

PERFORMANCE-BASED PUBLIC MANAGEMENT IN PUBLIC ADMINISTRATION

PhD. Student Nicoleta IONICA VĂRUICU
The Bucharest Academy of Economic Studies

ABSTRACT

Adoption of modern management methods is a difficult process, but necessary, so continuing despite difficulties. Governments must deal with a complexity of increasingly larger and a more acute need specialized personnel to manage and solve new problems. Classical Administration, governed by a set of specific acts is not appropriate for this purpose. Performance-based Public Management can be implemented in any system, therefore in the public institutions in Romania. The experience of public management representatives of developed countries in the practice of public management based on performance showed once again, if needed, change the approach that public institutions and the role of public managers in this context is not only a desirable but conditions limiting resources, growth and diversification of stakeholder expectations of public institutions is absolutely necessary.

KEYWORDS: *efficiency, effectiveness, performance-based public management performance indicators.*

In order to address the work in the public sector in terms of efficiency concept must be understood and considered so because of the influence of economic factors and as a consequence of the influence of political factors, cultural, legal and especially the human factor, because in fact "Human resources are the underlying success or failure".

An analysis of decision-making system shows a very high share of short-term decisions, which lead to decisions with immediate effect, most often to the detriment medium and long term decisions that are totally neglected. Moreover, such an approach lead to long-term negative effects, increasing the risk factor. In the public sector in Romania, the human factor is one of the more overlooked resources and the consequences of such a situation leads to effects that are not hard to deduce.

The human factor is a key element of business and public sector performance. Moreover, coordination is especially critical of the size and quality of work in the public sector. Thus one can not mention the effectiveness of public institutions in general without having to, besides economic efficiency and directly measurable aspects, and a number of issues directly quantifiable, but have multiple consequences on public sector performance. These occupy an important place, as is natural, effective labor officials. The effective use of staff's work efficiency depends very quality and efficiency of government activity.

In other words, the effectiveness of government authority is determined by:

- quality of governance,
- skills, ability to work and proper execution of tasks,
- local authorities' ability to perform tasks in a timely manner.

Public sector human resource problem is multiple aspects of social and human, political, legal and technical. Thus, place matters in connection with the professional training of personnel of public institutions, problems in connection with recruitment and its distribution, with appreciation and promotion to various positions in general management issues for staff.

There are also problems concerning the behavior of public servants in their relations with citizens, issues related to interpersonal relations within public institutions or concerning the relationship between public sector and company personnel.

All these aspects of personnel issues in public administration should not be discussed but only in strictly legal terms, since they would lead to an incomplete knowledge of the realities of administration, because there are aspects of work that public servants have the legal regulation but have critical role to ensure the efficiency of these institutions and the issuing of its social mission.

Also stated that the relationship between effectiveness and efficiency is one of part - whole, effective in directly influencing the efficiency, in particular those of staff, is just an intrinsic element of it. More can be said that efficiency is an attribute of man and is the source in the personality, knowledge, reason, public servants, but also in the relations between them.

Every public official in the Labor Party would negatively influence the overall activity of the institution and/or authority. Moreover, could threaten the fundamental objective itself Utility: satisfaction of public interest.

It is therefore necessary to focus public attention on the performance of human resources managers, growth will obviously influence the efficiency of financial and material resources and overall efficiency of public institutions and authorities.

Unfortunately, many specialists believe that the reform of public administration reform is sufficient regulation of its activity, the main issues to understand that without a legal framework is worth very little if not enough civil servants to build him by their work. Many public managers in the public sector in our country do not understand that for administrative reform is not enough expanding and improving the regulatory framework, creating an appropriate institutional framework and even develop program on recruitment, career plan, specialized training, standards and control the performance of civil servants. We need more, namely: a new perspective on conceptions of civil servants and their role in the administrative system, a new approach to their activity in terms of concepts of efficiency and effectiveness, because they are essential elements of change.

An example of this is application O.U.G. no. 37/2009 regarding some measures for improving the activity of public administration by making the activity of public institutions and improve document management in terms of reducing budget expenditure and taking into account the views and recommendations of the European Commission and international financial organizations. Under that ordinance and executive functions of Deputy Executive Director (turned into master director and chief deputy coordinator) will be exercised on the basis of a management contract concluded with the principal authorizing officer for a period not exceeding 4 years, in which contents are incorporated indicators specific performance objectives, contract terms governing the rights and obligations of the parties and conditions for termination and termination thereof.

I will continue this methodology for the development and monitoring of performance indicators of the National Agency for Fiscal Administration and territorial structures - General Direction of Public Finances county.

Performance begins with a well planned activity involves reducing business cycle and allow the allocation of time to a greater extent for analysis to improve the decisions taken at senior management level. The planning function is determined the most appropriate course of future action to achieve desired results. The purpose of the planning function is to establish objectives, targets which will be driven by activity in the future, and of how to achieve them (actions, resources and their allocation, implementation). The business planning managers fail to master the development organization and to adapt to external changes. Strategic planning activities and provisions of the resolution is referred to the Government on organization and operation of NAFA, the powers NAFA to propose strategies for medium and long term development and solutions in tax administration reform.

The performance management system NAFA ensure better planning through feedback management tool gives NAFA.

The objective is measurable results (therefore, quantifiable) to be achieved by a given deadline.

Objectives defined in the Agency are:

- Strategic objectives – defined in the strategy;
- General objectives – defined in the policy;
- Specific targets – defined in the compartments;
- Individual targets – defined in charge of employees.

Strategic objectives:

- Increase quality of services offered taxpayers;
- Effectiveness of combating tax evasion;
- Collection efficiency (cost control it: the operating, personnel and equipment);
- Quality of life offered tax officials.

Objectives are developed at the Agency, direction and final goal to be achieved and to which is to direct all resources.

The specific objectives are defined within an overall objective and should contribute directly to its performance and lead to an expected result.

NAFA aims to meet the requirements package SMART, ie:

Specific	Indicates exactly what is desired to obtain
Measure	Can be measured either quantitatively or qualitatively
Access	Can be achieved
Realistic	Contributes to the strategic plan set
(Reported on) time	Contains the date by which it is set to achieve

The objectives are:

- permanent:
- compliance with legislation;
- optimal use of resources (financial, human, technical);
- quality of information used internally or externally (parliament, government, etc.);
- increased reliability of data;
- safety of people and information;
- identification and risk prevention;
- quantified:
- quantified objectives and performance indicators.

The essential aim of the system of targets set by the strategy in the medium/long of the institution is evaluating the organization's activities and the distribution of responsibilities, which allows management to take the necessary boost. This evaluation is done through performance indicators.

Performance indicators are essential tools by which to evaluate the effectiveness/efficiency of tax administration, a numerical expression of certain aspects of NAFA. System-wide analysis of indicators provides an overview of the efficiency / effectiveness analysis work. It is time, expressed in figures or percentages, which allows measurement of results achieved to the objective.

Performance indicators are derived indicators, calculated as ratios between the levels planned and carried out the same index, or weight.

Specifically, indicators can be established by objective formulas for performance evaluation and incentive units and their staff.

Performance indicators are a support element of managerial control and management function. The difficulties and complexity of measurement system is a challenge for the organization and involvement and commitment of managers of National Tax Administration Agency (central structures and territorial structures) are crucial in determining plan objectives and performance indicators.

Collaboration between central and local structures of NAFA is a dynamic and pragmatic, tailored to local context, to reflect an effective management tool. Monitoring activity includes all measures taken during the activity to control activities and to ensure reasonably goals.

NAFA is the control activity:

➤ **external:** is provided by the Court of Accounts;

➤ **internal:** *internal audit* (provided by the General Inspection and the DGAPI) and *internal control* activities conducted by NAFA management, which involves monitoring, analyzing all the context and means by which it ordered, and then taking appropriate measures to achieve the desired results (according to flight objectives).

On the basis of the objectives listed in the NAFA strategy, and the request of the Directorate General for strategic planning and monitoring the achievement of budgetary debt, the specialty divisions of the NAFA set performance indicators characterizing their activities, after consultation with the territorial structures of level II (DGFP).

Each indicator is accompanied by the methodology proposed for its calculation, prepared by direction (general) of the National Revenue Agency, the responsibility which is coordinating that activity.

After receiving the inventory performance indicators to be monitored next year at a meeting organized DGFP heads of subordinate tax, in which will be presented and analyzed indicators and their detailed records. This meeting will be chaired by the Director of DGFP regional coordinator.

After setting planned levels of performance indicators by each AFP in the county, they will be tabulated and will be developed **Scoreboard** including planned levels of performance indicators. After approval by the head of public finance administration, it will be sent to DGFP. After approval of the instrument panel including planned levels of performance indicators, it is sent to the General Directorate of Strategic Planning and monitoring the achievement of budgetary claims.

Directorate general for strategic planning and monitoring the achievement of budgetary claims draw scoreboard summary including planned levels of performance indicators and communicate this dashboard specialty divisions in NAFA whose activity is measured by those indicators. Specialty divisions analyze and compare these rates with existing data in their databases and the levels of the previous year.

In order to complete the planned levels of performance indicators, is launching a dialogue between the directions of specialty and intermediate general direction of strategic planning and monitoring the achievement of budgetary claims. The latter held a meeting to invite and specialty divisions, represented by director / general manager, and general directions of public finance county and Bucharest, so that final note sent General Directorate's strategic planning and monitoring the achievement of budgetary claims including planned levels of performance indicators endorsed by both the territorial DGFP and the specialty divisions of NAFA. Scoreboard will be endorsed by the management NAFA (coordinators and vice president of NAFA).

After approval of planned levels of performance indicators by NAFA President, General Directorate of Strategic Planning and monitoring the achievement of budgetary claims transmits directions received by the activity measured in power, General Directorate of territorial public finance, for inclusion in product data management indicators.

Planned levels of performance indicators are loaded into the database by designated persons within the territorial DGFP both AFP and subordinate to work, and the persons designated in the General Directorate of Strategic Planning and monitoring the

achievement of budgetary claims, indicators for grade levels to achieve revenue collection program budget - Gross value/net until the 10th of the month following the reporting.

Monitoring reporting levels of performance indicators achieved with information systems is provided by the Directorate General of Information Technology. Management systems necessary to update the performance indicators, Directorate General for Strategic Planning and monitoring the achievement of budgetary claims, after consultations with specialty divisions in the National Revenue Agency prepare and submit to the General Directorate of Information Technology with written instructions and specifications on defining elements and indicators on the output format and the rights and obligations of participating in management performance indicators or are beneficiaries of the results.

For coordinating director of the D.G.F.P. county were established following performance indicators:

1. Making program net revenues;
2. Reduce arrears by 20% from the total arrears at the end of recoverable recorded the previous year, with actual retrieval in collection;
3. Increase voluntary compliance to pay (value) from the previous year;
4. Increase budget revenues by forced execution against the previous year;
5. Attracted additional amounts (net) by an inspector following the inspection of the taxpayers legal entities and individuals;
6. Share of tax decisions in the total number of inspection ended corporate taxpayers;
7. The weight of decision to impose the disputed corporate taxpayers;
8. Budget execution in accordance with the allocations granted under budgetary classification.

The 2010 is elaborated a package of performance indicators extended 12 indicators.

In conclusion professionalize public management requires a comprehensive attraction, selection and creation in the public institutions of a specialized body of civil servants in public management, public management exercising functions, to apply the methods, techniques and approaches that lead to getting in public institutions of special performances responding to expectations of other institutions in the administrative apparatus, but also of citizens.

References

1. Androniceanu, A., *The News in Public Management*, Bucharest, Editura ASE, 2003
2. Nicolescu, O., Verboncu, I., *Foundations of Corporate Management*, Tribune Publishing, Bucharest, 2001
3. Nicolescu, O., Verboncu, I., *Methodologies management*, Economic Tribune Publishing, Bucharest, 2001
4. Nicolescu, O., Plumb, I., Pricop, M., Vasilescu, I., Verboncu, I., *Modern Approaches in Management and Economy*, vol 1 – 4, Tribune Publishing House, Bucharest, 2001
5. *** Methodology development, monitoring and evaluation of performance indicators of the National Agency for Fiscal Administration and territorial structures