of societal sub-systems to changing environmental conditions by designing new (formal or substantial) system elements" (Bleicher and Wiek, 1976:828). Of course, administrative modernization and other modernization processes are always in danger of encouraging social innovations for its own sake that are no more goal-related strategies.

Given the fact that 'administrative modernization' is a term that is limited to a particular country group, the question arises if it would not be better to use the more neutral term 'administrative reform' instead? Even if some administrative scientists like to make the argument that 'administrative modernization' of the 1980s and 1990s is just another kind of administrative reform (Laux, 1995:16; König, 1995), the author argues that the present modernization process goes beyond administrative reforms. Common definitions describe administrative reforms as "non-revolutionary profound changes of the structure of the administration (...) which are executed within the constitutional framework." (Lepper, 1976:1737). This means that reforms do not require amendments of the constitution or changes of the political system. Adminis-

trative modernization, however, implies far-reaching legal changes, in some countries even constitutional changes. Otherwise, administrative modernization cannot be implemented properly or risks to place the public administration on illegal grounds. In contrast to reforms which are one-time events, modernization in the sense of “ongoing modernization” (Zapf, 1990:32) describes a continuous, dynamic process which will never be finished since the ideas of what is supposed to be a modern public administration might change over time. At present, administrative modernization is understood to be an economy- or business-oriented public management, which, of course, is only a partial modernization of the public sector. Other ‘modernization gaps’ like equity issues and democratic control might become themes for future administrative modernization. The fact that these ‘challenges’ are not chosen to be central issues for politicians and administrators today shows that the seemingly “technocratic goals” (Hauschild, 1991:81 f.) of administrative modernization in the 1990s are driven by a new set of norms called NPM paradigm.

This still leaves the question if a term like administrative modernization, the use of which is restricted to Western Europe, is useful for a comparative international study. This seems to be legitimate because the countries to be analyzed more closely in this study largely adhere to Continental Europe. Furthermore, the term ‘administrative modernization’ allows to see the present modernization of the public sector in the context of the general debate about the modernization of the economy (Lafontaine, 1994) and the state (Hesse and Benz, 1990).

The global themes of ‘administrative modernization’ of the 1990s are quality (management) and customer orientation. In the following, it will be analyzed how and to which degree the operationalization and implementation of these themes vary among modernizing societal sub-systems.

### **3. Total Quality Management as the Basis of Quality Awards**

#### *3.1 Quality and Customer Orientation as the Central Goals of Administrative Modernization in the 1990s*

The shift from a ‘quantity’ focus to a ‘total quality’ focus in the public sector has its roots in the NPM paradigm that recommends private sector management methods and systems to the public sector.

The new meaning and increasing importance of quality in the private sector can be readily explained by a number of factors (Wonigeit, 1993:1-12):

- definitely, the key factor is the increasing competition on world markets since Japanese companies have enlarged their market shares with cheap and high-quality consumer products since the early eighties;
- also the changed customer preferences that value product quality as high as or even higher than the price of the product account for the relevance of ‘total quality’ in the private sector;
- new logistic systems such as the just-in-time principle imply that the quality of input factors in the logistic chain becomes more important. The trend to disintegrate the logistic system back to (external) suppliers also explains the increasing use of third party certification by suppliers.
- From the point of view of the production process technical progress by itself raises quality standards for products. Especially in micro-electronics, products have become so complex that the standards for the production process have become more and more demanding.
- Last but not least, also employees of private companies have become a driving force in the ‘quality movement’ by asking for a certain quality of their work and participation.

Which of these reasons does apply for the public sector? It is obvious that ‘the’ explaining variable of quality as a strategic issue in the private sector is missing in the public sector, namely increasing international competition. Since the public sector is rather service than product-oriented, there is also no technical need for quality orientation from the point of view of the production process. Thus, the only factors pushing for quality orientation in the public sector are quality consciousness of citizens and the expectation of public employees to find self-realization in their work. The question is if these factors produce enough pressure to go the painful way towards total quality in the public sector. Much more empirical research has to be done why TQM starts in the public sector (Bouckaert, 1992a:9).

‘Total quality’ and TQM are definitely new management concepts and philosophies for the public administration. This does not imply, however, that public employees were not quality-oriented in the past. Quality – at least implicitly – has always played a role in the public administration even though the contents of qualitative public services have changed over time. Beltrami (1992:770) distinguished three phases in the evolution of quality in the public sector:

- (1) ‘quality’ in the sense of respect of norms and procedures
- (2) ‘quality’ in the sense of effectiveness

(3) 'quality' in the sense of customer satisfaction.

In the first case, quality means the absence of arbitrary, or to express it in a positive way, formal correctness. Of course, in this definition, the reference to the user or customer is missing. As will be shown later, this understanding of quality in the public administration corresponds to the early notion of quality as 'technical conformance to specification' in industry. The meaning of 'quality' in the context of public services changed in the late 1960s when management by objectives gained popularity. Quality in the public sphere would still include the absence of errors but also starts to link the concept of quality with the purpose/a product/service would serve. This definition of quality has its equivalent in Juran's famous definition of quality as "fitness for use". In the early eighties, the 'total quality' concept of the private sector was transferred to the public sector, making customer satisfaction or even customer delight the point of reference for the degree of quality achieved.

### *3.2 The Development from 'Quality to Total Quality'*

But what does quality mean? In a country where "made in Germany" is still taken as a synonym for high quality it seems paradoxical to copy quality management systems from Japan. This shows that quality has different meanings in different cultural contexts: whereas in Germany quality has still the notion of a technology-oriented characteristic, quality in Japan has become a way of life (Zink and Schildknecht, 1992:78).

This was not always the case in the past. Until the early fifties, Japan, the U.S. and Western Europe had a common understanding of quality. Afterwards, the development of quality management in the U.S. and Western Europe stagnated. The further development of quality management took place in Japan. It was heavily influenced by U.S. quality experts like Deming, Juran and Feigenbaum. The following table gives a survey of the phases of quality management in Japan in the historical evolution. It is important to see that TQM is the last chain-link in the evolution of different management systems comprising elements of precedent management systems. The survey also shows the interdependence of the definition of quality and quality management systems.

Table 2: The Evolution from Quality to Total Quality in Japan

time period	1945-1949	1949 – 1951	1951 – late 1960s	late 1960s-1990s
definition of quality	technical conformance to norms and standards	technical conformance to specification	fitness for use	conformance to customer requirements
quality management system	quality inspection	statistical quality control	system-oriented quality assurance	company-wide quality-control
parameter of the quality management system	final product	final product	production process	customer needs
management instruments	standardization	statistical methods	root cause analysis	quality function deployment
era	basic needs era	basic needs era	growth era	quality era
technological change	mass production	mass production (Fordism)	short product life-cycles	service economy
type of markets	seller markets	seller markets	buyer markets	satisfied and globalized markets
type of goods	search goods	search goods	experience goods	experience goods
perspective	producer-oriented (internal)	producer-oriented (internal)	consumer-oriented (external)	producer- and customer-oriented (external and internal)
measurement concept of quality	objective concept	objective concept	subjective concept	subjective concept
assessment concept of quality	third-party assessment	third-party assessment	third-party assessment	self-assessment
time dimension	static	static	dynamic	dynamic

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The history of quality management in Japan can be divided into four phases. The starting point of Japanese quality management was the breakdown of the Japanese telephone network after the second World War (Ishikawa, 1985:15). The American Allied Forces as well as Japanese industry regarded the low quality of the telephone network as the main reason for this problem. As a consequence, efforts were made to apply modern methods of *quality inspection*. This kind of quality management was already practiced in Europe where, in the course of the industrialization process, manufactured work processes were substituted by the *Taylorist concept of work organization*

which was based on the separation of 'hand and head work'. This meant that monitoring activities became the exclusive task of additional hierarchical and functional units. In this context, quality inspection was transferred to superiors and later to specialized departments (Zink and Schildknecht, 1992:75).

Quality inspection had a purely technical function: it had to detect the good products and let them pass and had to stop the bad product. The percentage of unacceptable products determined the quality of the production. Quality consisted of "*conformance to requirements*" (Crosby, 1979:17), specified as a list of required characteristics. Since quality inspection focused on the *final product* solely, it usually had no implications for productivity. Quite on the contrary, economists would often see a contradiction between quality and productivity: the more technical attributes or characteristics a product has to conform the more input factors are needed to produce one unit of output (Lancaster, 1966). The main management instruments were *norms and standards* that helped to carry out inspections correctly. All in all, quality inspection had an important function in creating common industrial norms in post-war Japan (Wongigeit, 1994:34). Nevertheless, this quality management system suffered from the fact that total inspection of all products was impossible and that conclusions from small samples were not representative. As a result, the ratio of detecting defects by quality inspection was low and quality inspection therefore inaccurate.

In order to overcome this deficit quality inspection was further developed to *statistical quality control*. This phase of quality management was heavily influenced by the U.S. quality expert Deming. Deming stressed the importance of variation problems and its causes. In particular, he distinguished between systematic mistakes caused by men or machines and random mistakes like bad quality input factors. The main management instruments were *statistical* methods like sampling methods. The mass production of armament during the Second World War also encouraged statistical quality control in the U.S. and Great Britain (Zink and Schildknecht, 1992:76). Statistical quality control still focused on the end product and was the task of specialized inspection departments.

The environment of these early quality management systems was characterized by the "*basic needs era*" (Reiss and Zydromomyslaw, 1994:34). This meant that the fulfillment of basic needs had first priority in terms of individual goals which was made possible by mass production on large scale. On markets, the price was the decisive competitive parameter. In terms of quality, the goal function of producers was to produce a certain level of quality at least cost. The quality control system had to guarantee that costs of inspection did not exceed direct failure costs such as refuse and rework.

This concept of quality and quality control is only adequate for goods which the producer can specify before sale (and the consumer can investigate the characteristics before purchase). Nelson (1979) defines this type of goods as search goods. The Ford Tin Lizzy would clearly fall into this category, to give one example. This *producer-oriented perspective* (Bouckaert, 1992a:7) defined quality at the output level as a set of features of a good or service corresponding to a predetermined description of the good or service to be produced. Quality, in this sense, was an *objective concept* (Bouckaert, 1992a:7), since the judgement on quality was based on hard data. Specialized functional divisions were responsible for the assessment of product quality, which is a *third-party assessment* from the workers' perspective. At the same time, it is a *static view* that emphasizes technical conformance, no matter how much the specification for a product may have become inappropriate for the circumstances in which this product must now be used.

In the 1950s, environmental conditions changed and producer-oriented quality concepts and quality management systems proved to be inappropriate. Successful organizations now had to manage external rather than internal systems (Walsh, 1991:504). The meaning of quality therefore shifted to quality as "*fitness for use*" (Juran, 1979a:2). This definition of quality means meeting the objectives of the various customers. In order to do so, quality management in Japan then turned to *quality assurance* which "is broadly the prevention of quality problems through planned and systematic activities" (Oakland, 1993:15). This included the rediscovery of the 'employee as relevant size' (Zink, 1992:24) in the framework of so-called Zero-Defects-Programmes in the United States. This vision was mainly directed against thinking in terms of Acceptable Quality Levels and aimed at avoiding errors due to deficient attention and care of employees by changing the working attitude of front line employees. Various types of quality assurance management systems (Mack, 1992:113) all have in common that they are system-oriented approaches which involve the whole company (in functional and hierarchical terms) in quality assurance.

The focus is no more on the final product but on the *production process*. Quality improvement takes place by *root cause analysis* (Juran, 1979b:16-9 – 16-44). The aim is to raise product quality continuously and to adapt it to the changing needs of customers.

The behaviour of customers is determined by increasing material well-being and forming a critical attitude towards technical progress in the "*growth era*" (Reiss and Zydromomyslaw, 1994:34). Markets are characterized by globalization and shorter product cycles. Low prices are no more sufficient to attract customers in *buyer markets*. Quality has become a competitive param-

ter and a strategic goal for companies. The types of goods being produced have also changed: with the service sector becoming larger at the expense of the industrial sector, experience goods (Nelson, 1979) become more and more important. Experience goods are those which are impossible, impracticable or too expensive to investigate before purchase.

This has several implications for the judgement of quality which becomes a function of individual perceptions and expectations. This *consumer-oriented*, '*subjective quality*' vision (Bouckaert, 1992a:8) measures quality at the effect-level as the "fitness for use" (Juran, 1979a:2). Translated into the field of microeconomics, the consumer-oriented concept of quality means the maximization of utility functions (subject to budget constraints). Even though system-oriented quality assurance was based on the idea that "quality is everybody's job" (Feigenbaum, 1983:158), in practice responsibility for quality assurance has only shifted from inspection departments to top management. Therefore, it is legitimate to refer to the assessment concept of quality as third-party assessment from the perspective of the operational level.

*Company-wide-quality control* is the last chain-link of Japanese quality management systems. It was introduced by Ishikawa in 1968 as a more comprehensive approach than system-oriented quality assurance (Ishikawa, 1985:91). What are the new elements of company-wide-quality-control? The underlying concept of quality is similar to Juran's attitude: *quality requirements are derived from individual needs and translated into technical specifications*. However, customer-orientation does not only refer to the external, but also to the internal customer so that the whole company may be interpreted as a network of customer-relationships. As a consequence, all management efforts concentrate on the fulfillment of customer needs. *Market research* has an important function in company-wide-quality-control, using techniques such as *quality function deployment* (Sullivan, 1986:18). As the term company-wide-quality-control suggests all functional divisions and employees are responsible that customer requirements are met in the production process. Quality in this management system becomes a strategic business issue and is seen as the key success factor for long-term competitiveness (Ishikawa, 1985: 104 f.).

The evolution of quality from a technical function to a strategic business goal may be explained by the change of the external environment. The "*quality era*" (Reiss and Zydromomyslaw, 1994:34) may be characterized by a general consciousness and awareness of quality among customers as well as by competition through quality. Today's *service economy* is based on personal company-customer relationships rather than on standardized production processes, which is the reason for quality becoming a *subjective concept*.

Comprehensive quality management concepts like company-wide-quality-control try to *combine the old producer-oriented quality control and customer-oriented quality assurance* concept so that the idea of customer-orientation is also introduced into the production process: The preceding production units become the internal customers of the performance recipients in the added-value chain. The term product therefore includes each single output of a production process. Since customer requirements have to be met at every stage of the production process every employee has to make sure that his or her 'products' have all the necessary quality specifications. Following the logic of this management concept, the assessment of quality is based on *self-assessment*.

Company-wide-quality-control and TQM are often referred to as synonyms in literature. Even though their approach and emphasis is similar, there are differences with respect to the operationalization of customer-orientation. Also, TQM claims to be more complete than company-wide-quality control. However, this completeness goes at the expense of clarity as will be shown.

### *3.3 TQM as Quality Management System in the Private and Public Sector*

In the Western world, TQM was seen as one of the success factors for the Japanese becoming the number one in the electronics and car market. TQM is based on a definition of quality that comes from consumer psychology literature and sets *consumer expectations* as the first and ultimate goal of each activity in an organization (whereby staff is seen as the internal consumers of an organization). Often an even more ambitious definition of quality is used in organizations applying TQM, namely that quality only exists if the *customer's expectation is exceeded* (Bovaird, 1995).

Whereas the TQM concept of customer-orientation is still quite clear, it is difficult to define TQM as a management system. Every author stresses different elements of TQM (compare an overview in Zink and Schildknecht, 1992:99 f.). The following definition from the U.S. Department of Defense's Total Quality Management Guide (1990) conveys a sense of the comprehensiveness and the expectation inherent in TQM as an organizational change process (Hyde, 1995:48). According to this definition, "TQM is both a philosophy and a set of guiding principles that represent the foundation of a continuously improving organization. TQM is the application of quantitative methods and human resources to improve materials and services supplied to an organization, to improve all the processes within the organization, and to improve the degree to which the needs of the customer are met, now and in

the future. TQM integrates fundamental management techniques, existing improvement efforts and technical tools under a disciplined approach focused on continuous improvement” (U.S. Department of Defense, 1990:11).

In order to function properly, TQM requires the full and active involvement of all employees as well as effective information systems. Quality costs calculation and benchmarking are two important information instruments to collect the information needed with regard to external and internal customers, internal processes and competitors (Herter, 1993:32).

None of these elements are new. What is new about TQM is that it pretends to integrate and combine each of these elements in order to maximize customers' satisfaction. Now linear programming tells us that it is not possible to maximize simultaneously in several directions. For example, maximizing investors' satisfaction would mean to shut down a company when the external rent exceeds the internal rent. Of course, this would not satisfy employees who only care about permanent rent. The experience with applied TQM also shows that organizations in Japan rather focus on cost reduction techniques, whereas in the U.K. customer orientation has been regarded as a main goal with costs reduction regarded as secondary (Boivard, 1995). Much consensus exists on some of the key components of TQM systems, but there are major differences in opinion about the appropriate components of TQM and the appropriate emphasis among the various components (Easton, 1994:595). Quality awards as an assessment instrument of quality management systems give some conceptualization of what TQM ought to be. Therefore, it is interesting to examine quality awards in a comparative perspective.

What is it that makes TQM so attractive in private companies? One possible explanation is that TQM dissolves the contradiction between quality and productivity (Herter, 1993:29). By integrating quality assurance into the production chain, efficiency gaps will be removed and the overall productivity will be increased. Thus, high investment costs for TQM training activities and organisational changes pay off for private companies in the long-term.

The question arises if TQM also makes sense in the public sector. As a matter of fact, TQM proponents maintain that TQM principles only need minor modifications when applied to business and government because a delivered service can be viewed as a product. However, (public) services have characteristics which are very different from industrial products even though for analytical and operational purposes a service can be defined as a product. Therefore, it is important formulate to explicitly the (unwritten) conditions for “orthodox TQM” (Swiss, 1992:356) in the industrial sector, to confront these tenets with the particular characteristics of the public sector and to make

the necessary conclusions. In the following, seven basic tenets of classical TQM (Swiss, 1992:357-359) will be confronted with the particulars of the public sector.

Table 3: Classical TQM and 'reformed' TQM in the public sector

The Tenets of Classical TQM	Characteristics of the Private Sector	Characteristics of the Public Sector	The Tenets of 'Reformed' TQM
the customer is the ultimate determiner of the quality	in a market situation, the customer is the sovereign party of market contracts; diverging needs can be addressed by different private goods and/or different producers	in the state, the citizen is a concentration of rights and duties within the rule of law; in the case of public goods diverging interests between different groups of customers have to be balanced	the taxpayer is the ultimate determiner of the quality (and quantity)
quality should be aimed at early in the production process (upstream) rather than being added at the end (downstream)	manufacturing industry (with routine production processes)	in the case of private and public services, production and consumption often coincide	the perceived quality of a service depends on the appearance and behavior of the person delivering the service
preventing variability is the key to producing high quality	manufacturing industry (with routine production processes)	in the case of labor-intensive services, standardization is impossible	heterogeneity of personalized services may be used to increase choice
quality results from the system, not from individual efforts	intrinsic motivation important	general level of salary below private sector	extrinsic motivation important in low-salary positions
quality requires continuous improvement of outputs as well as of inputs and processes	product quality has to be adapted to changing customers' needs; organizational effectiveness leads to customer loyalty	fixed resources limit the capability for raising the quality of output according to 'customer demands'; organizational effectiveness and efficiency leads to savings	limited resources require more focus on continuous improvement of organizational efficiency and effectiveness
quality improvement requires strong worker participation	quality is accepted as a strategic goal of the organization and worker and management have a common definition of quality	the sharing of one definition of quality is difficult in an organization where employees have different loyalties and strive to meet unrelated, if not mutually exclusive standards of excellence	each organizational unit has to operationalize quality into measurable dimensions depending on the kind of service it provides

The Tenets of Classical TQM	Characteristics of the Private Sector	Characteristics of the Public Sector	The Tenets of 'Reformed' TQM
quality requires total organizational commitment	business culture focuses on management	government culture much more open to outside forces	for the top political officials other political factors more important than quality; sole focus of employees on customer satisfaction difficult when loyalties and other standards of excellence are more important success factors

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This discussion comes to the conclusion that all of Swiss' seven tenets for classical TQM have to be modified when considering the particular features of the public sector. In some cases, the 'characteristics of the public sector' also apply to the provision of private services, which is different from the production of goods. The tenets of 'reformed' TQM are derived as follows:

- The main tenet of classical TQM is that the customer is the ultimate determiner of (product) quality. This is true in non-monopolistic market structures where the customer has the choice between different producers. In the state, however, the customer is no more sovereign since he or she is subject to the rule of law. In the case of public goods, the public administration also has the problem to balance diverging interests between different groups of customers, such as the direct beneficiaries of public goods and the taxpayers. Since all public goods are financed by the taxpayer, no matter which interest groups may demand their provision, in 'reformed' TQM the taxpayer has to be the ultimate determiner of the quality and quantity of public goods.
- Classical TQM also puts a lot of stress on process management. In order to avoid costs of inspection and repair, quality should be considered early in the production process rather than being added at the end. Variability in the production process should also be avoided. This makes sense in the manufacturing industry producing homogenous products on large scale. Yet, in the case of (private and public) services, production and consumption often coincide. Variability is natural since the provision of labor-intensive services cannot be standardized. The conclusion is that the perceived quality of a service depends on the appearance and behavior of the person delivering the service. 'Reformed' TQM therefore stresses human resource management instead of process management. Variability in personal service deliv-

ery is also regarded as an instrument to increase choice and competition in service provision.

- Classical TQM claims that quality results from the system, not from individual efforts. As a consequence, individual rewards are seen as dysfunctional. Intrinsic motivation may be more important than extrinsic motivation when a certain standard-of-living can be afforded and the position gives some kind of recognition. In the public sector, however, the general level of salary is below that of the private sector and, especially in low-salary position, individual incentives may increase the motivation of public employees. Thus, ‘reformed’ TQM recommends individuals rewards in low-profile public service positions.
- Continuous improvement of TQM refers to the adaptation of product quality to changing customers’ needs as well as to internal processes. The transfer of classical TQM to the public sector would imply that the state has to raise the ‘quality’ of public goods according to demands of various customer groups. However, given the fixed resources of the state, the capability for investing in increasing quality (and quantity) of output is limited. Notwithstanding, it pays off for the public sector to increase organizational efficiency and effectiveness in terms of savings and improved public productivity. Therefore, ‘reformed’ TQM recommends to the public sector to focus on the continuous improvement of organizational efficiency and effectiveness, which means to link outputs with inputs.
- Classical TQM only works if all workers are actively involved in the continuous improvement process. This means that all employees share a common understanding of quality and work towards the same goals. This is much more difficult to carry out in the public sector where employees have different (political) loyalties and strive to meet unrelated, if not mutually exclusive standards of excellence (Halachmi, 1991:2). Instead of elaborating an abstract vision that only serves to cover diverging interests of public employees, ‘reformed’ TQM claims that it is more functional in the public sector to define indicators of quality depending on the kind of public service/task of organizational units.
- Last but not least, classical TQM demands total organizational commitment to quality. This is possible in a business culture environment where quality is a strategic goal. Government culture is much more heterogenous and open to outside forces. This does not mean that government culture cannot become more quality-oriented. However, ‘reformed’ TQM claims that quality cannot become the sole parameter of excellence in the public sector,

as political loyalties and other standards of excellence are more important success factors for public employees.

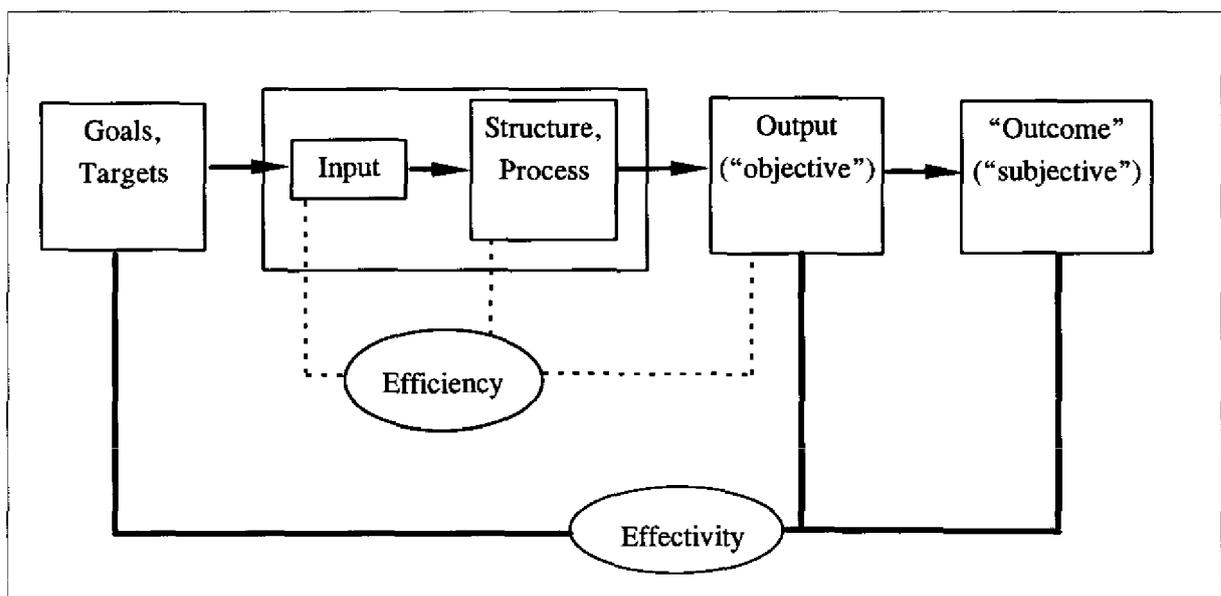
Summing-up, TQM is also useful in the public sector if it is adapted to the particular conditions of public service provision. The comparison of private and public quality awards will reveal if and how quality award organizers have considered the characteristics of the public sector in the design and criteria of quality awards.

#### 4. Assessing Quality in the Public Sector

##### 4.1 Measurement Problems (Löffler, 1995b)

The evolution of quality management systems depending on different definitions of quality shows that quality is a broad concept. This fact already gives one important reason for the attraction of quality within the 'New Public Management' movement: it has various meanings for different stakeholders, which makes it less controversial than other, clearer conceptualizations of performance. Considering, however, the little progress that has been made with the measurement of the 'three E's', it is doubtful whether it can be regarded as a progress to proceed to an even more complicated concept of performance in the public sector. The present state of performance measurement in the public sector can be illustrated with the graph below.

Graph 2: Dimensions of Performance Measurement in the Public Sector



Source: Klages and Haubner (1990:250)

Reading the graph from the left to the right, the 'production process' of the public administration starts with goals or targets. The realization of these goals implies the use of input (staff and material) in organized administrative processes. These actions result in products which may be defined as output from the point of view of the administrative organization. From the 'customers' point of view they are perceived as outcome.

In theory, each of the elements of this 'system' may be taken as a basis for performance measurement. In practice, however, there is a downward trend in performance measurement that goes from inputs to structure and processes. The measurement of outcomes had been neglected in the past but this dimension becomes increasingly important with the rise of (subjective) quality concepts. Talking in concrete terms, surveys to find out financial and personal requirements are very common in the public administration and take place regularly. Also organizational examinations focussing on organizational effectiveness are quite common in the public administration. Less efforts have been made to define and measure administrative outputs and to relate them to input; i.e. to assess public sector productivity. The same is true for relating outputs to previously defined goals, i.e. the measurement of effectivity. Instead, more and more attention is paid to the effects of administrative actions as perceived by the external 'customer'. As a matter of fact, an increasing number of public organizations regularly relies on customer surveys and focus groups in order to obtain 'soft' data.

In contrast to the 'three E's', quality can be taken as an objective or subjective concept. As an objective concept, it has to be split up into quality dimensions such as performance, features, reliability, conformance, durability, serviceability, aesthetics and perceived quality (Garvin, 1988:49-60; Kouzmin, 1993:216 f.). Such a differentiation of the complex term quality allows to operationalize the quality of products or services by means of particular quality dimensions.

If quality is considered a subjective concept, there is no need to break it down into several dimensions and to find indicators for these. The (subjective) view of customers may be sufficient as an indicator for the degree of quality achieved. Relying on customer satisfaction as an indicator of quality implies that quality may be perceived as decreasing due to more demanding customers while (objective) quality has remained constant. This may be acceptable in the private sector which builds on the idea of customer sovereignty and where customer satisfaction is supposed to lead into increased profits and market shares. Yet, in the public sector financial resources are limited and the attempt seek 'customer satisfaction' by focussing on the perceived quality of public services may lead to more unrealistic expectations on behalf of the citi-

zens. Taking customer satisfaction as the difference between the perceived quality of public services and individual expectations shows that public organizations with scarce resources also have to do expectation management, i.e. to make clear to citizens what is feasible and what is not feasible. This aspect certainly needs more elaboration but it shows that a simple transfer of private sector ideals and methods to the public sector may be counter-productive.

Summing-up, three major trends in performance measurement in OECD Countries in the 1990s can be identified (MAB-MIAC 1993:20-21):

- the development of benchmarking concepts which enable comparisons of similar quality management activities across a number of areas (quality awards);
- the efforts concerning the measurement of customer satisfaction (citizen surveys, output as indicators such as the number of complaints, throughputs as proxies for direct clients, impacts of programs)
- some lessening in the focus on the long-term, particularly in evaluation work.

There is also a trend to ‘measure’ organizational quality indirectly by assessing quality management systems. This is done on the assumption that quality management systems such as TQM produce high quality outputs, internal processes and inputs. Quality awards are one particular assessment instrument of quality management systems. They are closely related to other assessment instruments such as the ISO 9000 series and citizens’ charters.

## *4.2 Assessment Instruments of Quality Management Systems*

### *4.2.1 The ISO 9000 series and Third Party Certification*

The ISO 9000 series is an internationally recognised standard for quality assurance. (ISO is an International Organization for Standardization, which is a federation of national standards bodies, and which is responsible for preparing international standards.) This international standard gives indications how to set up quality systems in organizations where a contract between seller and buyer requires the demonstration of a supplier’s ability to supply to mutually agreed requirements. Thus, the ISO 9000 series in its present form only requires an organization to build such a quality system that its products comply to stated requirements. It does not require, albeit not prevent, an organization to aim at full customer satisfaction, or even customer delight. Therefore, this

international standard is not contradictory to TQM but rather an important building-bloc for the introduction of TQM (Kume, 1993; Fowler, 1993:69-72).

Not surprisingly, this standardization approach has its roots in the military business. In the 1960s, the techniques of quality management practiced in the USA were beginning to attract attention in Western Europe and so the British Ministry of Defense introduced standards as a means of codifying the quality management system of suppliers (Ware, 1993:5). Other major purchasers, particularly in the public sector, industries followed suit. The success of this approach in Great Britain prompted BSI standards to produce a national standard, culminating in the publication of BS 5750 in 1978. The British standard then served as a model for the ISO 9000 series that were published in 1987. ISO 9000 was also adopted by the European Community as EN 29000. By the end of 1992, there was an increasing number of European, but also U.S. and Japanese companies obtaining registration (Aune and Ashok, 1994:583 f. and 593). The ISO 9000 series had become important for doing business in the European Community and thus helped to facilitate the free flow of goods. It is now time for the European Commission to standardize national standards of certification (Sharp, 1994).

The mysterious formula ISO 9000-9004, reveals itself as a synopsis of norms which needs to be understood as a guideline, as a benchmark for companies to improve their individual quality management but also fitting their needs and organizational characteristics. It is by no means a ready, of-the-shelf solution or a regulatory system in a negative sense.

With regard to the contents of ISO 9000-9004, it can be divided into three blocs (Bläsing, 1992:27):

- *Instruction to use, selection criteria (9000);*
- *guidelines for the development of quality management in one's own responsibility (9004); and*
- *proposals aiming at preventing non-conformity in the framework of contract-based negotiations (9001,9002,9003).*

It is apparent that the main focus of the ISO-system is the contracting situation. The recommended quality assurance system consists of 23 elements, out of which an organization has to choose suitable elements for the formulation of contracts. The point of departure for the development of TQM is the non-contracting situation for which ISO 9004 gives instructions.

The establishment of a quality assurance and management system along ISO 9000 guidelines is connected with considerable costs (for a survey on

those costs, see Bläsing, 1992:35). In view of this investment, industry wants to have the application of ISO 9000 certified. Independent, so-called third party certification offers the possibility of using quality as a marketing tool and avoids the disadvantages of second party activity and subjective judgement (Ware, 1993:6-8). Demand for the application and certification of ISO 9000 may be created by a need to extend a suppliers' market into areas where his reputation is unknown or needs support. Especially the desired realization of the internal European market by the end of 1992 showed the need for a single consensus quality standard, which explains the increasing importance of certification for trading companies (Meier, 1993:77). However, whereas national accreditation bodies make sure that certification bodies operating within each EU country are equally stringent and competent in their certification, no such harmonization exists on the EU-level yet, let alone on the international level (Sharp, 1994). Thus, in reality, ISO 9000 does not come up to its claim to be an international standard.

Does the ISO 9000 series also make sense for public sector organizations? To date, the application of the ISO-system to the public sector is still at an experimental stage. The Finnish Association of Local Authorities has done some pioneering work by testing the ISO set of standards in practice in order to find out whether they were applicable to municipal service operations. Five municipalities were selected for pilot projects in different service functions. In the end, all five pilot projects had produced a quality manual and achieved readiness to introduce a certified ISO 9000 quality system (the five reports of the pilot projects are published in Finnish by the Association of Finnish Local Authorities). This shows that ISO standards are applicable to the public sector, but do they bring public organizations on the road to 'new public management'? Here it is important to remember that achievement of the ISO standards by a public organization indicates that its processes are under control and that products and services reaching the client/customer are conform to (however defined) quality requirements. As far as the application of ISO 9000 helps to reduce the risk of error and rework this is conform with the demand of NPM to increase the efficiency of public sector organizations. As far as ISO 9000 encourages conformance of public products and services to requirements it is contrary to the demand of NPM to focus on customer orientation and rather supports the Weberian ideal of a uniform production of public goods.

For the value of the ISO 9000 series as a quality assessment instrument in the public sector there are three implications:

(1) ISO 9000 is primarily important for contractual situations such as contracting-out or competitive tendering to help public sector organizations to

evaluate the product or service quality of different suppliers and their expected quality level for the duration of the contract.

(2) The application of ISO 9000-9003 may be especially useful for small public organizations where supervision and management are multi-roled and lack or written procedures and crisis management are prevalent (Steventon, 1994:7). The documentation required by the ISO standards brings in the necessary transparency to control the various operations.

(3) In most cases, however, public sector organizations will find it most useful to implement the ISO 9004 standards. This component lays the cornerstone for the development of TQM. Interestingly enough, the Association of Finnish Local Authorities based the Finnish municipal service standard exactly on ISO 9001 and 9004-2 standards (Association of Finnish Local Authorities, 1995).

#### 4.2.2 Citizen's Charters and the British Charter Mark Awards Scheme

Charters are important official documents expressing commitment to the modernization of the public services. "Considering charters as purely technical documents describing intentional and planned quality improvement strategies underestimates the real scope and significance of these documents. The potential of charters is to express a consensus on a societal model on the behaviour and responsibilities, rights and duties, expectations and trust, of politicians in government, civil servants in public services and citizens" (Bouckaert, 1995:194).

The essential idea behind charters is to increase the quality of life in society and to pay more attention to the needs of citizens. The ultimate purpose is to renew citizen trust not only in public services but also in the State. Meanwhile, citizen's charters have been set up in Belgium - "Chartre de l'Utilisateur des Services Publics - Handvest van de Gebruiker van de Openbare Diensten" (Minister van Binnenlandse Zaken en Ambtenarenzaken, 1993), in France - "La Chartre des Services Publics" (Ministre de l'Etat, Ministre de la Fonction Publique et des Réformes Administratives, 1992), in Portugal - "The Public Service Quality Charter" (Secretariado para a Modernização Administrativa, 1993) and in Great Britain - the Citizen's Charter (Prime Minister, 1991).

As Bouckaert concluded from a careful comparison of the Belgian, French and British charters, "there are different charters for different conceptions of quality in society" (Bouckaert, 1995:196). In the British Citizen's Charter,

the market is the point of departure and the general purpose is to increase competition and choice. The basic mechanism in the system to achieve quality is the pressure on the users on their producers to satisfy the recipients of public services. The French and Belgian charters, however, are based on the State and the legal framework of democracy. Their main intention is to improve public service delivery by maintaining an equilibrium of rights and duties between the various stakeholders. The Portuguese Public Service Quality Charter focuses both on the idea of accountability of the state to the citizen and on value for money. Thus, even though charters generally focus on quality in the public sector the underlying societal concept and its operationalization of quality are different from each other.

The British Citizen Charter is also the basis of the so-called Charter Mark Award (Cannon and Fry, 1995:201). It is open to public services whose main purpose is to serve the public directly. Applicants have to prove to the Prime Minister's Citizen's Charter Advisory Panel that they meet the Citizen's Charter principles for delivering quality in public services (Prime Minister and the Chancellor of the Duchy of Lancaster, 1992:46). The Charter Mark winners then may use the Charter Mark on their products to show that their achievements have been recognised.

The idea to use charters in the 'new public management' framework is somewhat irritating because the historical load of the term charter places them among the old state contract theories (Hobbes, Locke). Historically, the term charter was first used in the English Magna Charta Libertatum from 1215 which was rather a letter of privileges for the noblemen than a catalogue of liberal rights for all citizens (Löw, 1986:197). Nevertheless, it was an important milestone in the history of human and basic rights. The citizen is at the centre of this early codification of liberal rights; a citizen being defined 'as a concentration of rights and duties within a constitutional State, within the rule of law, and a hierarchy of laws and regulations' (Bouckaert, 1995:185). The client is a much more limited concept since the citizen is part of the social contract, whereas the client is part of the market contract. When charters are used in the ideological context of new public management, the meaning of charters changes significantly. It is no longer a catalogue of rights and duties of the ruler and the ruled, but a 'quality' checklist for clients of public services. This is especially true in the British Citizen's Charter which would be more appropriately named "Customer's Charter" (Bouckaert 1995:185).

### 4.2.3 Quality Awards

Quality awards are a performance measurement instrument which foster innovation and quality in the public sector by identifying excellent public organizations through independent panels with the active participation of public agencies. The aim of quality awards is to make the success factors of excellent administrative practices visible and public. This definition excludes awards that are given to organizations for outstanding achievements in the past without using performance indicators and without submitting to competitive selection processes. For example, the grant of the Distinguished Service Cross to public organizations in Germany does not fall into the quality award category because the selection was not carried out by competitive process. Nevertheless, the above definition is broad enough to include innovation awards in the public sector. As Borins (1995:215) points out, the difference between specific and general quality awards is gradual rather than fundamental: Given the elusive nature of innovation in the public sector, judges of specific innovation awards will always have to include effectiveness in their overall judgement.

Quality awards have their origin in the total quality movement (TQM). Whereas the standardization approach such as ISO 9000-9004 helps organizations to reach a minimum level of quality, the intention of TQM is to make organizations work out their own specific quality improvement system (Antilla, 1993:19). Yet, the two 'schools' are not as contradictory to each other as different quality movements may suggest: With the help of standards, organizations are given an orientation of the different aspects of quality and enable them to obtain a minimum standard of quality which can be the starting point for total quality management. The German experience with awards is that the participation of an organization in an award program only makes sense if the organization has already reached a certain level of quality management and, thereby standards can be a useful instrument.

As already pointed out above, quality awards competitions stem from the private sector and have been transferred to the public sector as a result of a paradigm shift taking place in the public administration in post-industrial countries (Reinermann, 1993).

Quality awards are introduced as surrogates of competition in the public sector where a market does not exist. The competition among the participants of an awards program is intended to motivate members of public organizations to take an active role in quality management of their organization. In case they win the award they then act as a model for other organizations, in case they do not win the award, they then learn to become better in the future.

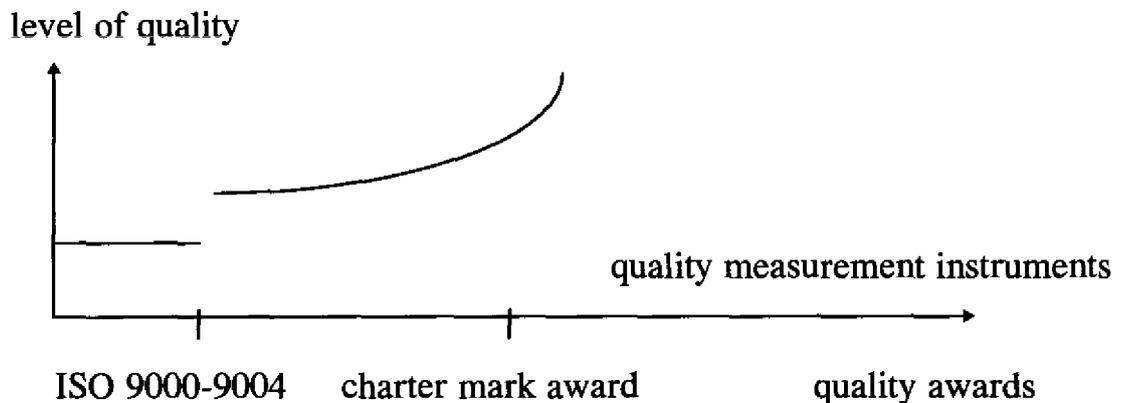
Public sector quality awards have another important function. Whereas in the case of private goods there is a price reflecting a complex measure of all the quality characteristics economic actors attribute to a good, there is no such indicator in the case of public goods. As a result, there is a complicated problem in the assessment of quality in the public sector. Here, quality awards can be an instrument to measure quality by using multi-dimensional indicators. This technical function is closely related to the third function of public quality award programs which is to help public organizations to improve their quality assurance systems by learning from each other. Quality awards identify excellent public organizations and their success factors are made visible to other public organizations (Haubner, 1993:54). This means that there is also a cooperative element in quality competition awards which is perhaps the most important function of such quality awards if they claim to be an instrument in fostering innovations and quality in the public sector.

It is obvious that there is a tension between the competitive and cooperative elements of public quality award competitions. On the one hand, participants of award programs want to know how good they are compared to other organizations and where they have strong and weak points. On the other hand, nobody wants to 'lose' so that organizers of quality awards have to stress the cooperative element of the award in that 'every participant wins' (Information Sheet of the Second Speyer Quality Award 1994) by learning from others and that winning the award itself is not so important. This trade-off that has to be made by the organizers reveals the inherent complexity of problems of award programs. If the learning aspect is central it might be more functional for the program to avoid the term competition and to look for another term. On the other hand, if the aim is to introduce competition, market competition being absent, then winning the award becomes the crucial element of the program and 'losing' has to be the consequence of participation.

#### *4.3 Overlap of Different Assessment Instruments*

It is evident that the above quality management assessment instruments are not mutually exclusive for they target at different levels of quality (in the sense of degree) and aim at quality at different levels (in the sense of perspective) of the public sector.

Graph 3: Quality Management Assessment Instruments and Targets of Quality Levels



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Certification according to the ISO 9000 series checks whether a certain (minimum) level of quality management has been attained by an organization. The standard that has to be reached is conformity of product quality. This standard approach also underlies the British Charter Mark Award. It is attributed to public organizations that have fulfilled certain criteria of quality service delivery. Nevertheless, in contrast to the static approach of ISO 9000, the evaluation scheme of the Charter Mark Award puts emphasis on in-built mechanism of improving service delivery over time. Quality awards, however, do not look for the 'good' public organizations, but for the 'best of the class'. In other words, quality awards look for the maximum level of quality in public services, which does not only have to express itself in high quality of service delivery, but also with regard to working relations. The various quality management assessment instruments may therefore be classified according to the level of quality they target at as shown in graph 2.

The described quality management instruments also differ with regard to the perspective they take of the public sector: they want to focus on quality. According to Bouckaert (1992b), the focus on the concept of quality may be situated at three levels, the micro, the meso and the macro level of society:

*Self-assessment and quality circles* fall in the category of *micro-quality*. This is an internal quality concept which applies to the relationship of top/middle/base in an organisation. The original purpose is to increase the quality of working life by paying attention to human resources. The ultimate goal is to improve the organisational performance. The basic method is to make an organisation define its own quality standard.

*The ISO 9000 series, the charter mark award and quality awards* belong to the category of *meso-quality*. This is an external quality concept which applies to the relationship producer/consumer. The original purpose is to increase the quality of the service. The basic method is to set up a quality standard or to use TQM.

*Charters* adhere to the category of *macro-quality*. This generic system concept applies to the relationship public service/citizen and to the relationship politics/society. The original purpose is to increase the quality of life in society and pay more attention to citizens. The ultimate goal is to re-establish people's trust in public services, the government and the state itself.

Here the focus will be on quality awards and on the concept of quality they use.

## **5. Analysis of Important Quality Awards in OECD Countries**

### *5.1 An Overview of Quality Awards in OECD Countries*

Due to the rise of the quality movement in the Western World, quality awards for the public and private sector exist in most OECD countries by 1995. The table below only gives an overview of the quality awards organized on the national level in each OECD country, excluding awards programs given on a more limited geographical scale such as the quality awards existing in every state of the United States (Bemowski, 1993:30-36). It would be another research task to examine to which degree quality awards on a 'regional' level consider 'regional characteristics' or to check if they simply reduce the national award to the 'regional' level. The same question applies to international awards such as the Carl Bertelsmann Prize that was organized by a private German foundation. In this international study, the focus will be on national awards solely.

Table 4 reveals that quality awards for the private sector (for an overview see European Organization for Quality, 1994) are more common than for the public sector. This is not surprising if you consider the origin of quality awards. A whole variety of national quality awards is given in the United States and Canada. Also each of the Scandinavian countries has a national quality award. It is interesting to note that in the German-speaking countries (with the exception of Germany) there are no quality awards on a national level. The absence of quality awards in German-speaking countries is due to the fact that 49 percent of German entrepreneurs still have an inspection-

oriented view of quality, as a survey effected recently in West-Germany shows (Hauer et al., 1993). Most quality award organizers have the intention to extend their award program to the public sector in 1996. By mid-1995, the following quality awards had been established for the public sector.

Table 4: Overview of National Quality Award Competitions in the Private and Public Sector in OECD Countries in 1995

country	quality award for the public sector	quality award for the private sector	quality award for the private and the public sector
Australia	-	Australian Quality Award	-
Austria	-	-	-
Belgium	-	Belgium National Quality Award	-
Canada	IPAC Award for Innovative Management; <i>Margaret Cottrell-Boyd Innovation Award</i>	Canada Awards for Business Excellence	Canada Awards for Excellence
Denmark	The Danish Quality Prize; <i>De Bedste i Staten (the Best State Agencies)</i>	-	The Danish Quality Prize
Finland	Bra Serviceverk (Good Public Service Utilities)	Finnish Quality Award	Finnish Quality Award (1994)
France	-	Le Prix Qualité France	-
Germany	Speyer Quality Award; <i>Carl Bertelsmann Prize</i>	-	-
Greece	?	?	?
Ireland	-	Irish National Quality Award	-
Italy	Innovation Prize in the Public Administration (Premio Innovazione nella Pubblica Amministrazione)	-	-
Japan	-	Deming Award	-

country	quality award for the public sector	quality award for the private sector	quality award for the private and the public sector
Luxemburg	-	-	-
Netherlands	The Dutch Quality Prize (Nederlandse Kwaliteitsprijs)	<i>European Quality Award</i>	-
New Zealand	-	-	New Zealand National Quality Awards
Norway	<i>Vellykket Forvaltning (Eczellent Public Administrations)</i>	Norwegian National Quality Award	-
Portugal	Public Service Quality Contest	Portuguese National Quality Award	-
Spain	?	Spanish National Quality Award	-
Sweden	<i>Kronorna Bland Verken (The Crowns of the Governement Agencies);</i> Swedish Quality Award	Swedish Quality Award	Swedish Quality Award (1995)
Switzerland	-	-	-
Turkey	-	Turkish National Quality Award	-
United Kingdom	British Charter Mark Awards Scheme	British National Quality Award	-
United States	The President's Awards Program; The Innovations in American Government Awards	The Malcolm Baldrige Award	-

- no quality award exists

? no information available

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Since this is a study on the public sector it is self-evident that quality awards which are only open to the private sector are excluded with three exceptions: the Deming Award, the Malcolm Baldrige National Quality Award and the European Quality Award. These private sector awards function as models for quality awards for the public sector and will therefore have to be considered.

Not all public sector quality awards on the national level will be analyzed in depth in this study. The selection criterion is the relative importance of a public sector award in the respective country. This is operationalized by the degree to which quality awards are institutionalized and the number of award participants in an award. Quality awards will be considered important if they are organized on a regular basis and attract at least 1% of all eligible candidates as award participants. There are a number of awards that do not fulfill these criteria since they were one-time events and/or only had a very small number of participants. This is the case with the Danish award 'De bedste i staten' given in 1990, the Swedish and Finnish public sector awards 'Kronorna bland verken' and 'Bra Serviceverk' which were organized simultaneously in 1991 and the Norwegian award 'Vellykket forvaltning' given in 1993. All these awards were experimental in nature and laid the cornerstone for more elaborate public sector awards (Murray, 1995:147 f.). Also the Canadian 'Margaret Cottrell-Boyd Innovation Award' is still evolving.

## *5.2 Formal Frame and Design of Awards*

### *5.2.1 Comparison of the Three Private Sector Prototype Awards*

The formal frame of a quality award, which includes items such as year of establishment, initiative, organizing institution, type of award, types of organization admitted, conditions for admission and the kind of financing, gives a first idea of the role and significance of quality management in the public sector. The design of quality awards refers to the intended purpose of quality awards, the concept of competition, the definition of excellence and the concept of rewarding. It will be important for the evaluation of quality awards to compare how far the design of a specific award is consistent with the purpose of the award.

Table 5: Comparison of the three Private Sector Prototype Awards

Quality Award	Deming Prize	Malcolm Baldrige National Quality Award	European Quality Award
Year of Establishment	1951	1987	1992
Degree of Institutionalization	annual event	annual event	annual event
Initiative	Union of Japanese Scientists and Engineers (JUSE)	Malcolm Baldrige National Quality Improvement Act	14 leading Western European companies
Organization	JUSE	responsible: Department of Commerce; management: National Institute of Standards and Technology (NIST); administration: American Society for Quality Control (ASQC)	European Foundation for Quality and Management with the support of the Commission of the European Union and the European Organisation for Quality
Purpose of the Award	to award profit organizations that have achieved distinctive <i>performance improvements</i> through the application of company-wide quality control; to promote TQC	to recognize U.S. companies that <i>excel in quality management and quality achievement</i> ; to help raise quality performance practices and expectation; to facilitate communication and sharing among and within organizations of all types...; to serve as a working tool for planning, training, assessment and other uses	
Concept of Competition	recognition	competition	recognition and competition
Definition of Excellence	above average	absolute	above average and absolute
Concept of Rewarding	pass-fail concept	no ranking	two award categories: • the European Quality Prize; • the European Quality Award

Quality Award	Deming Prize	Malcolm Baldrige National Quality Award	European Quality Award
<b>Prize Categories (in organizational terms)</b>	<ul style="list-style-type: none"> <li>• the Deming Prize for Individual Persons;</li> <li>• the Deming Applications Prize</li> <li>• the Deming Application for Divisions;</li> <li>• the Deming Prize for Small Enterprises;</li> <li>• the Quality Control Award for Factories;</li> <li>• Japan Quality Control Metal</li> </ul>	<ul style="list-style-type: none"> <li>• Manufacturing Companies</li> <li>• Service Companies</li> <li>• Small businesses</li> </ul>	
<b>Basic Eligibility</b>	all kinds of private sector companies, also open to public institutions; since 1984 certain prize categories open for enterprises operating outside Japan	any for profit-business	any for profit business; in 1996 also open to the public sector
<b>Conditions and Restrictions for Eligibility</b>	<ul style="list-style-type: none"> <li>• divisions may apply provided they have some managerial freedom and the authority to promote future developments of their business;</li> <li>• award winners are eligible to the Japanese Quality Control Metal after five years or more</li> </ul>	<ul style="list-style-type: none"> <li>• subsidiary units may apply provided the unit functions as a business entity and other conditions are fulfilled</li> <li>• restrictions on multiple applications of the same company</li> <li>• award-winners are not eligible for a period of 5 years</li> </ul>	<ul style="list-style-type: none"> <li>• subsidiary units may apply if the companies have more than 500 employees and other conditions are fulfilled</li> <li>• restrictions on multiple applications of the same company</li> <li>• award-winners are not eligible for a period of 5 years</li> </ul>
<b>Financing</b>	by JUSE	fund raising from the private sector institutionalized in Foundation for the MBNQA	member contribution of Western European companies
<b>Fee of examination</b>	free of charge	application fees (\$1200-\$4000) plus site visit review fees	application fee (ECU 1000 and ECU 3000) plus site visit review fees

### The Deming Prize:

Regarding the early evolution of quality in Japan, it is not surprising that the first quality award was initiated in Japan. After World War II, the foremost task for Japan was to reconstruct its industry. To be successful as a processing manufacturer, the key task for Japan was to achieve quality and efficiency. In 1946, scientists and engineers founded the Union of Japanese Scientists and Engineers (JUSE) to promote scientific knowledge about quality control (Tsuda, 1992:1). The quality research group within JUSE soon started to organize training courses and seminars and also invited E. Deming to present a series of lectures at such seminars. The Deming Prize was initiated in 1951 by JUSE in grateful recognition of Deming's achievements in quality control.

The purpose of the award is to award profit organizations that have achieved "*distinctive performance improvements* through the application of company-wide quality control" (JUSE, 1992:5). Thus, it is not important to show a particular degree of performance at a given point of time, but it is necessary to show evidence of a continuous learning process within the company. The Deming Award is not really competitive since all award participants obtain the Deming Prize when passing at least 70 points out of 100. Excellence in the Deming Award can be defined as performing above average. In consistency with the principle of recognition, the Deming Prize is based on a pass-fail concept.

Having a long history, the Deming Prize has been modified many times to respond to the change of quality concepts (Tsuda, 1993:34-35). Over time, also different kinds of Deming Prizes have been developed for different categories of applicants (JUSE, 1992:2): *The Deming Prize for Individual Persons* is awarded to persons who have achieved excellence in the theory or application or dissemination of statistical quality control. There is also the *Deming Prize for Corporate TQC Implementation* for enterprises (including public institutions) and the *Deming Prize for Divisional TQC Implementation* for divisions that have proved high performance in the implementation of company-wide quality control. For small and medium-sized enterprises, the *Deming Prize for Corporate TQC Implementation in Small Enterprises* has been set up.

It is important to note that the Deming Prize for Corporate TQC Implementation has been 'internationalized' in 1984 so that foreign companies may also apply. Another particularity of the Deming Prize for Corporate TQC Implementation is the *Japan Quality Control Medal* that is awarded to com-

panies holding the Deming Prize for more than five years with the aim to encourage continuous improvement.

### **The Malcolm Baldrige National Quality Award:**

In the Western World, quality awards were discovered much later as a means to promote quality management. The need to raise the awareness of quality and to introduce quality management into industry was only felt in the early 1980s when the U.S. was perceived to become less competitive with regard to Japan because of bad product and service quality. Efforts were undertaken to reach a higher level of quality in industry. This culminated in the creation of the Malcolm National Quality Improvement Act (Public Law 100-107). This law gave birth to the Malcolm Baldrige National Quality Award (MBNQA) that was organized for the first time in 1988. The responsibility for the award has been assigned to the Department of Commerce. NIST, an agency of the Department's Technology Administration, manages the Award Program and took ASQC under contract to assist in administering the Award Program. Beyond this, there is a Board of Overseers which acts as an advisory organization on the Award to the Department of Commerce (NIST, 1994:ii).

The purpose of the MBNQA is to recognize U.S. companies that *excel in quality management and quality achievement*. Compared with the Deming Award, the concept of the MBNQA is static since it aims at a certain level of performance at a given time. Other purposes of the MBNQA are to help raise quality performance practices and expectation, to facilitate communication and sharing among and within organizations of all types and to serve as a working tool for planning, training, assessment and other uses. This shows that the real significance of an award does not have to be measured in terms of award participants, but that the number of copies of the application guidelines (450,000 in the case of the MBNQA) gives a more realistic indicator of the impact on an award.

The MBNQA is clearly a competitive award since there are only six possible winners per year (Garvin, 1991:93). Excellence is defined in absolute terms, which means that a certain number of points has to be obtained in order to win the award. In theory, there may be no award winners in a specific year when award participants fail to meet this predetermined benchmark of points. In spite of this emphasis on competition, the MBNQA does not differentiate between different ranks of award winners.

Regarding the scope of the award, the MBNQA can be characterized as a purely private sector quality award since it is only open to profit organizations. The award has three eligible categories: manufacturing companies,

service companies and small businesses. There are more subtle conditions and restrictions for admission to ensure fairness and consistency in definition (NIST, 1994:39 f.).

### **The European Quality Award:**

The European Quality Award is the counter-part of the MBNQA in Western Europe. It has been initiated by fourteen leading Western European companies which perceived the necessity to implement TQM and programmes for continuous improvement (EFQM, 1994:5). As a consequence, the European Foundation for Quality Management was founded in 1988. This organization aims at increasing the acceptance of quality as a strategy to achieve competitive advantages and also targets at promoting measures of quality improvement. The European Quality Award is an important part of its quality policy and was first organized in 1992.

As far as the concept of competition is concerned, the European Quality Award takes the middle road between the Deming Award and the MBNQA by applying the competition and recognition principle at the same time. Thus, the EAQ distinguishes between two categories of winners: the *European Quality Medal* is awarded to companies meeting a superior standard of quality management as set out by the Jurors, whereas the *European Quality Prize* is given to the most successful exponent of TQM in Western Europe (EFQM, 1994:5).

Like the MBNQA, it is open to all kinds of profit business with similar conditions of eligibility. However, the European Quality Award will be open to the public sector in 1996. The EFQM finances the organisation of this award by the contribution of its member companies and application fees of award participants.

This first comparison of the Deming Award, the MBNQA and the EQA shows that although all of the three awards are based on a TQM framework, they differ quite considerably in design. They use different concepts of competition and rewarding and are based on different definitions of excellence. It seems that the longer an award is institutionalized the more prize categories are set up for various organizational types. All three awards are deeply anchored in their respective business world which is proved by the financial commitment of companies to the award organization.

### 5.2.2 Comparison of Public Sector Awards

The following comparison of public sector awards is based on information from the respective application material, literature and a survey done by the author (see appendix 1 for the questionnaire).

Table 6: Formal Frame and Design of Quality Awards for the Public Sector

<b>Quality Award</b>	<b>British Charter Mark Awards Scheme</b>	<b>Portuguese Public Service Quality Contest</b>	<b>Speyer Quality Award</b>
<b>Year of Establishment</b>	1992	1993	1992
<b>Degree of Institutionalization</b>	annual event	annual event	1992, 1994
<b>Initiative</b>	part of the Next Steps Programme launched by UK Prime Minister Major in 1988	cornerstone of quality policy launched by Prime Minister Cavaco Silva in 1991	private (Professors Klages and Hill, Post-Graduate School of Administrative Sciences, Speyer)
<b>Organization</b>	Citizen's Charter Unit (part of the Office of Public Services and Science within the Cabinet Office)	Secretariat of Administrative Modernization (part of the Cabinet Office)	Post-Graduate School of Administrative Sciences, Speyer
<b>Purpose of the Award</b>	award organizations which provide an excellent service to the public; tool for measuring the service an organization provides	award prizes to those services which provide quality; to stimulate self-assessment of public services; to disseminate quality experiences throughout public services and society	identify and award excellent public organizations with excellence which are future-oriented, service-oriented, efficient and effective, successful and performance-oriented
<b>Concept of Competition</b>	recognition	competition	competition and recognition
<b>Definition of Excellence</b>	above average	relative	relative

Quality Award	British Charter Mark Awards Scheme	Portuguese Public Service Quality Contest	Speyer Quality Award
<b>Concept of Rewarding</b>	no ranking	no ranking	three categories of prizes: <ul style="list-style-type: none"> <li>• the Speyer Prize for particularly outstanding merits for the modernization of the public administration</li> <li>• the Speyer Prize for outstanding merits for the modernization of the public administration</li> <li>• the Speyer Honour</li> </ul>
<b>Prize Categories</b>	one	one	one
<b>Basic Eligibility</b>	public services whose main purpose is to serve the public directly (local authorities only in respect of individual service departments or units)	public organizations within the central administration	all kinds of public organizations
<b>Conditions and Restrictions for Eligibility</b>	evidence of a substantial degree of managerial and financial autonomy	none	evidence of a substantial degree of managerial and financial autonomy
<b>Financing</b>	with government funding	with government funding	funds from various sources
<b>Fee of examination</b>	none	none	none
<b>Reward</b>	symbolic	symbolic	symbolic

### **The British Charter Mark Awards Scheme:**

The British Charter Mark was launched in 1992 by Prime Minister Major and has to be seen as an integral part of the Next-Steps proposals. The main recommendation of the Next-Steps report from February 1988 was that the civil service should be restructured so that the delivery of services is separated from policy work as far as possible and executed by agencies operating under

business style regimes (Jordan and O'Toole, 1995:6). According to this view, organizational decentralization is the prerequisite for delivering better quality public services. The Citizen's Charter and the Citizen Charter Mark Awards Scheme provide the guidelines and incentives for the new agencies. Therefore, the Charter Mark Awards Scheme has strong political support which is expressed by the fact that the award organization – the Citizen's Charter Unit – is part of the British Cabinet Office.

According to the Charter Unit, the Charter Mark is a tool for measuring the service an organisation provides. It is also “an award for organisations which provide an excellent service to the public” (Cabinet Office and the Central Office of Information, 1995:5). Excellent service provision means meeting the standards set up by the Charter Mark. The underlying concept of competition is based on recognition, which implies that the number of award winners is open and that there is no ranking. As a consequence, there is a high number of charter mark winners every year: 36 in 1992, 93 in 1993 and 98 in 1994.

The Charter Mark Award does not have specific awards for organizational categories. It only admits front-line offices that have direct contact with customers. Municipalities may not apply as a whole but only as separate service units (Cabinet Office and the Central Office of Information, 1995:33). Participation in the award program is free and award winners are entitled to use the Charter Mark on their products and equipment for a period of 3 years (Cannon and Fry, 1995:202).

### **The Portuguese Public Service Quality Contest:**

Like the British Charter Mark Awards Scheme, the Portuguese Public Service Quality Contest also enjoys the political support of the Prime Minister. It is part of a comprehensive quality programme initiated in 1991 (Corte-Real, 1994:2 f.). The Portuguese Public Service Quality Contest is organized by the Secretariat for Administrative Modernization that is located in the Portuguese Cabinet Office.

The purpose of the Portuguese Award is also twofold: the primary purpose is to stimulate self-assessment and raise the general awareness for quality within public services as well as in the Portuguese society. The other purpose is to award prizes to those services which provide quality as well as to encourage them to maintain and develop their standards of quality (Secretariado para a Modernização Administrativa, 1994:1). In contrast to the British Charter Mark Awards Scheme, the Portuguese Contest is based on competition since only five awards are given out every year. These five contest win-

ners are better than all the other applicants. Thus, the Portuguese Award is based on a relative notion of excellence.

The contest is open to all kinds of public organizations within the central administration, which make up more than 82% of the Portuguese public service. Nearly 10 per cent of the Directorates General and equivalent services took part in the past two contests in 1993 and 1994 (Corte Real, 1994:6). The prizes were symbolic sculptures which were presented by the Portuguese Prime Minister.

### **The Speyer Quality Award:**

The Speyer Quality Award was introduced in 1992 as a private initiative of Prof. Klages and Prof. Hill at the Post-Graduate School of Administrative Sciences in Speyer. Since there is no quality or modernization policy on the federal level, this award does not have much political support. Due to the limited financial and organizational resources of academia, the Speyer award is organized every second year only.

The Speyer Quality Award has the purpose to identify excellent public organizations that are willing to serve as a model in the public sector (Haubner, 1993:49). The award is based on recognition and competition: an open number of finalists are awarded the Speyer Honour and the two best of the finalists obtain the Speyer Prize. All winners are selected on the basis of a relative understanding of excellence. In 1992, there were 3 award winners and 7 honour winners (Haubner, 1993:53). In 1994, the jury chose 2 first winners, 12 second winners and 10 honour winners (Hill and Klages, 1995:IX-XI).

The Speyer Award addresses to all kinds of public organizations that have a certain degree of managerial autonomy. In 1992, 59 public organizations participated, and in 1994, there were 67 award participants. The award is symbolic and is highly recognised in the German public administration.

Table 6 (continued)

<b>Quality Award</b>	<b>Presidential Award for Quality and Quality Improvement Prototype Award (QIP)</b>	<b>Canada Awards for Excellence (for Quality, for Innovation, for Entrepreneurship)</b>	<b>Canadian Suggestion Award Program</b>
<b>Year of Establishment</b>	1988	1984	1987

<b>Quality Award</b>	<b>Presidential Award for Quality and Quality Improvement Prototype Award (QIP)</b>	<b>Canada Awards for Excellence (for Quality, for Innovation, for Entrepreneurship)</b>	<b>Canadian Suggestion Award Program</b>
<b>Degree of Institutionalization</b>	annual event	annual event	continuous program
<b>Initiative</b>	U.S. Federal Government, meanwhile cornerstone of National Performance Review	Government of Canada in consultation with the private sector	Canadian Federal Government
<b>Organization</b>	Federal Quality Institute	National Quality Institute and Industry Canada	Treasury Board
<b>Purpose of the Award</b>	<ul style="list-style-type: none"> <li>- recognize organizations that have implemented quality management in an exemplary manner, ...;</li> <li>- promote quality management awareness and implementation throughout the federal government; and</li> <li>- provide a model organizations can use to compare and assess their own quality</li> </ul>	<p>quality award: recognize organizations that have achieved an outstanding level of accomplishment across a comprehensive quality framework;</p> <p>innovation award: recognize outstanding achievement in the innovative application of technology to processes, products and services in Canadian profit-making businesses</p>	to elicit from employees ideas that will help management improve and maintain productivity, economy, efficiency and effectiveness and lead to better employer-employee relations
<b>Concept of Competition</b>	competition	competition	recognition
<b>Definition of Excellence</b>	absolute	absolute	continuous improvement

<b>Quality Award</b>	<b>Presidential Award for Quality and Quality Improvement Prototype Award (QIP)</b>	<b>Canada Awards for Excellence (for Quality, for Innovation, for Entrepreneurship)</b>	<b>Canadian Suggestion Award Program</b>
<b>Concept of Rewarding</b>	two classes of prizes (contenders of the President's Award must first qualify by winning the QIP)	two classes of prizes (award winners and certificate winners)	cash and non-cash rewards
<b>Prize Categories (in organizational terms)</b>	one	business categories: <ul style="list-style-type: none"> <li>• manufacturing (small)</li> <li>• manufacturing (large)</li> <li>• service (small)</li> <li>• service (large)</li> </ul> public sector categories: <ul style="list-style-type: none"> <li>• education</li> <li>• government</li> <li>• health care</li> </ul>	one
<b>Basic Eligibility</b>	federal organizations	all kinds of private and public organizations	employees of the public service of Canada (individuals and groups)

<b>Quality Award</b>	<b>Presidential Award for Quality and Quality Improvement Prototype Award (QIP)</b>	<b>Canada Awards for Excellence (for Quality, for Innovation, for Entrepreneurship)</b>	<b>Canadian Suggestion Award Program</b>
<b>Conditions and Restrictions for Eligibility</b>	applicant must <ul style="list-style-type: none"> <li>- have at least 100 full-time federal employees</li> <li>- be autonomous, with its own defined mission</li> <li>- provide products and services to customers outside its own agency</li> <li>- winners are ineligible to compete for the same award for 4 years</li> <li>- the number of applications from each Cabinet department is limited according to its size</li> </ul>	<ul style="list-style-type: none"> <li>- demonstration of continuous improvement for a minimum of three years</li> <li>- primary activities of the applicant must be conducted in Canada</li> <li>- agreement of applicants to site-visits</li> <li>- agreement of applicants to site-visits to a random selection of external suppliers and customers</li> </ul>	employees classified under the Management Category are not eligible for cash awards
<b>Financing</b>	government funding	?	out of the participating organization's budget
<b>Fee of examination</b>	finalists have to bear site-visit costs and award winners will bear costs of case study publication, video production and travel to conferences on Federal Quality	none	none

<b>Quality Award</b>	<b>Presidential Award for Quality and Quality Improvement Prototype Award (QIP)</b>	<b>Canada Awards for Excellence (for Quality, for Innovation, for Entrepreneurship)</b>	<b>Canadian Suggestion Award Program</b>
<b>Reward</b>	symbolic	symbolic	cash (from \$ 50 to \$ 10,000) and symbolic

### **The President's Quality Award Program:**

The President's Quality Award Program can be considered the federal equivalent of the MBNQA. It has also been institutionalized in 1988 and is presented each year by the President of the United States. Its design, however, is based on a two-tier process since the President's Quality Award Program includes two awards: the Presidential Award for Quality and the Quality Improvement Prototype (QIP) Award. The latter is intended to encourage and draw 'less-developed' departments into the quality process. Nevertheless, there is no stigma of 'less-developed' attached to the QIP, as contenders for the President's Award must first qualify by winning a QIP award (Harwick and Russell, 1993:34). Both awards are administered by the Federal Quality Institute which became a key organization to the President's Management Council for enrolling federal employees in the National Performance Review Program (Hamson, 1990:46-48).

The President's Quality Award Program is intended to "recognize organizations that have implemented quality management in an exemplary manner, resulting in high products and services, and the effective use of taxpayer dollars" (Federal Quality Institute, 1995:2). Besides this, the award also has two more indirect purposes, which are to promote quality management awareness and to provide a model for self-assessment. Both awards are highly competitive: in any year, the Federal Quality Institute presents at most two Presidential and six Prototype awards. Winners for both awards are selected according to a certain number of scores so that the underlying definition of excellence is absolute.

The award program basically addresses to all kinds of federal organizations provided they have at least 100 federal employees and some signs of managerial autonomy. The Federal Quality Institute sets limits to the number of applications per Cabinet department in order to encourage agencies to conduct internal reviews, and select the best nominations as contenders for the award program (Federal Quality Institute, 1995:3). There are no fees for participation except the costs of site visits. Winners are responsible to carry out

and finance a number of activities to promote quality management awareness in federal government.

### **The Canada Awards for Excellence:**

The Canada Awards for Excellence is a very interesting awards program since it encompasses three different types of awards: the Excellence Award for Quality, the Excellence Award for Entrepreneurship and the Excellence Award for Innovations. This extensive awards program started in 1984 as the Canada Awards for Business Excellence. At this time, the awards program addressed to all industry sectors to recognize outstanding achievements in the categories entrepreneurship, industrial design, innovation, invention, marketing and small business (National Quality Institute, 1994:1). Since 1995, the Canada Awards for Excellence (in quality) has addressed to private and public organizations (National Quality Institute, 1995:2.). It is organized by the National Institute of Quality with the support of an awards office sponsored by the Canadian Chamber of Industry.

Depending on the type of award, the purpose of the Excellence Award for Quality is to recognize organizations that have achieved an outstanding level of accomplishment across a comprehensive quality framework (National Quality Institute, 1995:5.). The Excellence Awards for Innovation aims at recognizing outstanding achievement in the innovative application of technology to processes, products and services in Canadian profit-making businesses (National Quality Institute, 1995:20.). There are up to three trophies awarded in each organizational category. Excellence is meant to be an absolute concept, which becomes obvious by the fact that two of the eight categories did not have a winner in 1994. However, besides a limited number of trophies (3 in each organizational category) merit awards are also given to well-performing organizations.

In contrast to most other awards, the Canada Awards for Excellence demands from applicants that they practice continuous improvement for at least three years. Thus it is possible for the evaluation committee to evaluate results achieved in the criteria categories on a solid basis. Applicants also have to agree to site-visits where also a random selection of external suppliers and customers may be scrutinized.

**The Canadian Suggestion Award Program:**

This is an untypical quality award since it addresses to employees and not to the organization itself. But since the Suggestion Award Program is not based on nominations (as the other programs of the Incentive Award Plan are) it can still be considered a quality award according to the above definition. As an integral part of the Incentive Award Plan, the Suggestion Award Program was launched by the Canadian government in 1987. It invites federal government organizations to establish and operate a Suggestion Award Program on the terms of the Incentive Award Plan (Treasury Board Canada: 1987: chapter 365, 1.2). The Suggestion Award Plan is administered and reviewed by the Canadian Treasury Board.

The purpose of the Suggestion Award Program is to elicit from employees ideas that will help management improve and maintain productivity, economy, efficiency and effectiveness and lead to better employer-employee relations. In other words, the idea of the Suggestion Award Program is to recognise individuals or groups contributing to the continuous improvement of their government organization. Excellence here is not defined statically as a certain degree of performance at a given point of time, but as active employees' involvement resulting in 'investment returns' to a government organization. Thus, excellence is understood in terms of continuous improvements. The Suggestion Award Program has two categories of rewards: cash and non-cash. Employees classified under the heading 'management' are only eligible for award certificates without financial rewards. The rewards have to be financed by the budget of the participating government organization, and they are \$ 50 at minimum and \$10,000 at maximum.

Table 6 (continued)

<b>Quality Award</b>	<b>the Italian Innovation Award for Relations between the Public Administration and the Public</b>	<b>IPAC Award for Innovative Management</b>	<b>the Innovations in American Government Awards (the Innovations in Local and State Awards)</b>
<b>Year of Establishment</b>	1993	1990	1986
<b>Degree of Institutionalization</b>	one-time event	annual event	annual event (except 1989)
<b>Initiative</b>	<i>private</i>	<i>private</i>	<i>private</i>
<b>Organization</b>	Sistemi Pubblica Amministrazione Ricerche (SPA)	Institute of Public Administration of Canada	Ford Foundation and the John F. Kennedy School of Government at Harvard University
<b>Purpose of the Award</b>	to identify excellent cases of organizational innovation in the public sector and to seek excellent cases of application of law 241/90		to identify and celebrate outstanding examples of creative problem-solving in the public sector
<b>Concept of Competition</b>	competition	competition	competition
<b>Definition of Excellence</b>	relative	relative	relative
<b>Concept of Rewarding</b>	two different prizes (one for transparency and one for efficiency and effectiveness)	ranking (1st-3rd prizes), number of award winners is variable (5-10)	one category of prizes (ten winners)
<b>Prize Categories (in organizational terms)</b>	one	one	one (15 award winners)
<b>Basic Eligibility</b>	all kinds of public organizations	all kinds of public organizations	until 1995 limited to state and local governmental agencies; since 1995 any governmental unit

<b>Quality Award</b>	<b>the Italian Innovation Award for Relations between the Public Administration and the Public</b>	<b>IPAC Award for Innovative Management</b>	<b>the Innovations in American Government Awards (the Innovations in Local and State Awards)</b>
<b>Conditions and Restrictions for Eligibility</b>	innovations must be in operation and must have a significant organizational and domestic policy content	innovations must have be in operation no earlier than four years before the deadline of the application	innovations must have a significant domestic policy content, have been in operation for at least one year and be funded at least half by one or more government institutions
<b>Financing</b>	private funding	private funding	private funding
<b>Fee of examination</b>	none	none	none
<b>Reward</b>	training courses in Italy and abroad	symbolic	financial (\$100,000 grants to winners and \$20,000 grants to finalists)

Whereas 'genuine' quality awards try to evaluate a public organization as a whole, innovation awards focus on innovative programs or projects. At present, there are three innovations awards that are organized annually for the public sector: in Italy, there is the Prize for Innovations in the Public Administration, in Canada, there is the IPAC Award for Innovative Management, and in the U.S. there is the Innovations in American Government Awards, which is the former Innovations in Local and State Awards.

### **The Italian Innovation Award for Relations between the Public Administration and the Public:**

This innovation award has been launched as a private initiative by Sistemi Pubblica Amministrazione Ricerche (SPA), which is a private research institution. The award has been stimulated by a series of laws such as law 241/90 (administrative transparency), 142/990 (local autonomy) and 29/93 (so-called privatisation of public employment). These laws also define the general topic of the innovation award which concerns the relations between the public administration and the public. This has to be understood in the sense of transparency, or publicity as cited in art. 1 of law 241/90 (SPA, 1993:9). Other topics derived from law 214 are effectiveness of administrative management and economic use of resources. This background also explains the purpose of the award which is to identify excellent cases of organizational innovation in

the public sector and to seek excellent cases of application of law 241/90 (Bonetti, 1995:214). However, innovations do not have to relate to law 241.

In 1993, 20 excellent public organizations have been awarded. The innovation award addresses to all kinds of public organizations.

### **The Innovations in American Government Awards:**

This is the most established of these public sector innovation awards. It started out in 1986 as the Innovations in State and Local Government Awards, changing its name into *Innovations in American Government Awards* in 1995. The awards program is based on a private initiative and is organized by the Ford Foundation and the John F. Kennedy School of Government at Harvard University every year. Until 1994, the awards program did not have an annual theme, yet the 1994 and 1995 Awards have encouraged applications dealing with three themes (tapping the creativity of front-line employees, re-shaping organizational culture, significant policy innovation), but applications will not be limited to these themes (John F. Kennedy School of Government, 1995:2).

The purpose of the Innovations in American Government Awards is formulated as “to identify and celebrate outstanding examples of creative problem-solving in the public sector” (John F. Kennedy School of Government, 1995:1). This means that innovative programs are sought that are better relative to others. In the past, ten winners were awarded every year. In 1995, rewards will be extended to 15 winners with grants of \$ 100,000. Fifteen others will receive \$ 20,000 grants. This year, the Program has also been expanded to incorporate innovations in the federal government as well as those arising in states and localities. This extension of eligibility is due to Vice-President Al Gore's initiatives to reinvent federal government.

### **The IPAC Innovative Award Program:**

The Institute of Public Administration of Canada (IPAC) Innovative Award Program was founded in 1990 on the basis of private initiative. It is organized on an annual basis by the Institute of Public Administration of Canada with changing subjects. The subjects in the respective years were:

- 1990 Service to the Public
- 1991 Empowerment
- 1992 Partnership Management
- 1993 Better with Less
- 1994 Reshaping Government

- 1995 Making Diversity Work.

The award is clearly competitive with selection basing on a relative understanding of excellence. The result are three first, second and third prize winners. With regard to eligibility, the Canadian Innovative Award is somewhat restrictive since it only public organizations with quite recent innovations (not older than 4 years). Due to the limited resources of the organizers, the award is symbolic only (Borins, 1995:218).

Table 6 (continued)

Quality Award	The Finnish Quality Award	The Danish Quality Award	The Swedish Quality Award
Year of Establishment	1991	1993	1992
Degree of Institutionalization	annual event	annual event	annual event
Initiative	business	business	business
Organization	Finnish Society for Quality	The Danish Quality Award Secretariat	The Swedish Institute for Quality
Purpose of the Award	serve as improvement tool; identify good examples of quality management	see EQA	a tool for self-assessment; internal driving force external opinion driver
Concept of Competition	competition	competition	competition
Definition of Excellence	absolute	absolute	absolute
Concept of Rewarding	no ranking, at maximum 2 winners	at maximum 1 winner	at maximum 1 winner
Prize Categories	one	one	one
Basic Eligibility	business, since 1994 open to public organizations	firms operating in the private and public sector	all kinds of public and private organizations
Conditions and Restrictions for Eligibility	—	—	—
Financing	30% with government funding, 60% sponsoring from the private sector and 10% participation fees	founders fee, application fee, government funding since 1994	?
Fee of examination	minor fee	none	none
Reward	symbolic	symbolic	symbolic

Whereas the other awards have been specifically designed for the public sector, the Scandinavian awards originate in the private sector. The Finnish Quality Award was first organized in 1991 and was made open to the public sector in 1994. The Swedish Quality award was initiated one year later and has been open to public organizations since 1995. The Danish Award is still very young, starting in 1993. From the beginning it addresses both to private and public organizations. All Scandinavian awards are organized by the respective national Organization for Quality in each country.

The similarities between the three awards are quite pronouncing. They aim at providing a tool for self-assessment and good examples for other organizations to learn from. The selection process of these awards is highly competitive. The prerequisite for winning any of those awards is to obtain a certain numbers of scores. As a consequence of this absolute understanding of excellence, there may be no winner in a year. This happened in the case of the Swedish Award in 1993. There is no ranking among the award winners and no differentiation between different organizational categories.

As far as financial resources are concerned, those mixed private and public sector awards of the Scandinavian countries have the advantage to have private sponsors as well as government funding. Nevertheless, the reward is symbolic only.

### 5.2.3 Conclusions

After this detailed analysis of private and public sector quality awards, the overall question is where quality differs and what quality awards have in common. To address the issue of common points first, the above comparison has shown that all quality awards have the same set of purposes even though rhetorics may differ slightly. There are three kinds of purposes sought by quality awards:

- The immediate purpose of quality awards is to identify excellent organizations. This fact-finding exercise serves again two purposes: one purpose is to reward these organizations; the other purpose is to obtain models to be emulated by other organizations.
- The other important purpose of quality awards is to give organizations a tool for self-assessment.
- Another, more general purpose of quality awards is to raise the awareness for quality and to promote quality management in organizations.

Notwithstanding the common purposes of quality awards, the design of quality awards differs considerably. Depending on the concept of competition, quality awards can be based on qualification, which means that the number of award winners is open (and usually as large as in the British Charter Mark Awards Scheme), or on competition. This implies that the number of winners is pre-determined and in very competitive awards, there is even competition among the award winners in the form of ranking. There are also different notions of excellence among quality award organizers:

- The Speyer Quality Award and the Portuguese Public Service Quality Contest use a relative concept of excellence. Excellent Organizations are those that are relatively better than other organizations' participants. Here, excellence depends on the general performance level of the given sample of award applicants. It is obvious that this ordinal concept does not require quantitative scoring-systems.
- Public sector quality awards following the MBNQA or the EQA define excellence as above average or in absolute terms. In both cases, excellence depends on a certain number of scores; in the first case the target is lower than in the second case. Quality awards with an absolute concept of excellence are very demanding and there may be no award winners in a given year when no organization reaches the pre-determined target. Both cardinal definitions of excellence require the elaboration of a scoring system.

It is striking that public quality awards only have one prize category, whereas private sector awards like the Deming Prize often have several prize categories for different kinds of private sector companies. One possible explanation of this specialization of prizes is that this attracts a higher number of applicants. In case the award addresses to all kinds of organizations there is more insecurity on behalf of the applicants if they are eligible or not.

There is also a difference between quality awards in the narrow sense and innovation awards as regards the initiative: Governments obviously have a preference for quality awards in the classical sense and are much more cautious about innovation awards. The reason for the commitment of the executive for quality awards may be interpreted as an attempt to strengthen executive control of the public administration and reduce parliamentary involvement in administrative micro-management.

The comparison of national quality awards shows that the scope of the award fits to the administrative system in each country:

- The British Charter Marks Award addresses to public sector organizations dealing with the public directly and not to the central administration. This regulation of eligibility is due to the fact that those public organizations that

are service providers have been turned into agencies with a considerable degree of managerial freedom.

- In contrast to this, Portugal has a heavily centralized public administration and a small open economy. With the entry into the European Community in 1986, quality both in the private and public sector had become an important issue (Corte-Real, 1994:2). Therefore, the Portuguese Public Service Quality Contest addresses to Public Administration Central Services.
- The current German landscape of public sector quality movements is different from the British and the Portuguese since there is not a (directed) agency-building nor a central modernization policy. Quality management in the German public sector is much more heterogeneous and voluntaristic than in Great Britain or Portugal (Klages and Löffler, 1995:375). On this basis, the Speyer Quality Award admits all kinds of public organizations to take quality initiatives at all levels and in all sectors of the public administration.
- American, Canadian and Scandinavian quality awards address both to public and private organizations. This may be an indication that the frontier between the public and private sector in these countries is more fluid.

Nevertheless, the formal framework and design of quality awards must not be overinterpreted. Often, organizational and procedural matters are determined by situative and personal factors. The criteria of quality awards will be much more instructive to shed light to the question if different administrative contexts make a difference.

### *5.3 Assessment Criteria*

#### **5.3.1 Assessment Criteria of the Three Private Sector Prototype Awards**

The assessment criteria of quality awards are usually centered around 6-8 categories, which are leadership, planning (policy and strategy), human resources, physical resources (material, information, technology, finance), processes, and customer satisfaction (Young, 1993:51). By doing so, quality awards are clearly prescriptive, especially since certain weights are given to the categories for evaluation. Quality awards are merely open with regard to the instruments that may be chosen.

The criteria categories are usually subdivided into examination items and areas to address. Information is submitted by applicants in response to specific

requirements of these areas. These specifications of the award criteria are very revealing for the understanding of 'total quality' of the award organizers.

Table 7: The Assessment Criteria and Items with their Relative Weights of the three Private Sector Prototype Awards

Core Criteria	Deming Prize (1992)	Malcolm Baldrige National Quality Award (1994)	European Quality Award (1995)
Leadership	–	Leadership (9%) <ul style="list-style-type: none"> <li>• Senior Executive Leadership (45)</li> <li>• Management for Quality (25)</li> <li>• Public Responsibility and Corporate Citizenship (25)</li> </ul>	Leadership (100)
Policy and Planning	Policies <ul style="list-style-type: none"> <li>• Management, quality and quality control/management policies</li> <li>• Methods for establishing policies</li> <li>• Appropriateness and consistency of policies</li> <li>• Utilization of statistical methods</li> <li>• Communication and dissemination of policies</li> <li>• Checks on policies and status of their achievement</li> <li>• Their relationship to long- and short-term plans</li> </ul>	Strategic Quality Planning (6%) <ul style="list-style-type: none"> <li>• Strategic Quality and Company Performance Planning Process (35)</li> <li>• Quality and Performance Plans (25)</li> </ul>	Policy and Strategy (80)

Core Criteria	Deming Prize (1992)	Malcolm Baldrige National Quality Award (1994)	European Quality Award (1995)
Information and Analysis	<p>Information Gathering, Communication and its Utilization</p> <ul style="list-style-type: none"> <li>• Collection of external information</li> <li>• Inter-departmental communication</li> <li>• Speed of communication (utilization of computers)</li> <li>• Information processing, (statistical) analysis and utilization of information</li> </ul> <p>Analysis</p> <ul style="list-style-type: none"> <li>• Selection of important issues and improvement themes</li> <li>• Appropriateness of analytical methods</li> <li>• Utilization of statistical methods</li> <li>• Linkage with industry intrinsic technology</li> <li>• Quality analysis and process analysis</li> <li>• Utilization of analysis results</li> <li>• Action taken on improvement suggestions</li> </ul>	<p>Information and Analysis (8%)</p> <ul style="list-style-type: none"> <li>• Scope and Management of Quality and Performance Data and Information (15)</li> <li>• Competitive Comparisons and Benchmarking (20)</li> <li>• Analysis and Uses of Company-Level Data (40)</li> </ul>	—

<b>Core Criteria</b>	<b>Deming Prize (1992)</b>	<b>Malcolm Baldrige National Quality Award (1994)</b>	<b>European Quality Award (1995)</b>
Human Resources	Education and Dissemination <ul style="list-style-type: none"> <li>• Educational plan and results</li> <li>• Consciousness of quality and how it is managed, and understanding of quality control/management</li> <li>• Education on statistical concepts and methods and the degree to which they are disseminated</li> <li>• Grasp of effects</li> <li>• Education of associated companies (especially group companies, vendors, contractors and distributors)</li> <li>• QC Circle activities</li> <li>• The system of improvement suggestions and its status</li> </ul>	Human Resource Development and Management (15%) <ul style="list-style-type: none"> <li>• Human Resource Planning and Management (20)</li> <li>• Employee Involvement (40)</li> <li>• Employee Education and Training (40)</li> <li>• Employee Performance and Recognition (25)</li> <li>• Employee Well-Being and Satisfaction (25)</li> </ul>	People Management (90)

Core Criteria	Deming Prize (1992)	Malcolm Baldrige National Quality Award (1994)	European Quality Award (1995)
Processes	<p>Quality Assurance</p> <ul style="list-style-type: none"> <li>• New product and service development methods (quality deployment and analysis, reliability testing and design review)</li> <li>• Preventive activities for safety and product liability</li> <li>• Degree of customer satisfaction</li> <li>• Process design, process analysis and process control and improvement</li> <li>• Process capabilities</li> <li>• Instrumentation and inspection</li> <li>• Management of facilities, vendors, procurement and services</li> <li>• Quality assurance system and its diagnosis</li> <li>• Utilization of statistical methods</li> <li>• Quality evaluation and audit</li> <li>• Status of quality assurance</li> </ul>	<p>Management of Process Quality (14%)</p> <ul style="list-style-type: none"> <li>• Design and Introduction of Quality Products and Services (40)</li> <li>• Process Management: Product and Service Production and Delivery Process (35)</li> <li>• Process Management: Business and Support Service Processes (30)</li> <li>• Supplier Quality (20)</li> <li>• Quality Assessment (15)</li> </ul>	Processes (140)

Core Criteria	Deming Prize (1992)	Malcolm Baldrige National Quality Award (1994)	European Quality Award (1995)
Other Resources	–	–	Resources (90)
'Objective' Results	<p>Standardization</p> <ul style="list-style-type: none"> <li>• System of standards</li> <li>• Methods of establishing, revising and abolishing standards</li> <li>• Actual performance in establishing, revising and abolishing standards</li> <li>• Contents of the standards</li> <li>• Utilization of statistical methods</li> <li>• Accumulation of technology</li> <li>• Utilization of standards</li> </ul> <p>Effects</p> <ul style="list-style-type: none"> <li>• Measurements of effects</li> <li>• Tangible effects such as quality, service, delivery, cost, profit, safety and environment</li> <li>• Intangible effects</li> <li>• Conformity of actual performance to planned effects</li> </ul>	<p>Quality and Operational Results (18%)</p> <ul style="list-style-type: none"> <li>• Product and Service Quality Results (70)</li> <li>• Company Operational Results (50)</li> <li>• Business and Support Service Results (25)</li> </ul> <p>Supplier Quality Results (35)</p>	Business Results (150)

Core Criteria	Deming Prize (1992)	Malcolm Baldrige National Quality Award (1994)	European Quality Award (1995)
'Subjective' Results		<p>Customer Focus and Satisfaction (30%)</p> <ul style="list-style-type: none"> <li>• Customer Expectations: Current and Future (35)</li> <li>• Customer Relationship Management (65)</li> <li>• Commitment to Customers (15)</li> <li>• Customer Satisfaction Determination (30)</li> <li>• Customer Satisfaction Results (85)</li> <li>• Customer Satisfaction Comparison (70)</li> </ul> <p>(Impact on Society) (People Satisfaction)</p>	<p>Customer Satisfaction (200)</p> <p>People Satisfaction (90)</p> <p>Impact on Society (60)</p>

Core Criteria	Deming Prize (1992)	Malcolm Baldrige National Quality Award (1994)	European Quality Award (1995)
Other Criteria	<p>The Organizations and their Operations</p> <ul style="list-style-type: none"> <li>• Clarity of authority and responsibility</li> <li>• Appropriateness of the delegation of authority</li> <li>• Inter-departmental coordination</li> <li>• Committee activities</li> <li>• Utilization of staff</li> <li>• Utilization of QC Circle activities</li> <li>• Quality control/management diagnosis</li> </ul> <p>Kanri (Management for Continuous Improvement)</p> <p>Future Plans</p> <ul style="list-style-type: none"> <li>• Concrete understanding of current situation</li> <li>• Measures for solving defect problems</li> <li>• Future promotion plans</li> <li>• Relationship between future plans and long-term plans</li> </ul>	Management for Continuous Improvement	-

Core Criteria	Deming Prize (1992)	Malcolm Baldrige National Quality Award (1994)	European Quality Award (1995)
Emphasis of Criteria	process of establishing excellence; fact-based management	customer satisfaction; people satisfaction; and fact-based management	customer satisfaction; impact on society, and business results
Underlying Concept of Quality	objective	objective and subjective	subjective

The assessment criteria and items of the awards will be compared with respect to format, language, contents and weights. In some cases, it was necessary to change the original order of the criteria in the award questionnaires in order to make them comparable. The criteria will be compared one by one, using the explanations and interpretations of award organizers as far as available. The interpretation of the criteria and items of the Deming Award suffers from the fact that the English translation is low quality.

### **Leadership:**

The Deming Award seems to consider this category important enough to work out a separate application prize checklist for senior executives (Juse, 1992:26-28). This checklist contains a number of categories of the 'general' application checklist such as policies, objectives and targets, the organization and human resources, education and dissemination of information as well as future plans and measures. Other leadership categories that are not included in the 'general' application checklist are understanding and enthusiasm as well as implementation. All in all, the Deming Award asks senior executives to be enthusiastic about scientific management based on statistical methods. The key words are enthusiasm (about quality control management and more specific aspects of it), definition of objectives, targets and performance measures, evaluations and reviews. Senior executives are made responsible for establishing quality policies in a rational and credible way and for the proper implementation of defined goals.

In the MBNQA (NIST, 1994:14 f.) as well as in the EQA (EFQM, 1994:12), leadership is the leading criterion. In the MBNQA, the criterion leadership subdivides into the items senior executive leadership, management for quality and public responsibility and corporate citizenship. In each item, four areas have to be addressed. Without going into the details, one gets the impression that leadership is a 'soft' criterion. The key words are communi-

cation, understanding, integration and reviews. Only for key measures and/or indicators of improvement in addressing public responsibilities, hard data are asked for. All in all, leadership in the MBNQA is much about symbolism and active involvement of CEOs in quality management (Garvin, 1991:88).

In the EQA, leadership means senior executives' visible commitment to the management of TQM, a stable comprehensive quality culture, recognizing the contributions of individual employees and teams, the promotion of TQM by the provision of appropriate resources and support, engagement with clients and suppliers, active promotion of total quality outside the company. These items have equivalent items or areas to address in the MBNQA with one exception: there is no reference in the MBNQA to (additional) financial and personal resources needed in order to develop and implement TQM. Beyond this, the EQA also pays more attention to incentive systems that have to recognize individual or group performance. In the MBNQA, this is only a minor point. Summing up, TQM leadership in the EQA is not only communication, but also an investment decision.

### **Policy and Planning:**

This criterion exists in all three awards, even though the label in the MBNQA is 'strategic quality planning' (NIST, 1994:18 f.) and in the EQA it is 'policy and strategy' (EFQM, 1994:12).

The Deming Award (JUSE, 1992:24) explicit company policy and planning into seven items. Tsuda's interpretation of these items reveals that there is a strong emphasis on methodological issues (Tsuda, 1992:3). Management's quality policies have to be appropriate to their business environment and there has to be a consistency of (long-term and short-term) goals. The achievement of goals has to be measured using statistical methods. It is also important that the policies are communicated throughout the company.

The MBNQA distinguishes between strategic quality and company performance planning for customer satisfaction leadership and more specific quality and performance plans. Like the Deming Award, the MBNQA puts emphasis on the fact that planning has to be a rational act, including the definition of operational performance measures. The planning process has to be described for the short-term and the long-term processes.

The five items of the EQA in this category are less demanding. They do not prescribe the normative contents of a company's policy (like customer satisfaction and overall operational performance improvement in the MBNQA) nor do they focus particularly on the planning process itself (as in the Deming Award and MBNQA). In the EQA, policy and strategy have to

build on the concept of TQM and do not have to be a purpose in themselves: they have to be the basis of the plans of a company and must be made public. In contrast to the Deming Award and the MBNQA, total quality does not have to be translated into measurable targets. This means that quality remains an abstract concept.

### **Information and Analysis:**

The Deming Award (Juse, 1992:24) considers this an important issue since it has two separate criteria, which are information gathering, communication and its utilization and analysis. The emphasis here is not so much on knowledge acquisition, but rather on the process of information distribution and interpretation. In particular, the items ask for lateral communication, fast spreading of information and the use of statistical methods in the analytical process. The purpose of the collection and analysis of data is to improve operational performance.

The criterion information and analysis consists of three items in the MBNQA (NIST; 1994:18 f.). These also include information distribution and analysis, but in contrast to the Deming Award there is also much emphasis on the process of knowledge acquisition. This means the criteria for selection data and information have to be made explicit. The MBNQA also comprises competitive comparisons and benchmarking as items, which is missing in the Deming Award. The purpose of information and analysis is also much wider. One purpose of data analysis is to improve operational and competitive performance, the other purposes are to maintain a customer focus and to foster quality excellence. Again, the award participant is asked to document continuous improvement in each of the three items.

It is striking that the EQA does not have this criteria category. However, this is consistent with the fact that 'quality' remains a rather abstract concept in the EAQ that does not have to be operationalized (compare the category policy and planning) and therefore it would also make no sense to invest in data management.

### **Human Resources:**

According to the seven items of the criterion education and dissemination, human resource management in the Deming Award is restricted to training of staff in quality control and the concept of quality circles (JUSE, 1992:24). It is important that the training activities also extend to vendors, contractors and distributors of the company. The underlying assumption is that staff, if trained properly, can be functional to the improvement of operational processes.

In the MBNQA, human resource management is a much wider concept (NIST, 1994:20-22). It also includes employee education and training and employee involvement like the Deming Award. However, the ideal that companies should empower their employees and unleash the full potential of the work force is not contained in the Deming Award. To see if empowerment really exists, the MBNQA asks for (short-term and long-term) human resource planning, the establishment of incentive systems and measures taken to achieve employee well-being and satisfaction. This means that in the MBNQA human resource development and management do not only have to enable employees to contribute to improving operational performance objectives, but to reach the needs of the work force. Again, for all items, continuous improvement has to take place.

Human resource management in the EQA (EFQM, 1994:13) is again completely different from the Deming Award's and MBNQA's concept. This already becomes obvious in the label 'employee leadership', which has to be based on the agreement of goals between employees or employee teams and their principals, the involvement of employees in continuous improvement and effective top-down and bottom-up communication. Beyond this, the skills and knowledge of employees have to be developed and overall 'employee leadership' has to be improved continuously. The purpose of 'employee leadership' is to realize the full potential of employees to improve operational performance. Given this operationalization, human resource management of the EAQ is somewhere in between the Deming Award and MBNQA: it does not view employees as a mere tool, but it does not value employees as human beings, either. The prescription of a participative leadership style situates employees in vertical relationships with a certain degree of autonomy.

### **Processes:**

The Deming Award refers to processes as quality assurance (JUSE, 1992:25). The eleven items cover all stages of the production cycle: the design and introduction of new products and services, the maintenance of quality in the production process, including quality management of suppliers and quality assessment. It is typical for the Deming Award that also here statistical methods are prescribed.

The five items and their areas to address of the MBNQA are quite similar in contents (NIST, 1994:23-26). The focus in both awards is on improving quality and operational performance.

In the EQA, process management does not follow the idea of product and service quality, but the idea of value-adding (EFQM, 1994:13). This concept goes one step further than the Deming Award and the MBNQA, as it links

operational performance with financial indicators. So the EQA asks to identify the processes first which are relevant for business success. Operational improvement also figures in the EQA, but beyond this it also puts emphasis on innovation and creativity in process improvements. This vocabulary is unknown in the Deming Award and in the MBNQA. Re-engineering in the EQA does not only have to contribute to operational performance, but the utility has to outweigh the costs. All in all, this is a more financial view of process management, whereas in the Deming Award and in the MBNQA process management is a rather technical issue.

### **'Objective' Results:**

Measuring results always involves the setting of standards and the comparison of actual performance with standards. These two components of controlling figure as two separate criteria in the Deming Award (JUSE; 1992:25). In the criteria category 'standardization' the Deming Award checks how and what kind of performance standards are set up, revised and abolished. Standards also have to be set up in order to assess technical progress. It is important that real use is made of the standards. Of course, also here statistical methods have to be used. The category 'effects' puts emphasis on the measurement of tangible (quality of products and services, costs and profit) and intangible effects (quality awareness of work force). Actual performance ought to conform with standards. This implies that the results category in the Deming Award is based on self-assessment.

The MBNQA asks for results for all items of the criteria category 'quality and operational results' (NIST, 1994:27 f.). Two kind of results have to be presented in each item: first, trends and current levels for key indicators have to be provided. This means that the measures in this category have to be objective, like number of defects or on-time delivery-rates (Garvin, 1991:92). Secondly, current quality levels have to be compared with those of principal competitors or other appropriate benchmarks. Here external standards are used to measure results.

In the EQA (EFQM, 1994:14), the category 'results' does not refer to process management, but to business results. This is consistent with the EQA's concept of process management that is not an end in itself, but a means to maximize added-value. Business results include financial and non-financial goals which have to be met continuously. The performance of the award participant has to be set in relation to its own goals, in relation to the performance of competing firms and in relation to the company which is the 'best of the class'. The EAQ also demands documentation that the expectations of financial stakeholders of the company have been satisfied.

### **'Subjective' Results:**

It is striking that customer satisfaction or other 'subjective' focus is not a criterion in the Deming Award.

In the MBNQA (NIST, 1994:29-32), however, 'customer focus and customer satisfaction' is the most important and comprehensive criterion. This category examines how the award participant performs marketplace analysis in the classical sense, how he provides customer relationship management. It also analyses the type of commitment the company takes to promote trust in its products/services. Customer satisfaction measurement has to include a description of processes and measurement scales used as well as a documentation of comparative studies about customer satisfaction relative to that for competitors. Results of customer satisfaction have to be presented as trends, including trends and/or indicators of customer dissatisfaction. These results also have to be benchmarked against those of competitors.

In the EAQ 'subjective' results cover customer satisfaction, employee satisfaction and impacts on society (EFQM, 1994:14). For each of these criteria, the company has to show how the company mirrors in the eyes of external customers, employees and society. Beyond this, the company has to prove that it was successful in fulfilling the needs and expectations of these different groups. Also for these categories, performance measures have to indicate the company's actual performance and its performance standards, the performance of its competitors and the performance of the 'best of the class'.

### **Other Criteria:**

There are some criteria categories in the Deming Award that do not figure explicitly in any of the other private sector prototype awards. One of them is 'the organization and its operations' which is to check how the organization is managed to carry out quality control. Again here, the process of quality control is important. Another category typical of the Deming Award is 'control or Kanri', which asks for a regular review of quality management methods. Management for continuous improvement is also contained in the MBNQA, where evaluation and improvement efforts have to be shown for every item. The same is true for the category 'future plans' of the Deming Award which is also included in the leadership category and other categories of the MBNQA. This category stresses the long-term dimension of TQM.

After this detailed analysis of criteria the question arises if there are any major differences between the three awards in terms of emphasis of criteria. Tsuda comes to the conclusion that the Deming Award rather stresses the process of establishing excellence, whereas the Baldrige Award focuses on

customer satisfaction (Tsuda, 1992:4). The EQA also emphasizes customer satisfaction, but also people satisfaction, impact on society and business results. As far as the underlying concept of quality is concerned, the Deming Award is based on an objective view of quality relying on hard data. The MBNQA, however, has a subjective view of quality since the (subjective) view of the customers determines what quality is. The EQA is located somewhere between the Deming Award and the MBNQA, as quality is determined partly by the (subjective) view of various stakeholders and partly by hard (financial) indicator.

### 5.3.2 Assessment Criteria of Public Sector Quality Awards

In the following, the same kind of analysis will be done for those public sector quality awards that were available in English.

Table 8: The Assessment Criteria and Items with their Relative Weights of three Public Sector Awards

Core Criteria	British Charter Mark Award Scheme (1995)	Speyer Quality Award (1994)
Leadership	–	Leadership
Policy and Planning	–	–
Information and Analysis	–	Data Collection and Analysis
Human Resources	–	Human Resource Management
Processes	–	Management of Organizational Structures and Processes
Continuous Improvement	measurable and demonstrable improvements in quality of service over the last two years	Modernization Plans
Other Resources	–	Resource Management
'Objective' Results	Standards; Value for Money	Standards; Benchmarking
'Subjective' Results	Information and Openness; Consultation and Choice; Courtesy and Helpfulness; Putting Things Right; User Satisfaction	Customer-orientation

Core Criteria	British Charter Mark Award Scheme (1995)	Speyer Quality Award (1994)
Other Criteria	To have in hand or plan to introduce at least one innovative enhancement to services without any extra cost to the taxpayer or user	Mission and Organizational Culture; Use of Technology
Emphasis of Criteria	performance-, customer- and taxpayer orientation	Performance-orientation and Processes
Underlying Concept of Quality	subjective underlying budget constraints	subjective and objective

### **British Charter Mark Award Scheme (1995):**

Placing the criteria of the British Charter Mark Awards Scheme 1995 within the ordinary set of quality award criteria, it becomes obvious that the British Charter Mark Award completely neglects the input-side of public organizations, i.e. human and financial resources as well as organizational through-put, i.e. leadership, policy and planning, information and analysis and processes. Instead of it, there is a heavy focus on organizational outcomes. Objective and subjective results have to be achieved by continuous improvement and innovation. However, the Charter Mark Award does not give any indication on the framework needed to make public organizations more flexible.

Continuous improvement figures in the British Charter Mark Awards Scheme as “measurable and demonstrable improvements in quality of service over the last two years” (Cabinet Office and the Central Office of Information, 1995:27). This means that improvements have to be measured in terms of results, costs and time required. Beyond this, there must be evidence that users know about and appreciate these improvements. This criterion has to be seen in context with criterion 9 of the Charter Mark Award Scheme (1995:28), which asks public organizations “to have in hand or plan to introduce at least one innovative enhancement to services without any extra costs to the taxpayer or user”. In both cases, the aim behind the criteria is to encourage organizational learning. As far as criterion 8 is concerned, the stress is rather put on enhancing user-friendliness, whereas criterion 9 rather aims at removing slack.

Other criteria of the British Charter Mark Award are related to results. Results are always defined from the customers' point of view expect in the case of criterion 6. This criterion is about “value for money” (Cabinet Office and the Central Office of Information, 1995:25) asking public organizations to

make sure that financial management is economical and efficient. Subjective result-orientation in the British Charter Mark Award includes criteria such as providing “full, accurate information readily available in plain language about how public services are run, what they cost, how well they perform and who is in charge” (1995:21), providing “choice to the customers” (1995:22), providing “courteous and helpful service” (1995:23) and running “well publicised and easy-to-use complaints procedures with independent reviews wherever possible” (1995, 24). There must also be evidence that users are overall satisfied with the services provided (1995:26). Also performance standards have to be defined and assessed by users of public services (1995:20).

This analysis reveals that the British Charter Mark Awards Scheme emphasizes performance-orientation, customer- and taxpayer orientation of public organizations. The concept of quality used is strongly subjective but always sees the perceived level of quality in connection with (fiscal) budget constraints.

#### **Speyer Quality Award (1994):**

The criteria catalogue of the 2nd Speyer Quality Award is much broader than the British and Portuguese Award. The questionnaire (see appendix 2) addresses performance measurement as well as seven so-called modernization fields which may be interpreted as enablers. It also contains an assessment of the questionnaire by award participants. The modernization fields and the other sections are divided into 5-10 items with areas to address.

Even though the structure of the questionnaire of the 2nd Speyer Award looks similar to that of the MBNQA and EQA, the topic is somewhat different. Modernization as the key word of the Speyer Quality Award rather means *public management* with the aim of customer satisfaction than TQM in a narrow sense. This becomes obvious when looking at the criteria categories in detail.

According to the Speyer questionnaire 'modern' leadership in a public organization means that guidelines for leadership have been formulated and are followed. Furthermore, the promotion of senior executives has to be based on their leadership performance, which is to motivate employees to self-controlled quality assurance. The category 'human resource management' asks for an effective recruitment policy, immaterial and material rewards and effective training programmes. In the category 'management of structures and processes', the focus is on flat structures, efficient vertical and horizontal communication and cooperation with other organizations/groups. The category 'use of technology' checks if information technology is used effectively by employees. The items of the category 'financial resource management' are

related to the degree of implementation of decentralized resource management. Mission and organisational culture is a criteria category that does not exist in most other awards. The main idea behind this category is to find out how a public organization perceives itself – as a bureaucracy in the classical sense or as a 'modern' service provider.

When it comes to results, the Speyer Award questionnaire asks if performance measurement systems have been set up, but does not ask for actual results. Performance measurement systems include self-assessment, inter-organizational comparisons of performance, assessment from the employees' and customers' points of view and the measurement of efficiency and effectiveness.

Table 8 (continued)

<b>Core Criteria</b>	<b>Presidential Award for Quality and Quality Improvement Prototype Award (QIP)</b>	<b>Canada Awards for Excellence (for Quality)</b>	<b>Canadian Suggestion Award Program</b>
Leadership	Leadership (12,5%) <ul style="list-style-type: none"> <li>• Executive Leadership</li> <li>• Managing for Quality</li> <li>• Public Responsibility and Community Management</li> </ul>	Leadership <ul style="list-style-type: none"> <li>• Strategic Direction</li> <li>• Leadership Involvement</li> <li>• (Outcomes)</li> </ul>	(full support of senior managers for suggestion system)
Policy and Planning	Strategic Quality Planning (6%) <ul style="list-style-type: none"> <li>• Quality and Operational Performance Planning</li> <li>• Quality and Operational Performance Plans</li> </ul>	–	–

<b>Core Criteria</b>	<b>Presidential Award for Quality and Quality Improvement Prototype Award (QIP)</b>	<b>Canada Awards for Excellence (for Quality)</b>	<b>Canadian Suggestion Award Program</b>
<b>Information and Analysis</b>	<b>Information and Analysis (7,5%)</b> <ul style="list-style-type: none"> <li>• Scope and Management of Quality and Performance Data and Information</li> <li>• Similar Provider Comparison and Benchmarking</li> <li>• Analysis and Uses of Organizational-Level Data</li> </ul>	—	—
<b>Human Resources</b>	<b>Human Resource Development and Management (17%)</b> <ul style="list-style-type: none"> <li>• Human Resource Planning and Management</li> <li>• Employee Involvement</li> <li>• Employee Education and Training</li> <li>• Employee Performance and Recognition</li> <li>• Employee Well-Being and Satisfaction</li> </ul>	<b>People Focus</b> <ul style="list-style-type: none"> <li>• Human Resource Planning</li> <li>• Participatory Environment</li> <li>• Continuous Learning Environment</li> <li>• Employee Satisfaction</li> <li>• (Outcomes)</li> </ul>	<b>(Employee Involvement)</b>

Core Criteria	Presidential Award for Quality and Quality Improvement Prototype Award (QIP)	Canada Awards for Excellence (for Quality)	Canadian Suggestion Award Program
Processes	Management of Process Quality (14%) <ul style="list-style-type: none"> <li>• Design and Introduction of Quality Products and Services</li> <li>• Process Management: Product and Service Production and Delivery Processes</li> <li>• Process Management: Business and Support Service Processes</li> <li>• Supplier and Intermediary Quality</li> <li>• Quality Assessment</li> </ul>	Process Optimization <ul style="list-style-type: none"> <li>• Process Definition</li> <li>• Process Control</li> <li>• Process Improvement</li> <li>• (Outcomes)</li> </ul>	—
Continuous Improvement	partly contained in some criteria	Planning for Improvement <ul style="list-style-type: none"> <li>• Development and Contents of Improvement Plan</li> <li>• Assessment</li> </ul> (continous learning environment that fosters innovation and encourages people to reach their full potential)	suggestions are defined as a written proposal, plan or practical idea for improvement of operations of a department
Other Resources	—	—	—

Core Criteria	Presidential Award for Quality and Quality Improvement Prototype Award (QIP)	Canada Awards for Excellence (for Quality)	Canadian Suggestion Award Program
'Objective' Results	Quality and Operational Results (18%) <ul style="list-style-type: none"> <li>• Product and Service Quality Results</li> <li>• Operational Performance Results</li> <li>• Business and Support Service Results</li> <li>• Supplier and Intermediary Quality Results</li> </ul>	Outcomes of Process Optimization	results are monetary or non-monetary benefits related to such things as: <ul style="list-style-type: none"> <li>• increased efficiency or productivity</li> <li>• conservation of property, energy, material or other resources</li> <li>• improved working conditions, or</li> <li>• any advantage to the operation of the public service</li> </ul>
'Subjective' Results	Customer Focus and Satisfaction (25%) <ul style="list-style-type: none"> <li>• Customer Expectation: Current and Future</li> <li>• Customer Relationship Management</li> <li>• Commitment to Customers</li> <li>• Determination of Customer Satisfaction</li> <li>• Customer Satisfaction Results</li> <li>• Customer Satisfaction Comparison</li> </ul>	Customer Satisfaction  Employee Satisfaction  Investor Satisfaction  Supplier Satisfaction	-

Core Criteria	Presidential Award for Quality and Quality Improvement Prototype Award (QIP)	Canada Awards for Excellence (for Quality)	Canadian Suggestion Award Program
Other Criteria	—	Customer Focus <ul style="list-style-type: none"> <li>• Voice of the customer</li> <li>• Management of Customer Relationship</li> <li>• Measurement Process</li> </ul> Supplier Focus <ul style="list-style-type: none"> <li>• Partnering</li> </ul>	—
Emphasis of Criteria	customer satisfaction	process management; satisfaction of the major interest groups of a company	lean management
Underlying Concept of Quality	rather subjective	purely subjective	purely objective
Assessment Model	MBNQA	special assessment model	special assessment model

### **Presidential Award for Quality and Quality Improvement Prototype Award (1995):**

The award criteria of the President's Award and the QIP, which have the same set of criteria, are an adaptation of the MBNQA. However, the set of criteria is briefer and clearer, and a lot of overlap of the MBNQA catalogue of criteria is avoided. Thus, it will be interesting to see where the criteria of the President's Quality Award Program differ from the MBNQA's and how they "reflect the unique federal environment and culture" (Federal Quality Institute, 1995:1).

After a thorough comparison of the items and areas to address, one has to come to the conclusion that differences between the President's Quality Award Program and the MBNQA are of minor nature. One major difference is that the President's Quality Award Program demands to produce evidence of continuous improvement activities only for categories such as quality and operational performance planning process and human resource management, whereas evaluation and improvement of all aspects of quality management are obligatory in the MBNQA. In addition to that, the President's Quality Award

Program does not contain an area to address the issue of customer-contact employees. This may be due to the fact that federal government does not have direct contact with citizens. If this is so, it is hard to understand why the rest of the criteria contained in the President's Quality Awards pretend that the environment of business and federal government were the same. Summing-up, it has to be stated that the criteria of the President's Quality Award Program do not at all reflect the strong political environment of federal government organizations. Like the MBNQA, the President's Quality Award Program stresses customer satisfaction.

### **Canada Awards for Excellence (for Quality) 1995:**

A first comparison between the Canadian quality award for excellence and the President's Award Program reveals that the Canada Awards for Excellence is less comprehensive. In order to understand the criteria categories of the Canada Awards for Excellence (National Quality Institute, 1995:10-15) it is necessary to look at its aims, which are defined in terms of the subjective results customer satisfaction, employee satisfaction, investor satisfaction and supplier satisfaction. These outcomes determine the other criteria categories. Leadership, customer focus, people focus and supplier focus are the 'drivers' belonging to the respective result categories. Criteria that are not related to any subjective results are process optimization and planning for improvement. The demand for a continuous learning environment is also contained in leadership involvement and people focus. These criteria may be interpreted as the fragments of Japanese statistical quality control management. For all categories, the Canada Awards for Excellence asks for the systems of measurement used as well as for concrete levels and trends.

Summing-up, it can be said that the Canada Quality Awards for Excellence focuses on process management but also extends the subjective concept of quality to all kinds of stakeholders' groups that are involved with a private firm.

### **Canadian Suggestion Award Program:**

Looking at the empty spaces in the above general scheme of quality award criteria, one immediately realizes that the catalogue of criteria of the Canadian Suggestion Award Program is quite limited. Nevertheless, it is a wholesome approach as the criteria focus on those aspects of quality management that are neglected by most quality awards.

The major criterion for employee suggestions is that they contribute to the continuous improvement of organizational performance, the latter being defined in objective terms such as increased efficiency or productivity, conser-

vation of property, energy and material and any advantage to the operation of the public service (Canada Treasury Board, chapter 365, appendix B, 3.2). Whenever possible, the benefits of operational improvements should be measured in dollar terms. The true value of a suggestion is defined as the difference between (actual and estimated) gross savings and the costs of implementation (Canada Treasury Board, chapter 365, appendix B, 3.5.) For intangible benefits, an ordinal benefits scale was set up (Canada Treasury Board, chapter 365, appendix B, annex 2).

Indirectly, the supervising Canada Treasury Board also demands the active involvement of senior executives and the full commitment of all employees. Thus, the criteria of the Canadian Suggestion Award Program fit the TQM framework very well. Summing-up, the overall focus of the Canada Suggestion Award Program is on lean management. Quality has to be defined on an absolute scale of (net) monetary benefits to the public organization.

Table 8 (continued)

<b>Core Category</b>	<b>The Italian Prize for Innovations between the Public Administration and the Public</b>	<b>IPAC Award for Innovative Management</b>	<b>The Innovations in American Government Awards (the Innovations in Local and State Awards)</b>
Leadership	–	–	–
Policy and Planning	–	–	–
Information and Analysis	–	–	–
Human Resources	–	–	–
Processes	–	–	–
Continuous Improvement	–	–	–
Other Resources	information technology	–	–
'Objective' Results	organizational efficiency and effectiveness of the innovation	effectiveness of the program	effectiveness of the innovation in addressing an important local or national problem

Core Category	The Italian Prize for Innovations between the Public Administration and the Public	IPAC Award for Innovative Management	The Innovations in American Government Awards (the Innovations in Local and State Awards)
'Subjective' Results	—	significance of its benefits to clients	value of the service to clients
Other Criteria	administrative transparency;  (replicability)	innovativeness;  relevance of the innovation to the chosen theme	novelty of the innovation;  replicability of the innovation
Emphasis of Criteria	innovation and relations to the public	innovation	innovation
Measurement Concept of Quality	objective	subjective and objective	subjective and objective
Assessment Model	special assessment model	special assessment model	special assessment model

### **The Italian Prize for Innovations between the Public Administration and the Public:**

The highly standardized questionnaire of the Italian Innovation Award has four major criteria categories: application of law 241 (administrative transparency), the kind of innovation, organizational effects of the innovation and the role of information technologies in realizing the innovation.

In each category, the applicant has to answer questions by ticking off or giving estimations on an ordinal scale. The first section refers to administrative transparency and seeks to find out to what degree the applicant applies law 241/90. Items ask if responsibilities have been determined for administrative proceedings and their names are conveyed to third parties. A number of items check if proceedings have been finished in due time. The second category tries to identify the character of the innovation. The questionnaire distinguishes between innovations making the access to public agencies easier, initiatives to accelerate performances and to simplify administrative procedures in the interest of the client and initiatives to collect information on service quality or customers' satisfaction. The applicant also has to indicate if the innovation is an improvement of existing services/administrative procedures or

a new one. Section 3 concerns the organizational effects of the innovation. The applicant has to indicate on an ordinal scale (from 1-5) to which degree the effectiveness and efficiency of the organization has been improved. The questionnaire also asks for other impacts of the innovations such as a change of work organization, internal mobility, use of incentive systems and replication of the innovation by other organizations. An extensive final section is dedicated to the role of information technology in the realization of the innovation. Most items cover the nature and depth of changes of information systems and informatization of administrative processes. The innovation award organizers also want to have detailed information on the kind of hardware and software, their number and their use. The applicant also has to indicate how much money and time was invested in information technology. The overall impression on this section is that the information obtained from administrative applicants is useful market research information for computer companies.

Summing-up, the Italian Innovation Award focuses on administrative innovations and transparency which are to improve the negative image of the public administration. Quality is operationalized into measurable dimensions with customers' satisfaction only being a minor item. The assessment model has been developed on the basis of a series of laws encouraging flexibility in the Italian bureaucracy.

### **IPAC Award for Innovative Management and the Innovations in American Government Awards 1995:**

In contrast to the Italian Prize for Innovations, both the IPAC and the Innovations in American Government Awards have a short catalogue of four criteria. In both Anglo-Saxon innovation awards, innovation programs of public organizations are evaluated with regard to innovativeness, effectiveness in solving specific policy problems and utility to clients. As a fourth criterion, the IPAC award wants applicants to demonstrate the relevance of the innovation to the chosen theme, whereas the Innovations in American Government Awards chooses replicability of the innovation as a fourth criterion.

#### **5.3.3 Conclusions**

Even if at a first glance quality awards seem to focus on the same kind of management issues, the above analysis of criteria reveals that the emphasis of criteria and measurement concepts of quality awards is different, particularly in the cases where quality award organizers have developed their own assessment model. There are different operational frameworks, values and vi-

sions behind the criteria of quality awards. They all hint at the New Public Management Paradigm, but they also reveal the different points of departure of various administrative systems.

Table 9: Conceptions of Quality in Different Administrative Contexts

Public Quality Awards by Country	Great Britain: Charter Mark Awards Scheme	Italy: Prize for Innovations for Relations between the Public Administration and the Public	Germany: Speyer Quality Award	U.S.: • Presidential Award Program • the Innovations in American Government Awards	Canada: • Canada Awards for Excellence • Suggestion Award Program • IPAC Award for Innovative Management
Dimensions of Quality	customer-performance-, and taxpayer-orientation	innovation and transparency	performance-orientation, process management	customer satisfaction, innovation	customer satisfaction, employee satisfaction, innovation
Measurement Concept of Quality	subjective underlying budget constraints	objective	subjective and objective	primarily subjective	primarily subjective
Perspective of Quality Assessment	customers and taxpayers	public employees	public employees and customers	customers	customers
Parameter of the Quality Management System	not indicated	process (IT) and result-oriented management	process and result-oriented management	customer-oriented management	customer-oriented management
Operational Framework	service enterprise 'Public Agency'	Rechtsstaat and flexibility	modernization	service enterprise 'Public Company'	service enterprise 'Public Company'
Vision of the Public Administration	market-based and minimalist	citizen-oriented public administration	management-oriented public administration	business-oriented public administration	business-oriented public administration

In the British Charter Mark Awards Scheme the quality dimensions of public services – performance, customer- and taxpayer-orientation – are judged from the customers' and taxpayers' perspective. The public agency employee cannot cast a vote in the assessment of quality and he or she is also not told how to deliver high-quality services. Public administration is not seen as a value in itself but as a 'service-producer'. This operational framework fits to a vision of government that seeks to cut back the public sector as much as possible and to base it on market values where privatization is not possible.

The British conception of quality sharply contrasts with the Italian operational and general framework. The Prize for Innovations for Relations between the Public Administration and the Public emphasizes transparency and innovations. These dimensions of quality have to be assessed from the perspective of public employees. All in all, the Italian Innovation Award promotes the idea of the Rechtsstaat and flexibility of the public administration. Its ideal is to create a citizen-oriented public administration.

The Speyer Award is located somewhere in between the British and the Italian conception of quality. The quality of public organizations which is understood as process and result-oriented management has to be judged both from the point of view of public employees and customers. The operational framework consists of modernization with the meaning of a more management-oriented public administration.

The U.S. and Canadian conception of quality differs radically from the European ones. In the quality awards examined, there is a heavy focus on customer satisfaction, seen as the overwhelming quality dimension of public organizations. Customers are also the most important judges of the quality of public goods and services. The operational framework of customer-oriented public management is based on a vision that perceives private and 'public companies' operating along the same business lines.

Of course, the conception of quality of specific quality awards does not necessarily express a societal consensus on quality in that country. However, since quality awards have an explicit model function, they have an important influence on public opinion. Especially institutionalized quality awards soon set the guidelines for the NPM proponents in the respective countries.

#### *5.4 Evaluation Process of Quality Awards*

The criteria and the scoring-system from the reference system for the evaluation of quality award applicants, but they do not define the procedures and methodology to evaluate and select the award contenders.

The evaluation of organizations along the criteria laid down in the award questionnaire is a difficult enterprise. Award judges have to cope with two kinds of problems: one problem arises from the fact that most quality awards (with the exception of the Carl Bertelsmann Prize) are based on self-assessment. This may be a very functional exercise for award contenders and other organizations just using this management instrument without participating in the award. Yet, self-assessment also allows cheating, and the selection of award winners is based on an external assessment of the applicants' self-assessment there is an in-built incentive to assess one's organization in a positive way, if not to cheat. The other problem is that in general there is much agreement about what constitutes a 'bad' organization. There is much less consensus on what is to be defined as an excellent public or private organization. Of course, the criteria give some guidelines for award judges, but they still leave a lot of discretionary freedom for the judges.

In general, award organizers draw two consequences from these problems. First, they organize the evaluation of quality awards as a multi-stage process with several in-built controls. Second, the selection of award winners is usually based on a common decision-making process between several judges who have to reach a consensus on their decision.

The following table will give a survey of the details of the procedures and methodology of the evaluation of different quality awards.

Table 10: The Methodology of the Evaluation in Quality Awards in Comparative Perspective

Quality Award	Stages of the Evaluation Process	Scoring System					
		site visits to <i>selected</i> award participants	oral presentation of award participants before judges	final decision by judges	approach	deployment	results
British Charter Mark Awards Scheme	HS-Q plus supporting material	open number of finalists	–	representative of the public and private sector, including consumer groups	25%	–	75%
Portuguese Public Service Quality Contest	data cards plus reports	one day visit	–	4 assessors of EFQM and one representative from science	ranking	ranking	ranking
Speyer Quality Award	HS-Q plus supporting material	one day visit	multi-media presentation	20 representatives from the public and private sector and science	ranking	ranking	ranking

Quality Award	Stages of the Evaluation Process	Scoring System					
The President's Quality Awards Program	HS-Q plus	one day visit by examiners	–	private and public sector representatives	multiplier is determined by degree of approach and deployment		
Canada Awards for Excellence	HS-Q	one day visit by 4-6 examiners (including lead examiner)	–	5 senior officials from the appropriate sector	ranking	ranking	ranking
The Italian Innovations Prize	S-Q	four day visit with S-Q		?	?	?	?
The Innovations in American Government Awards	HS-Q	one-day visit	oral presentation before judges	National Selection Committee	ranking	ranking	ranking
The IPAC Award for Innovative Management	US-Q	–	one hour interview	5 representatives from the private and public sector and science	ranking	ranking	ranking

S-Q standardized questionnaire

HS-Q half-standardized questionnaire

US-Q unstandardized questionnaire

The evaluation process of quality awards consists of 3-4 stages with the aim to narrow the number of organizations.

The first selection is carried through by the review of the applicants' self-assessment. The table shows that most quality awards use half-standardized questionnaires, which means that award participants have some freedom to

decide which kind and how much information they want to give. In order to avoid superfluous information, award organizers prescribe a maximum length of pages. Often, they also ask award contenders to support material as proof. The Italian Innovation Awards uses a standard questionnaire, which is less time-consuming for award participants to fill out, but more demanding for the judges. At the other extreme, there is the IPAC Innovation Award using an almost non-standardized questionnaire where award contenders are free to describe their innovation project.

The applications which have received a certain number of scores or some high ranking are considered to have got through to the semi-finals. Usually, at this stage, site visits to selected organizations take place. The purpose of the site visit is to verify and to clarify the information included in the written application. Given this purpose, site visits to all applicants should be made if the information contained in the written application might be insufficient or distorted. Depending on the quality award organizers and their personnel capacity, a team of five or more experienced examiners spends one to five days on the selected organization during a site visit. In general, quality awards do not have a scheme in making use of the site visit. Only the Italian Innovation Award organizers have elaborated a separate questionnaire to be used at the site visits. The findings of the site visits decide which applicants are considered to be finalists.

Before the final decision on the award winners is made by some panel of judges, the Innovations in American Government Awards and the Speyer Quality Award provide another stage of evaluation which is an oral presentation of the finalists before the judges. The final decision is made by a panel of judges based on an overall assessment of the finalists.

The panel of judges is usually composed of 5-20 representatives from the private and public sector. In some cases, also scientists are included. In the British Charter Mark Awards Scheme one representative from consumer groups also belongs to the judging committee, which is consistent with the strong client orientation of the questionnaire.

It becomes obvious that the evaluation process gives a lot of freedom to examiners and judges.

As regards the evaluation of the written application, some quality awards have established guidelines for examiners referring to the aspects they have to consider in scoring the items. In the case of the MBNQA, there are three factors the examiners are looking for (Brown, 1992:11-13):

- Approach refers to the processes organizations use to achieve quality products or services. For example, Baldrige examiners check whether processes

are prevention-based versus detection-based, whether there is a focus on continuous improvement and on the innovation or creativity of approach.

- Deployment refers to how well the organization has executed the approach. In assessing deployment, Baldrige examiners look for appropriate and effective application to all product and service characteristics, application to all transactions with internal and external customers and internal processes, activities, facilities and employees.
- Results include factors such as the current and past overall quality and performance levels, rate/speed of quality improvement and significance of quality improvements to the company's business.

Most public quality awards do not have explicit guidelines to tell which factors to look at. However, there are two exceptions: The British Charter Mark Awards asks examiners to look at approach and results and weighting approach 25% and results 75%. The President's Quality Awards Program goes even further than the MBNQA by elaborating descriptions of each category in terms of different degrees of approach and deployment (Federal Quality Institute 1995:23-48). These 'evaluation tables' do not only simplify the evaluation process, but also offer transparency for the applicants.

All in all, the evaluation of quality award contenders is a complex and difficult task. Even though quality award organizers try to bring in as much objectivity as possible, there can be no doubt that the evaluation process is heuristic in nature with experience being the most important asset of quality award examiners and judges.

## 6. Concluding Remarks

This preliminary comparative analysis of quality awards shows that 'New Public Management' has many different facets and does not mean that the 'modernization' goals are the same in all countries. Of course, the criteria of quality awards do not necessarily express a consensus on a societal model regarding the role and nature of public administration. There is still too much controversy about the NPM-paradigm itself. However, quality awards may be instructive to uncover the variety of norms, aims and interests inherent in the NPM paradigm.

Genuine public quality awards show that public sector quality means different things in different societies: in Great Britain, customer-orientation is conceived to be the primary trait of public sector quality. In Italy, transparency and flexibility of administrative acts are considered important features of

a high-quality public administration. In Germany, administrative modernization describes the contents of public sector quality, which means a management-oriented public administration. In the U.S. and Canada, quality management in the public administration is equivalent to the management of a private company.

In genuine public sector quality awards, the particular features and cultural values are considered among the criteria and design of quality awards. This is not the case, when private sector quality awards are simply transferred to the public sector. The theoretical part of this report has shown that TQM is only functional to the public sector if the particular features of the public sector are taken into account. Thus, genuine national private sector awards risk being highly dysfunctional if they are not adapted to the administrative system in that country.

In view of the fact that (at least in quantitative terms) international and national quality awards for the public sector are on their way up, it will be important to have an evaluation of those awards. This comparative study has merely been descriptive and analytical. The task of the final report will consist in completing this comparison quality awards by an evaluation and in elaborating a reference-system to evaluate the quality of quality awards.

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## **8. Appendix**

### *8.1 Questionnaire on Quality Awards for the Public Sector*

<b>Questionnaire on Quality Awards for the Public Sector</b>
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#### **Research Project:**

### **International Comparative Study of the Methodology and Findings of National Quality Awards**

**Research Director: Prof. Dr. Helmut Klages**

**Research Fellow: Dipl.-Volkswirtin Elke Löffler**

Please mail the questionnaire and any further questions and comments to:

Miss Elke Löffler  
Research Institute for Public Administration  
P.O.Box 1409  
D-67324 Speyer  
Germany

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**1. We need the full address of your organization.**

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**2. Please give us the name of a contact person.**

(Name, Telefone, Telefax)

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**3. Please write the exact, full name of your quality award in your language and in English.**

If you have several quality award programs (with respect to criteria and evaluation) for different categories of candidates, please indicate all of them.

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**4. Are there any competing awards for the public sector your country you know of?**

Yes.

No.

If yes, please tell us the name of the other award(s).

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**5. Does your quality award have a specific subject every year?**

No. We chose TQM as a general subject.

Yes. We have specific subjects.

If yes, please specify which subject in the respective years:

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**6.1 What is the year of establishment of your quality award?**

**6.2 Please give us the total number of participating organizations and the number of award winners for every year you have been running the award.**

<b>Year</b>	<b>1980</b>	<b>1981</b>	<b>1982</b>	<b>1983</b>	<b>1984</b>	<b>1985</b>	<b>1986</b>	<b>1987</b>	<b>1988</b>	<b>1989</b>	<b>1990</b>
<b>Total Number of Public Organisations Participating</b>											
<b>Number of Award Winners</b>											

<b>Year</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>
<b>Total Number of Public Organisations Participating</b>					
<b>Number of Award Winners</b>					

**6.3 Additional question concerning quality awards for the public sector: Would you please indicate the names of administrative agencies winning the award in the respective year?**

If you have more detailed statistics on participants by geographical distribution and organisational category (municipal/government), would you please enclose this to the questionnaire?

Year of the Quality Award for the Public Sector	Names of Award Winners

Year of the Quality Award for the Public Sector	Names of Award Winners

## 7. How did you finance the quality award?

You can make several crosses.

- out of the budget of our organization
  - with government funding
  - with sponsoring from the private sector
  - by raising a fee from the award participants
  - others :
- 
- 

## 8. Eligibility: What kind of organization may apply to your quality award?

Our quality award is open to:

- all kinds of public and private organizations
  - only to all kinds of public organizations
  - only to specific kinds of public organizations as:
- 
-

**9. What are the stages of the evaluation process?**

You can make several crosses.

- (1) award participant has to fill out questionnaire/describe his or her agency
- (2a) site visits to all award participants
- (2b) site visits to selected award participants
- (3) oral presentation of award participants before judges
- (4) final decision by judges

**10. What is your assessment model?**

- the Malcolm Baldrige Award;
- the European Quality Award (EFQM);
- We developed our own assessment model :
- 

**11. Are the award criteria subject to review periodically?**

Yes .

No.

**12. Our scoring system gives weights to the factors as follows:**

Please give the percentage.

-	<input type="text"/>	approach:	percent
-	<input type="text"/>	deployment:	percent
-	<input type="text"/>	result:	percent

**13. Who are the judges responsible for the evaluation of the award participants?**

Please indicate the organization/professional background of each of the judges:

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**14. Do you have a 'symbolic' reward only or a material reward?**

We have a symbolic reward .

We have a material reward .

If you have a material reward, please give us the amount:

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**15. Do you offer a preparatory or a follow-up program for award participants?**

our quality award program consists of

- the quality award solely ;
- a preparatory program;
- a follow-up program.

**16. When do you have the award ceremony in 1995?**

Date: (Day/Month)

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*8.2 Questionnaire of the 2nd Speyer Quality Award 1994*

**POST-GRADUATE SCHOOL OF ADMINISTRATIVE SCIENCES  
SPEYER**

**2. QUALITY AWARD 1994**

Answering Sheet  
for  
Self-Assessment

For your information:



## **Survey of the sections**

**Section A:** Details about your authority/organisation

**Section B:** Criteria concerning the level of performance of the authority/organisation

**Section C:** Criteria concerning the performance factors of administration

*Field of Modernization: Model and Organisational Culture*

*Field of Modernization: Resource Management*

*Field of Modernization: Customer-Orientation*

*Field of Modernization: Management*

*Field of Modernization: Personnel Management*

*Field of Modernization: Design of Structure and Processes/Operations*

*Field of Modernization: Use of Technology*

**Section D:** Other Evaluation Criteria

To be used exclusively within the context of the “Speyer Quality Competition” and its objectives.

No part of this questionnaire may be used, reproduced, transmitted or stored in any form or by any means without the prior permission of the authors.

Speyer, March 1994

## Notes for the users of the application form

The questionnaire (completely filled in and enclosing documentary material) must be handed in to the "Hochschule für Verwaltungswissenschaft Speyer" by the **30th of June 1994**.

Please regard our questionnaire as a piece of information which has been designed to help you to give a **self-description** of your authority/organisation, and do not forget to look at possible comments concerning the single questions.

Please write down your answers in brief notes (legibly!).

For some of the questions you only have to mark one or more of the given squares with a cross:



Some of the questions contain the symbol \* ; by this we want to point out that we expect an answer with the relevant proof furnished.

If you need more space for your answer, you can certainly use supplementary sheets or enclosures. Please mark these additions by: " cf. supplementary sheet No. ...". Please write down the number you mentioned in the questionnaire on top of your supplementary sheet.

Should some of the questions not be relevant for your authority/organisation, please fill in the words "not relevant" and give a short explanation.

**Your aim** should be to give the jury an image as 'round' and complete as possible of your authority/organisation and its level of performance/efficiency.

*Section A: Details about the authority/organisation*

1. First, we need the complete name and address of your authority/organisation.

2. Please name a contact person.

(job grade/profession, name, address, telephone number, fax)

3. How many workers were employed at your main administration (except plants and other branches)?

31.12.1993: \_\_\_\_\_

31.12.1992 : \_\_\_\_\_

31.12.1991: \_\_\_\_\_

4. Please name the absolute volume of the total budget of your authority/organisation at present.

5. If you are applying as a local authority, please give the present number of inhabitants in your community.

*Section B: Criteria for the current level of performance of the authority/organisation*

6. How 'good' do you consider your authority/organisation to be?

Please mark one of the following squares with a cross.

top level		fulfills average requirements needs					improvement	
7	6	5	4	3	2	1		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

7. Why do you think that your authority/organisation is better than comparable ones?

8. Are you comparing your efficiency with other authorities/administrations?

If 'yes', please give details:

9. Which criteria do you take into account when comparing your own level of performance with other ones?

Recommendations from relevant literature

Examples of other authorities/administrations (which?)

Experience gained abroad

Advice of external consultants

Criterion: private sector of economy

Other (which?)

10. Have you recently made any attempts at 'modernizing' your authority/organisation?

If 'yes', please characterize the methods of putting them into practice.

11. Have you planned further methods of modernization?

If 'yes', please also give a brief outline of that.

12. Why were these methods of modernisation put into practice? What was the immediate motivation?

13. Has your authority/organisation initiated any activities in order to control your level of performance continually?

If 'yes', which activities?

– at which intervals?

14. Which 'hard' or 'soft' indicators do you try to ascertain in order to get a survey of the current level of performance at your authority/organisation?

15. Do you also consider the customers'/citizens' opinions when it comes to evaluating the current level of performance of your authority/organisation?

If 'yes' - what is your procedure like?

- is this done regularly?
- at which intervals?

16. Do you also consider your employees' opinions when it comes to evaluating the current level of performance of your authority/organisation?

If 'yes' – what is your procedure like?

- is this done regularly?
- at which intervals?

17. Do you somehow control the economic efficiency (ratio expense : result) of the administrative activities in your authority/organisation?

If 'yes', how do you do that?

18. Do you ascertain the effectiveness (degree of goal achievement) of the activity of your authority/organisation?

If 'yes' – how do you do that?

- which goals do you take as a basis?

**Section C: Criteria of the performance factors of administration**

*Field of Modernisation: Model and Organisational Culture*

19. Is there a general model\* in your organisation?

\*Please furnish proof of that.

- If 'yes' - can you give the contents/structure of this model?  
- how was it made obligatory?  
- how is this model checked and improved regularly?

20. To what extent do your employees fulfill their services by taking the citizens'/customers' attitudes/opinions into consideration?

21. How do you evaluate your employees' motivation and enthusiasm? How well-developed are these factors?

22. How about the sickness figure in your authority/organisation? (please name the ratio of days lost through sickness : working days)

*Field of modernization: Resource Management*

23. Have you introduced a decentralized resource management?

Yes

No

If 'yes':

area-covering?

or concerning which single areas?

24. Referring to the above, have you arranged a consensus of goals?

Yes

No

If 'yes', which?

25. Have you worked out the relevant product specifications?

Yes

No

If 'yes', which?

26. Do you additionally employ other methods of working out housing surveys than those which are laid down by law?\*

\*If necessary, please enclose the result-oriented budget.

Yes

No

If 'yes', which?

27. Does your authority/organisation take the opportunity to purchase externally the performances which are achieved by the special departments/branches?

Yes

No

If 'yes', which performances are these?

28. Does your authority/organization have a 'controlling' (or other methods of controlling) in order to guarantee an efficient use of resources?

Yes

No

If 'yes', please give a brief outline of the practical application of this 'controlling'.

*Field of Modernization: Customer-orientation*

29. Does your authority/organisation analyse the structure/composition and the fields of interest of its customers/citizens?

Yes\*

No

If 'yes', what is your procedure like?

\*Please furnish proof.

30. Is there a constant dialogue between your authority/organisation and the citizens/customers in order to guarantee their acceptance and consensus?

Yes

No

If 'yes' - what is the general setting of this dialogue?

Are there any institutions in your authority/organisation which have been designed to cope with complaints?

Yes\*

No

\*Please furnish proof.

If 'yes' – which are these institutions?

31. Do you evaluate the complaints on the part of citizens/customers?

Yes

No

If 'yes' – which consequences do these final evaluations have?

32. Does your authority/organisation have customer/citizen advisers?

Yes

No

If 'yes', how do they procede?

*Field of Modernization: Management*

33. Are there any principles and guidelines concerning management in your authority/organisation?

Yes

No

If 'yes' - what are the contents of those?

- how is the superior obliged to these principles?

34. Are there regular further trainings concerning strategies and concepts of the management which must be attended by the superiors?

Yes\*

No

\* Please furnish proof.

35. Are the superiors promoted because of their leadership attitudes?

Yes

No

36. Is there an efficient executive training for your superiors?

Yes

No

If 'yes', what is it like?

37. Are the executives of your authority/organisation able to motivate the workers to ensure and control quality autonomously?

Yes\*

No

\* Please furnish proof.

*Field of Modernisation: Personnel Management*

38. How does your authority/organisation recruit its staff?

Does your authority/organisation have a plan of management development?

Yes\*

No

\*Please furnish proof.

39. Are there any trainings on-the-job, mentors or contact persons for recently employed workers?

Yes

No

40. Are there regular dialogues between the superiors and the employees at your authority/organisation?

Yes

No

41. Does your authority/organisation grant intangible incentives?

Yes

No

If 'yes', which?

42. Does your authority/organisation offer an achievement-oriented payment or other financial incentives?

Yes

No

How does your authority/organisation offer further trainings according to the needs and qualifications of its employees?

43. Please name additionally the expenses for further trainings in relation to the total budget of your authority/organisation.

44. Please write down how often your employees take part in further trainings per year?

If possible, make distinctions according to professional qualification.

*Field of Modernisation: Design of Structure and Process*

45. Please write down according to which principles your authority/organisation is structured.

Please enclose an organizational chart.

46. Have you structured your authority/organisation according to given patterns/?

Yes

No

If 'yes' - which are these patterns?

If 'no' - please explain the aspects by the help of which you have structured your authority.

47. How many echelons of hierarchy does your authority/organisation have?

48. What about the span of control? (relation executive : workers)?

49. How many project teams are there in your authority at the moment?

– covering more than one department at the same time:

– within a single department:

Please give examples:

50. Have you recently altered the workflow organisation?

- If 'yes'
- which modifications, connected with which goals?
  - how did you carry out these changes?
  - which improvements were effected by these changes?

51. How do you ensure short operating times, decision processes and methods of recording?

Please enclose statistical evaluations which analyse the modes of working of usual/everyday services at your authority.

52. How does your authority/organisation guarantee an efficient information flow (horizontally and vertically)?

53. How many pages do your general service and business rules cover?

54. How do you ensure cooperation between the single departments?

**55. What kind of cooperation does your authority/organisation have with the following institutions/teams?**

- with representative institutions (e.g. Rat)?
- with other administrations/authorities (which have the same principles and goals)?
- with other administrations/authorities (which have different principles and goals)?
- with 'competing' administrations/authorities?
- with supervisory and controlling authorities/institutions?
- with special associations?
- with science/research?
- with the media?
- Public-Private Partnerships?
- participation in regional conferences, concerted activities etc.?
- participation in networks of experience and innovation-oriented associations?
- with other organisations? (please write down)

We would be glad if you could give us some details about the nature and intensity of those relations you marked above (if possible, with the help of some informative material).

**56. Has European integration had any effects on your authority/organisation?**

Yes

No

If 'yes' – which effects are these?

– how do you meet these requirements?

*Field of Modernisation: Use of technology*

57. To what extent have you applied information technology in order to improve operations planning?

58. How many percent of your work places are equipped with computers/terminals?

59. Has your authority/organisation developed its own software/applications?

Yes

No

If 'yes' - which?

60. Is there any further specialist training in data processing at your authority?

Yes

No

If 'yes' - do you enlist external advisers?

61. Is your authority/organisation connected with external data banks?

Yes

No

If 'yes' - which?

62. Has your authority/organisation developed any systems in order to inform and advice citizens?

Yes

No

If 'yes' - which?

## Section D: Other Evaluation Criteria

63. To what extent have the criteria of this questionnaire been appropriate/suitable to give a 'round image' of your authority/organisation?

very well fitting		sufficiently fitting			not sufficiently fitting	
1	2	3	4	5	6	7
<input type="checkbox"/>						

If you think that the given criteria are not sufficient to describe your authority/organisation, which other criteria would you add?

64. Which peculiarities of your authority/organisation should we – in your opinion – take into account when comparing it with other administrations?

- size of administration
- special principles/goals/tasks
- administration of the new federal states
- extreme financial restrictions
- low action scope
- politically sensitive sphere of action
- other:

65. How did you get to know/become aware of the Second Speyer Quality Competition?

- by specialist journals
- by internal information
- by other administrations
- by direct contact with the organizers
- by gathering information from:

66. What do you expect from your participation in the Second Speyer Quality Competition?

Please give a brief outline referring to your expectations:

67. How do you think you can utilize the results of the Second Speyer Quality Competition for your authority/organisation?

Please give a brief comment: